



OKH GLOBAL LTD.

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

Unaudited Condensed Interim Financial Statements and Related Announcement for the Six Months ended December 31, 2021

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February 11, 2022



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

| | Note | Group | | |
|-------------------------------------|------|--|--|--------|
| | | HYFY2022 6 months ended Dec 31, 2021 S\$'000 | HYFY2021 6 months ended Dec 31, 2020 S\$'000 | change |
| Revenue | 6 | 8,151 | 8,091 | 0.7% |
| Cost of sales | | (635) | (581) | 9.3% |
| Gross profit | | 7,516 | 7,510 | 0.1% |
| Other income | | 925 | 552 | 67.6% |
| General and administrative expenses | | (2,333) | (2,457) | -5.0% |
| Finance costs | | (1,898) | (1,999) | -5.1% |
| Share of profits of associates | | 1,017 | 1,108 | -8.2% |
| Profit before income tax | 7 | 5,227 | 4,714 | 10.9% |
| Income tax credit | 8 | 37 | - | n.m. |
| Profit for the period | | 5,264 | 4,714 | 11.7% |
| Profit attributable to: | | | | |
| Owners of the Company | | 5,264 | 4,714 | 11.7% |
| Non-controlling interests | | - | - | n.m. |
| | | 5,264 | 4,714 | 11.7% |



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

| | Group | | |
|---|--|--|--------|
| | HYFY2022 6 months ended Dec 31, 2021 S\$'000 | HYFY2021 6 months ended Dec 31, 2020 S\$'000 | change |
| Profit for the period | 5,264 | 4,714 | 11.7% |
| Other comprehensive (losses) income: | | | |
| <i>Item that may be reclassified subsequently to profit or loss</i> | | | |
| Share of other comprehensive (loss) income of associates | (786) | 1,045 | n.m. |
| Other comprehensive (loss) income for the period | <u>(786)</u> | <u>1,045</u> | n.m. |
| Total comprehensive income for the period | <u><u>4,478</u></u> | <u><u>5,759</u></u> | -22.2% |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | 4,478 | 5,759 | -22.2% |
| Non-controlling interests | - | - | n.m. |
| | <u><u>4,478</u></u> | <u><u>5,759</u></u> | -22.2% |



B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

| | Note | Group | | Company | |
|--|------|-----------------------|-----------------------|----------------------|----------------------|
| | | Dec 31, 2021 | Jun 30, 2021 | Dec 31, 2021 | Jun 30, 2021 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | | Audited | | Audited | |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and bank balances | | 12,646 | 10,617 | 138 | 79 |
| Trade and other receivables | | 3,176 | 3,540 | 36,940 | 36,213 |
| Properties for sale | 9 | 2,592 | 2,592 | - | - |
| Total current assets | | <u>18,414</u> | <u>16,749</u> | <u>37,078</u> | <u>36,292</u> |
| Non-current assets | | | | | |
| Property, plant and equipment | 10 | 432 | 38 | - | - |
| Investment properties | 12 | 127,122 | 128,600 | - | - |
| Investments in subsidiaries | | - | - | 10,000 | 10,000 |
| Investment in joint venture | | - | - | - | - |
| Investment in associates | 13 | 59,245 | 59,014 | - | - |
| Financial asset at fair value through profit or loss | 14 | 9,000 | 9,000 | - | - |
| Total non-current assets | | <u>195,799</u> | <u>196,652</u> | <u>10,000</u> | <u>10,000</u> |
| Total assets | | <u>214,213</u> | <u>213,401</u> | <u>47,078</u> | <u>46,292</u> |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | | 17,827 | 8,888 | 28,136 | 19,041 |
| Lease liabilities | 15 | 889 | 3,308 | - | - |
| Loans due to a shareholder | 17 | 43,537 | - | 43,537 | - |
| Bank loans | 16 | 20,540 | 77,822 | - | - |
| Income tax payable | | 155 | 155 | - | - |
| Total current liabilities | | <u>82,948</u> | <u>90,173</u> | <u>71,673</u> | <u>19,041</u> |



