



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, 2022

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February 10, 2023



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

	Note	Group		change
		FY2023 6 months ended Dec 31, 2022 S\$'000	FY2022 6 months ended Dec 31, 2021 S\$'000	
Revenue	6	8,640	8,151	6.0%
Cost of sales		(1,402)	(1,381)	1.5%
Gross profit		7,238	6,770	6.9%
Other income		65	925	-93.0%
Other expenses		(3,000)	-	n.m.
General and administrative expenses		(2,801)	(1,587)	76.5%
Finance costs		(1,437)	(1,898)	-24.3%
Share of profits of associates		-	1,017	-100.0%
Profit before income tax	7	65	5,227	-98.8%
Income tax (expense) credit	8	(3)	37	-108.1%
Profit for the period		62	5,264	-98.8%
Profit attributable to:				
Owners of the Company		62	5,264	-98.8%
Non-controlling interests		-	-	n.m.
		62	5,264	-98.8%



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

	Group		
	FY2023 6 months ended Dec 31, 2022 S\$'000	FY2022 6 months ended Dec 31, 2021 S\$'000	change
Profit for the period	62	5,264	-98.8%
Other comprehensive loss:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Share of other comprehensive loss of associates	-	(786)	-100.0%
Other comprehensive loss for the period	-	(786)	-100.0%
Total comprehensive income for the period	<u>62</u>	<u>4,478</u>	-98.6%
Total comprehensive income attributable to:			
Owners of the Company	62	4,478	-98.6%
Non-controlling interests	-	-	n.m.
	<u>62</u>	<u>4,478</u>	-98.6%



B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		Dec 31, 2022	Jun 30, 2022	Dec 31, 2022	Jun 30, 2022
		S\$'000	S\$'000	S\$'000	S\$'000
		Audited		Audited	
<u>ASSETS</u>					
Current assets					
Cash and bank balances		15,562	14,558	107	77
Trade and other receivables		2,661	3,966	15,240	15,476
Properties for sale	9	-	-	-	-
Non-current asset classified as held for sale	10	35,000	850	-	-
Total current assets		53,223	19,374	15,347	15,553
Non-current assets					
Property, plant and equipment	11	361	408	-	-
Investment properties	13	82,500	120,500	-	-
Investments in subsidiaries		-	-	10,000	10,000
Investment in joint venture		-	-	-	-
Investment in associates	14	-	-	-	-
Financial asset at fair value through profit or loss	15	-	-	-	-
Total non-current assets		82,861	120,908	10,000	10,000
Total assets		136,084	140,282	25,347	25,553
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade and other payables		11,070	9,435	51,143	48,315
Lease liabilities	16	46	61	-	-
Loan due to a shareholder		3,000	-	3,000	-
Bank loans	17	21,740	21,920	-	-
Income tax payable		11	279	-	-
Total current liabilities		35,867	31,695	54,143	48,315



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

	Group		Company	
	Dec 31, 2022	Jun 30, 2022	Dec 31, 2022	Jun 30, 2022
	S\$'000	S\$'000	S\$'000	S\$'000
		Audited		Audited
Non-current liabilities				
Other payables	-	2,688	-	2,688
Loan due to a shareholder	18	3,000	-	3,000
Lease liabilities	16	195	-	-
Bank loans	17	49,567	-	-
Total non-current liabilities		47,018	-	5,688
Total liabilities		82,885	54,143	54,003
Capital, reserves and non-controlling interests				
Share capital	19	27,916	8,936	8,936
Share premium		69,304	72,155	72,155
Contributed surplus		12,063	126,389	126,389
Translation reserves		(1,491)	(1,491)	(1,491)
Other reserves		-	-	-
Accumulated losses		(54,593)	(234,785)	(234,439)
Equity attributable to owners of the Company		53,199	(28,796)	(28,450)
Non-controlling interests		-	-	-
Total equity (capital deficiency)		53,199	(28,796)	(28,450)
Total liabilities and equity (net of capital deficiency)		136,084	25,347	25,553



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, 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
Balance at July 1, 2022	27,916	69,304	12,063	(1,491)	-	(54,655)	53,137	-	53,137
Total comprehensive income for the period:									
Profit for the period	-	-	-	-	-	62	62	-	62
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	62	62	-	62
Balance at December 31, 2022	27,916	69,304	12,063	(1,491)	-	(54,593)	53,199	-	53,199



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, 2021	8,936	72,155	126,389	(1,491)	(230,279)	(24,290)
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(305)	(305)
Balance at December 31, 2021	8,936	72,155	126,389	(1,491)	(230,584)	(24,595)
Balance at July 1, 2022	8,936	72,155	126,389	(1,491)	(234,439)	(28,450)
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(346)	(346)
Balance at December 31, 2022	8,936	72,155	126,389	(1,491)	(234,785)	(28,796)



D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		6 months ended Dec 31, 2022 S\$'000	6 months ended Dec 31, 2021 S\$'000
Operating activities			
Profit for the period		62	5,264
Adjustments for:			
Income tax expense (credit)		3	(37)
Bad debt expense	7	-	16
Loss on sale of investment properties	7	-	19
Gain on disposal of property, plant and equipment	7	-	(144)
Depreciation of property, plant and equipment	11	58	52
Interest expense		1,437	1,898
Changes in fair value of investment properties	13	3,000	-
Interest income	7	(22)	-
Share of profits of associates		-	(1,017)
Operating cash flows before movement in working capital		4,538	6,051
Trade and other receivables		1,305	348
Trade and other payables		(1,126)	(111)
Cash generated from operations		4,717	6,288
Income tax (paid) refund		(270)	37
Interest paid		(1,365)	(853)
Net cash from operating activities		3,082	5,472
Investing activities			
Purchase of property, plant and equipment	11	(11)	(446)
Proceeds from disposal of property, plant and equipment		-	145
Proceeds from sale of investment properties		850	1,459
Interest received		22	-
Net cash from investing activities		861	1,158
Financing activities			
Repayment of bank loans		(2,905)	(2,375)
Repayment of lease liabilities		(34)	(2,226)
Net cash used in financing activities		(2,939)	(4,601)
Net increase in cash and cash equivalents		1,004	2,029
Cash and cash equivalents at beginning of period		14,558	10,617
Cash and cash equivalents at end of period		15,562	12,646



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 171 Chin Swee Road, #02-01 CES Centre, Singapore 169877 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, 2022 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, 2022, 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 13 – Valuation of investment properties
- Note 14 – Valuation of investment in associates
- Note 15 – 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
6 months ended 31 December 2022					
Revenue:					
External customers, representing total revenue	12	-	8,628	-	8,640
Total revenue	12	-	8,628	-	8,640
Results	(191)	-	2,046	(62)	1,792
Unallocated expenses					(290)
Finance costs					(1,437)
Profit before tax					65
Income tax expense					(3)
Profit for the period					62
6 months ended 31 December 2021					
Revenue:					
External customers, representing total revenue	76	-	8,075	-	8,151
Total revenue	76	-	8,075	-	8,151
Results	119	(14)	7,338	(71)	7,372
Unallocated expenses					(247)
Finance costs					(1,898)
Profit before tax					5,227
Income tax credit					37
Profit for the period					5,264



4. SEGMENT AND REVENUE INFORMATION (CONT'D)

4.1. Reportable segments (cont'd)

	Construction Services	Property Development	Property Investment	Total
	\$'000	\$'000	\$'000	\$'000
Dec 31, 2022				
Segment assets:				
Total segment assets	1,774	-	132,830	134,604
Unallocated assets				1,480
Total consolidated assets				136,084
Segment liabilities:				
Total segment liabilities	1,712	-	75,248	76,960
Unallocated liabilities				5,924
Total consolidated liabilities				82,885
Other segment information:				
Depreciation	(58)	-	-	(58)
Change in fair value of investment properties	-	-	(3,000)	(3,000)
Jun 30, 2022				
Segment assets:				
Total segment assets	1,795	850	137,051	139,696
Unallocated assets				586
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 sale of investment properties	-	-	(19)	(19)
Loss on sale 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 vent	(4)	-	-	(4)
Loss allowance on trade receivables	-	-	(24)	(24)