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

| | Group | | Company | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Dec 31, 2021 | Jun 30, 2021 | Dec 31, 2021 | Jun 30, 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | | Audited | | Audited |
| Non-current liabilities | | | | |
| Other payables | - | 8,004 | - | 8,004 |
| Loans due to a shareholder | 17 | 43,537 | - | 43,537 |
| Lease liabilities | 15 | 29 | - | - |
| Bank loans | 16 | - | - | - |
| Total non-current liabilities | | 55,129 | - | 51,541 |
| Total liabilities | | 138,077 | 71,673 | 70,582 |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 18 | 27,916 | 8,936 | 8,936 |
| Share premium | | 69,304 | 72,155 | 72,155 |
| Contributed surplus | | 12,063 | 126,389 | 126,389 |
| Translation reserves | | (4,779) | (1,491) | (1,491) |
| Other reserves | | (330) | - | - |
| Accumulated losses | | (28,338) | (230,584) | (230,279) |
| Equity attributable to owners of the Company | | 75,836 | (24,595) | (24,290) |
| Non-controlling interests | | 300 | - | - |
| Total equity (capital deficiency) | | 76,136 | (24,595) | (24,290) |
| Total liabilities and equity (net of capital deficiency) | | 214,213 | 47,078 | 46,292 |



C. CONDENSED INTERIM 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, 2020 | 27,916 | 69,304 | 12,063 | (4,582) | (476) | (37,232) | 66,993 | 300 | 67,293 |
| Total comprehensive income for the period: | | | | | | | | | |
| Profit for the period | - | - | - | - | - | 4,714 | 4,714 | - | 4,714 |
| Other comprehensive income for the period | - | - | - | 897 | 148 | - | 1,045 | - | 1,045 |
| Total | - | - | - | 897 | 148 | 4,714 | 5,759 | - | 5,759 |
| Balance at December 31, 2020 | 27,916 | 69,304 | 12,063 | (3,685) | (328) | (32,518) | 72,752 | 300 | 73,052 |
| Balance at July 1, 2021 | 27,916 | 69,304 | 12,063 | (4,141) | (182) | (33,602) | 71,358 | 300 | 71,658 |
| Total comprehensive income for the period: | | | | | | | | | |
| Profit for the period | - | - | - | - | - | 5,264 | 5,264 | - | 5,264 |
| Other comprehensive loss for the period | - | - | - | (638) | (148) | - | (786) | - | (786) |
| Total | - | - | - | (638) | (148) | 5,264 | 4,478 | - | 4,478 |
| Balance at December 31, 2021 | 27,916 | 69,304 | 12,063 | (4,779) | (330) | (28,338) | 75,836 | 300 | 76,136 |



C. CONDENSED INTERIM 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 period, representing total comprehensive | - | - | - | - | (366) | (366) |
| Balance at December 31, 2020 | 8,936 | 72,155 | 126,389 | (1,491) | (230,367) | (24,378) |
| Balance at July 1, 2021 | 8,936 | 72,155 | 126,389 | (1,491) | (230,279) | (24,290) |
| Loss for the period, representing total comprehensive | - | - | - | - | (305) | (305) |
| Balance at December 31, 2021 | 8,936 | 72,155 | 126,389 | (1,491) | (230,584) | (24,595) |



D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | Group | |
|--|------|----------------|----------------|
| | | 6 months ended | 6 months ended |
| | | Dec 31, 2021 | Dec 31, 2020 |
| | | S\$'000 | S\$'000 |
| Operating activities | | | |
| Profit for the period | | 5,264 | 4,714 |
| Adjustments for: | | | |
| Income tax credit | | (37) | - |
| Bad debt expense | 7 | 16 | - |
| Gain on disposal of property, plant and equipment | 7 | (144) | - |
| Loss on disposal of investment property | | 19 | - |
| Depreciation of property, plant and equipment | 10 | 52 | 5 |
| Interest expense | | 1,898 | 1,999 |
| Interest income | 7 | - | (1) |
| Share of (profits) losses of associates | | (1,017) | (1,108) |
| Operating cash flows before movement in working capital | | 6,051 | 5,609 |
| Trade and other receivables | | 348 | 243 |
| Trade and other payables | | (111) | (270) |
| Cash generated from operations | | 6,288 | 5,582 |
| Income tax refund | | 37 | (104) |
| Interest paid | | (853) | (946) |
| Net cash from operating activities | | 5,472 | 4,532 |
| Investing activities | | | |
| Purchase of property, plant and equipment | 10 | (446) | - |
| Proceeds from disposal of property, plant and equipment | | 145 | - |
| Proceeds from sale of investment property | | 1,459 | - |
| Interest received | | - | 1 |
| Net cash (used in) from investing activities | | 1,158 | 1 |
| Financing activities | | | |
| Repayment of bank loans | | (2,375) | (493) |
| Repayment of lease liabilities | | (2,226) | (2,380) |
| Net cash used in financing activities | | (4,601) | (2,873) |
| Net increase in cash and cash equivalents | | 2,029 | 1,660 |
| Cash and cash equivalents at beginning of the period | | 10,617 | 7,182 |
| Cash and cash equivalents at end of the period | | 12,646 | 8,842 |



E. NOTES TO THE CONDENSED INTERIM 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 interim financial statements for the financial period ended December 31, 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. The condensed interim 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 interim 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 interim 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 and general engineering.
- (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 |
|--|------------------------------------|-----------------------------------|----------------------------------|------------------------|----------------------------|
| <u>6 months ended December 31,2021</u> | | | | | |
| Revenue: | | | | | |
| External customers, representing total revenue | 76 | - | 8,075 | - | 8,151 |
| Total revenue | <u>76</u> | <u>-</u> | <u>8,075</u> | <u>-</u> | <u>8,151</u> |
| Results | 119 | (14) | 7,338 | (71) | 7,372 |
| Unallocated expenses | | | | | (247) |
| Finance costs | | | | | (1,898) |
| Profit before tax | | | | | <u>5,227</u> |
| Income tax credit | | | | | 37 |
| Profit for the period | | | | | <u><u>5,264</u></u> |
| <u>6 months ended December 31,2020</u> | | | | | |
| Revenue: | | | | | |
| External customers, representing total revenue | 36 | - | 8,054 | - | 8,091 |
| Total revenue | <u>36</u> | <u>-</u> | <u>8,054</u> | <u>-</u> | <u>8,091</u> |
| Results | 78 | (14) | 7,218 | (136) | 7,147 |
| Unallocated expenses | | | | | (434) |
| Finance costs | | | | | (1,999) |
| Profit before tax | | | | | <u>4,714</u> |
| Income tax expense | | | | | - |
| Profit for the period | | | | | <u><u>4,714</u></u> |



4. SEGMENT AND REVENUE INFORMATION (CONT'D)

4.1. Reportable segments (cont'd)

| | Construction Services | Property Development | Property Investment | Total |
|---------------------------------------|--------------------------|-------------------------|------------------------|-----------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Dec 31, 2021</u> | | | | |
| Segment assets: | | | | |
| Total segment assets | 2,084 | 2,592 | 199,735 | 204,412 |
| Unallocated assets | | | | 9,801 |
| Total consolidated assets | | | | <u>214,213</u> |
| Segment liabilities: | | | | |
| Total segment liabilities | 1,866 | - | 83,293 | 85,159 |
| Unallocated liabilities | | | | 52,918 |
| Total consolidated liabilities | | | | <u>138,077</u> |
| | | | | |
| <u>Jun 30, 2021</u> | | | | |
| Segment assets: | | | | |
| Total segment assets | 1,503 | 2,592 | 199,578 | 203,673 |
| Unallocated assets | | | | 9,728 |
| Total consolidated assets | | | | <u>213,401</u> |
| Segment liabilities: | | | | |
| Total segment liabilities | 1,671 | - | 88,021 | 89,692 |
| Unallocated liabilities | | | | 52,051 |
| Total consolidated liabilities | | | | <u>141,743</u> |



5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

| | Group | | Company | |
|--|----------------------|------------------|----------------------|------------------|
| | December 31, 2021 | June 30, 2021 | December 31, 2021 | June 30, 2021 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Financial assets | | | | |
| At amortised cost: | | | | |
| Cash and bank balances | 12,646 | 10,617 | 138 | 79 |
| Trade and other receivables | 2,567 | 2,869 | 36,868 | 36,168 |
| At fair value through profit or loss: | | | | |
| Financial asset at fair value through profit or loss | 9,000 | 9,000 | - | - |
| | <u>24,213</u> | <u>22,488</u> | <u>37,006</u> | <u>36,247</u> |
| Financial liabilities | | | | |
| At amortised cost: | | | | |
| Bank loans and overdrafts | 75,447 | 77,822 | - | - |
| Trade and other payables | 16,228 | 15,368 | 28,138 | 27,045 |
| Lease liabilities | 1,111 | 3,337 | - | - |
| Loans due to a shareholder | 43,537 | 43,537 | 43,537 | 43,537 |
| | <u>136,323</u> | <u>140,064</u> | <u>71,675</u> | <u>70,582</u> |