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, 2022	June 30, 2022	December 31, 2022	June 30, 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
At amortised cost:				
Cash and bank balances	15,562	14,558	107	77
Trade and other receivables	2,038	3,362	15,163	15,420
	17,600	22,488	15,270	15,497
Financial liabilities				
At amortised cost:				
Bank loans and overdrafts	68,582	71,487	-	-
Trade and other payables	9,420	9,774	51,142	51,003
Lease liabilities	222	256	-	-
Loans due to a shareholder	3,000	3,000	3,000	3,000
	81,224	84,517	54,142	54,003

6. REVENUE

	Group	
	6 months ended December 31, 2022	6 months ended December 31, 2021
	S\$'000	S\$'000
Type of goods and services		
Revenue from construction services	12	76
Rental income	6,597	6,241
Rental related income	2,031	1,834
	8,640	8,151
Timing of revenue recognition		
At a point in time	124	76
Over time	2,031	1,672



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, 2022	6 months ended December 31, 2021
	S\$'000	S\$'000
Depreciation of property, plant and equipment	58	52
Bad debt expense	-	16
Changes in fair value of investment properties (Note 10)	3,000	-
Loss on sale of investment property	-	19
Gain on disposal of property, plant and equipment	-	(144)
Interest income	22	-
Grant income	(15)	(599)
Employee benefits expense	947	1,058

8. INCOME TAX (EXPENSE) CREDIT

	Group	
	6 months ended December 31, 2022	6 months ended December 31, 2021
	S\$'000	S\$'000
Underprovision of current tax in prior year	-	(155)
Income tax refund	-	192
Current year tax	(3)	-
	(3)	37

9. PROPERTIES FOR SALE

	Group	
	December 31, 2022	June 30, 2022
	S\$'000	S\$'000
Cost incurred for properties for sale	311,141	311,141
Cost of units of property recognised as cost of sales, to date	(182,943)	(182,943)
Transferred to investment property, to date	(128,198)	(128,198)
Net properties for sale	-	-



9. PROPERTIES FOR SALE (CONT'D)

Movement in the allowance of diminution in value

	Group	
	December 31, 2022	June 30, 2022
	S\$'000	S\$'000
Balance at beginning of the period/year	-	892
Transferred to investment property (Note 13)	-	(892)
Balance at end of the period/year	-	-

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 July 25, 2022, the Company's wholly owned subsidiary, OKH (Woodlands) Pte Ltd has approved and launched a public tender for the sale of the its investment property located at 12 Tai Seng Link ("12TSL"). A successful bidder for 12TSL and letter of acceptance in relation to the proposed sale of 12 TSL for a consideration of \$35,000,000 via the public tender was issued by the OKH (Woodlands) Pte Ltd to the purchaser on November 8, 2022. As at December 31, 2022, 12TSL which was held as investment property amounting to S\$38,000,000 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\$35,000,000.

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, 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
Additions	11	-	-	-	-	11
At December 31, 2022	401	383	1,054	273	220	2,331
Accumulated depreciation:						
At July 1, 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
Depreciation for the period	13	-	45	-	-	58
At December 31, 2022	356	383	742	269	220	1,970
Carrying amount:						
At June 30, 2022	47	-	357	4	-	408
At December 31, 2022	45	-	312	4	-	361

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 12.



12. 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	Computer equipment	Total
	S\$'000	S\$'000	S\$'000
Cost:			
At July 1, 2021	6	26	32
Addition	446	-	446
At June 30, 2022 and December 31, 2022	452	26	478
Accumulated depreciation:			
At July 1, 2021	6	12	18
Depreciation for the year	89	6	95
At June 30, 2022	95	18	113
Depreciation for the period	45	3	48
At December 31, 2022	140	21	161
Carrying amount:			
At June 30, 2022	357	8	365
At December 31, 2022	312	5	317

13. INVESTMENT PROPERTIES

	Group	
	December 31, 2022	June 30, 2022
	S\$'000	S\$'000
At fair value		
Balance at beginning of the period/year	120,500	128,600
Transfer from properties for sale (Note 9)	-	2,592
Sale of investment properties during the period/year	-	(1,478)
Change in fair value included in profit or loss (Note 7)	(3,000)	(8,364)
Reclassified to non-current asset classified as held for sale (Note 10)	(35,000)	(850)
Balance at end of the period/year	82,500	120,500

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\$500,000 as at December 31, 2022 (June 30, 2022: S\$500,000).