6. REVENUE

| | Group | |
|--------------------------------------|--|--|
| | 6 months ended December 31, 2021 | 6 months ended December 31, 2020 |
| | S\$'000 | S\$'000 |
| Type of goods and services | | |
| Revenue from construction services | 76 | 36 |
| Rental income | 6,241 | 6,383 |
| Rental related income | 1,834 | 1,672 |
| | <u>8,151</u> | <u>8,091</u> |
| Timing of revenue recognition | | |
| Over time | <u>1,834</u> | <u>1,672</u> |



7. PROFIT BEFORE INCOME TAX

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

| | Group | |
|---|---|---|
| | 6 months ended December 31, 2021 | 6 months ended December 31, 2020 |
| | S\$'000 | S\$'000 |
| Depreciation of property, plant and equipment | 52 | 5 |
| Bad debt expense | 16 | - |
| Loss on sale of investment property | 19 | - |
| Gain on disposal of property, plant and equipment | (144) | - |
| Interest income | - | (1) |
| Grant income | (599) | (515) |
| Grant expenses | - | 188 |
| Employee benefits expense | 1,058 | 1,136 |

8. INCOME TAX CREDIT

| | Group | |
|---|---|---|
| | 6 months ended December 31, 2021 | 6 months ended December 31, 2020 |
| | S\$'000 | S\$'000 |
| Underprovision of current tax in prior year | 155 | - |
| Income tax refund | (191) | - |
| | (36) | - |

9. PROPERTIES FOR SALE

| | Group | |
|--|------------------------------|--------------------------|
| | December 31, 2021 | June 30, 2021 |
| | S\$'000 | S\$'000 |
| Cost incurred for properties for sale | 311,141 | 311,141 |
| Less: Allowance for diminution in value | (892) | (892) |
| Cost of units of property recognised as cost of sales, to date | (182,943) | (182,943) |
| Transferred to investment property, to date | (124,714) | (124,714) |
| Net properties for sale | 2,592 | 2,592 |



Movement in the allowance of diminution in value

| | Group | |
|--|------------------------------|--------------------------|
| | December 31, 2021 | June 30, 2021 |
| | 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) | - | (7,598) |
| Balance at end of the year | <u>892</u> | <u>892</u> |

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 | 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 | - | - | 446 | - | - | 446 |
| Disposals | - | - | (493) | - | - | (493) |
| At December 31, 2021 | 410 | 383 | 1,054 | 273 | 220 | |
| 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 period | 7 | - | 45 | - | - | 52 |
| Disposals | - | - | (493) | - | - | (493) |
| At December 31, 2021 | 383 | 383 | 653 | 269 | 220 | 1,908 |
| Carrying amount: | | | | | | |
| At June 30, 2021 | 34 | - | - | 4 | - | 38 |
| At December 31, 2021 | 27 | - | 401 | 4 | - | 432 |

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 and motor vehicle on finance lease. 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 |
| Addition | 446 | - | 446 |
| At December 31, 2021 | 452 | 26 | 478 |
| Accumulated depreciation: | | | |
| At June 30, 2020 | 6 | 6 | 12 |
| Depreciation for the year | - | 6 | 6 |
| At June 30, 2021 | 6 | 12 | 18 |
| Depreciation for the period | 45 | 3 | 48 |
| At December 31, 2021 | 51 | 15 | 66 |
| Carrying amount: | | | |
| At June 30, 2021 | - | 14 | 14 |
| At December 31, 2021 | 401 | 11 | 412 |

12. INVESTMENT PROPERTIES

| | Group | |
|--|---------------------------------|-----------------------------|
| | December 31, 2021 S\$'000 | June 30, 2021 S\$'000 |
| At fair value | | |
| Balance at beginning of the year | 128,600 | 125,863 |
| Transfer from properties for sale (Note 9) | - | 9,348 |
| Sale of investment properties during the year | (1,478) | (1,000) |
| Change in fair value included in profit or loss (Note 7) | - | (5,611) |
| Balance at end of the year | 127,122 | 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 December 31, 2021 (June 30, 2021: S\$2,500,000).

As at December 31, 2021, the fair value of the Group's investment properties amounting to S\$127,122,000 (June 30, 2021 : S\$128,600,000) has been based on the latest appraised values of the investment properties as at June 30, 2021 as there was no significant change to the market conditions.

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 | |
|---|------------------------------|--------------------------|
| | December 31, 2021 | June 30, 2021 |
| | 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 | 25,258 | 25,027 |
| | <u>59,245</u> | <u>59,014</u> |

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 | |
|--|------------------------------|--------------------------|
| | December 31, 2021 | June 30, 2021 |
| | 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 | |
|-------------|------------------------------|--------------------------|
| | December 31, 2021 | June 30, 2021 |
| | S\$'000 | S\$'000 |
| Current | 889 | 3,308 |
| Non-current | 222 | 29 |
| | 1,111 | 3,337 |

Reconciliation of liabilities arising from financing activities

| <u>Group</u> | At beginning of period | Net financing cash flow | At end of period |
|--------------------------|---------------------------|----------------------------|------------------|
| | S\$'000 | S\$'000 | S\$'000 |
| December 31, 2021 | | | |
| Bank loans | 77,822 | (2,375) | 75,447 |
| Lease liabilities | 3,337 | (2,226) | 1,111 |
| | 87,677 | (6,518) | 81,159 |

| <u>Group</u> | At beginning of year | Net financing cash flow | At end of year |
|----------------------|-------------------------|----------------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 |
| June 30, 2021 | | | |
| Bank loans | 79,538 | (1,716) | 77,822 |
| Lease liabilities | 8,139 | (4,802) | 3,337 |
| | 87,677 | (6,518) | 81,159 |



16. BANK LOANS

| | Group | |
|---|----------------------|------------------|
| | December 31, 2021 | June 30, 2021 |
| | S\$'000 | S\$'000 |
| Short-term bank loans | 20,540 | 37,902 |
| Current portion of long-term bank loans | - | 39,920 |
| Amount due for settlement within 12 months, secured (shown under current liabilities) | 20,540 | 77,822 |
| Long-term bank loans repayable as follows: | | |
| More than one year, but not exceeding two years | - | - |
| More than two years, but not more than five years | 54,907 | - |
| More than five years | - | - |
| Amount due for settlement after 12 months, secured (shown under non-current liabilities) | 54,907 | - |
| Total | 75,447 | 77,822 |

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 non-compliance with the financial covenant was subsequently cured as at December 31, 2021. 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 December 31, 2021, the Company has three (June 30, 2021: 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 interim financial statements, the Group has entered into the following significant related party transaction with a related party:

| | Group | |
|--|--|--|
| | 6 months ended December 31, 2021 | 6 months ended December 31, 2020 |
| | S\$'000 | S\$'000 |
| <u>Shareholder</u> | | |
| Interest on loans due to a shareholder | 1,053 | 1,053 |



18. SHARE CAPITAL

| | Company | | | |
|--------------------------------------|--------------------------------|--------------------------|------------------------------|--------------------------|
| | December 31, 2021 | June 30, 2021 | December 31, 2021 | June 30, 2021 |
| | 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 December 31, 2021 and June 30, 2021.

19. EARNINGS PER ORDINARY SHARE

| | Group | | |
|--|---|---|---------------|
| | 6 months ended December 31, 2021 | 6 months ended December 31, 2020 | Change |
| Basic and diluted earnings per share | | | |
| Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents) | 0.47 | 0.42 | 11.7% |
| Total number of issued ordinary shares | 1,128,657,445 | 1,128,657,445 | |

20. NET ASSET VALUE PER ORDINARY SHARE

| | Group | | |
|---|------------------------------|--------------------------|---------------|
| | December 31, 2021 | June 30, 2021 | 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) | 6.72 | 6.32 | 6.3% |
| Total number of issued ordinary shares | 1,128,657,445 | 1,128,657,445 | |
| | Company | | |
| | December 31, 2021 | June 30, 2021 | 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) | (2.18) | (2.15) | 1.4% |
| 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 interim consolidated statement of financial position of OKH Global Ltd and its subsidiaries as at December 31, 2021 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the group

Condensed interim consolidated statement of profit or loss and other comprehensive income

Revenue

The Group posted revenue of approximately S\$8.15 million in the 6 months ended December 31, 2021 ("HYFY2022") as compared to S\$8.09 million in the 6 months ended December 31, 2020 ("HYFY2021"). The slight increase in the reported revenue for HYFY2022 was attributed to the Group's property investment segment due to increased leasing activities and increase in construction services provided by the Group's construction segment.

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

The Group recorded a marginal increase in gross profit of approximately S\$7.52 million in HYFY2022 as compared to approximately S\$7.51 million in HYFY2021. As a result, the Group's GPM has no significant change when comparing HYFY2022 to HYFY2021.

Other income

Other income for HYFY2022 was higher at approximately S\$0.93 million as compared to S\$0.55 million in HYFY2021. Amongst others, the increase was largely attributed to the higher grant income received in HYFY2022 and the gain from disposal of property, plant and equipment.

General and administrative expenses

General and administrative expenses decreased by 5.0% from approximately S\$2.46 million in HYFY2021 to S\$2.33 million in HYFY2022. The decrease was largely due to lower maintenance funds paid for properties managed by the MCST and lower staff and related costs.

Finance costs

Finance costs decreased by 5.1% from approximately S\$2.00 million in HYFY2021 to S\$1.90 million in HYFY2022. The decrease was due to the lower outstanding bank loans in HYFY2022 as compared to HYFY2021.

Share of profits of associates

Share of profits of associate decreased to S\$1.02 million in HYFY2022 from S\$1.11 million in HYFY2021 mainly due to higher repair and maintenance cost incurred for their properties.

Income tax credit

For HYFY2022, income tax credit amounts to S\$0.04 million as compared to S\$nil in HYFY2021 due to refund for overpayment of tax in the previous financial year.



Profit for the period

As a result of the foregoing, the Group registered a total profit of approximately S\$5.23 million in HYFY2022 as compared to S\$4.71 million in HYFY2021.

Condensed interim statements of financial position

As at December 31, 2021, total current assets stood at approximately S\$18.41 million as compared to S\$16.75 million as at June 30, 2021. The increase in total current assets is mainly due to the higher cash and bank balances partially offset by the decrease in trade and other receivables.

Total non-current assets stood at approximately S\$195.80 million as at December 31, 2021 as compared to approximately S\$196.65 million as at June 30, 2021. The decrease was a result of the sale of 1 unit of investment property which was partially offset by the increase in investment of associates due to the share of profits from the associates.

As at December 31, 2021, total current liabilities decreased to approximately S\$82.95 million as compared to approximately S\$90.17 million as at June 30, 2021. This was largely attributed to reclassification of a bank loans from current liabilities to non-current liabilities as the maturity date of the bank loans were extended. The decrease was partially offset by the reclassification of the loans to a shareholder from non-current liabilities to current liabilities as its maturity date is in July 2022.

Total non-current liabilities increased to approximately S\$55.13 million as at December 31, 2021 as compared to approximately S\$51.57 million as at June 30, 2021. The increase was largely due to reclassification of bank loans from current liabilities to non-current liabilities which was partially offset by the reclassification of the loans to a shareholder from non-current liabilities to current liabilities.

Condensed interim consolidated statement of cash flows

Net cash from operating activities

For the 6 months ended December 31, 2021, the Group generated a net cash from operating activities of approximately S\$5.47 million as compared to a net cash of approximately S\$4.53 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\$1.16 million for the 6 months period ended December 31, 2021 from investing activities as compared to net cash from investing activities of approximately S\$1,000 in the corresponding period in the preceding year. The net cash inflow in for the 6 months ended December 31, 2021 is largely due to proceeds from the disposal of investment property and property, plant and equipment in the current period which was partially offset by the purchase of property, plant and equipment.

Net cash used in financing activities

The Group recorded net cash used in financing activities of approximately S\$4.60 million in the 6 months ended December 31, 2021 as compared to a net cash used of S\$2.87 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\$2.03 million for the 6 months period ended December 31, 2021.

Cash and cash equivalents as at December 31, 2021 stood at S\$12.65 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 | 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 |
|---|-------------------------|--|---|
| Haiyi Holdings Pte Ltd Interest on loan | Controlling shareholder | 1,053 | - |

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. Negative confirmation pursuant to Rule 705(5)

The Board of Directors of the Company hereby confirms to the best of their 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 six months financial period ended 31 December 2021 to be false or misleading in any material aspects.

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

During the financial period ended December 31, 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
FEBRUARY 11, 2022