As at December 31, 2022, the fair value of the Group's investment properties amounting to S\$82,500,000 (June 30, 2022: S\$120,500,000) has been based on the latest appraised values of the investment properties as at June 30, 2022 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:



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	
	December 31, 2022	June 30, 2022
	S\$'000	S\$'000
Unquoted equity shares, at cost	-	30,000
Goodwill	-	3,987
Share of post-acquisition profits and other comprehensive income, net dividend received	-	23,919
Derecognise due to disposal	-	(57,906)
	-	-

The Group sold of its entire 40% stake in Equalbase Pte. Ltd. on June 8, 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 for the year ended June 30, 2022.

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	
	December 31, 2022	June 30, 2022
	S\$'000	S\$'000
Unquoted equity shares:		
Financial asset at fair value through profit or loss	-	-



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 June 8, 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 for the year ended June 30, 2022.

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	
	December 31, 2022	June 30, 2022
	S\$'000	S\$'000
Current	46	61
Non-current	176	195
	2,222	256

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	71,487	(2,905)	68,582
Lease liabilities	256	(34)	222
	87,677	(6,518)	81,159



16. LEASE LIABILITIES (CONT'D)

<u>Group</u>	Non-cash changes			At end of year S\$'000
	At beginning of year S\$'000	Net financing cash flow S\$'000	Re-classification to payables	
<u>June 30, 2022</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
	<u>124,696</u>	<u>(49,396)</u>	<u>(557)</u>	<u>74,743</u>

17. BANK LOANS

	Group	
	December 31, 2022	June 30, 2022
	S\$'000	S\$'000
Short-term bank loans	20,180	20,360
Current portion of long-term bank loans	1,560	1,560
Amount due for settlement within 12 months, secured (shown under current liabilities)	<u>21,740</u>	<u>21,920</u>
Long-term bank loans repayable as follows:		
More than one year, but not exceeding two years	46,842	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>75,447</u>	<u>71,487</u>

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

18. LOAN DUE TO A SHAREHOLDER

As at December 31, 2022, the Company has one (June 30, 2022: one) loan due to a shareholder, Haiyi Holdings Pte. Ltd.. The loan bears interest of 4.8% per annum (June 30, 2022: 4.8% per annum) and is due for repayment in July 2023.

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:

<u>Shareholder</u>	Group	
	6 months ended December 31, 2022	6 months ended December 31, 2021
	S\$'000	S\$'000
Interest on loans due to a shareholder	73	1,053



19. SHARE CAPITAL

	Company			
	December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022
	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, 2022 and June 30, 2022.

20. EARNINGS PER ORDINARY SHARE

	Group		
	6 months ended December 31, 2022	6 months ended December 31, 2021	Change
Basic and diluted earnings per share			
Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	0.01	0.47	-98.8%
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	

21. NET ASSET VALUE PER ORDINARY SHARE

	Group		
	December 31, 2022	June 30, 2022	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	4.71	-%
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	
	Company		
	December 31, 2022	June 30, 2022	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)	(2.55)	(2.52)	1.2%
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, 2022 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\$8.64 million in the 6 months ended December 31, 2022 ("HYFY2023") as compared to S\$8.15 million in the 6 months ended December 31, 2021 ("HYFY2022"). The increase in the reported revenue for HYFY2023 was attributed to the Group's property investment segment due to upward rental revisions for rental renewals during period.

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

The Group recorded an increase in gross profit of approximately S\$7.23 million in HYFY2023 as compared to approximately S\$7.05 million in HYFY2022 due to the increased in revenue as explained above. As a result, the Group's GPM increased by 6.9% in HYFY2023 as compared to HYFY2022.

Other income

Other income for HYFY2023 was lower at approximately S\$0.07 million as compared to S\$0.93 million in HYFY2022. Amongst others, the decrease was largely attributed the absence of one-off gain from the disposal of property, plant and equipment and lower grant income received in HYFY2023.

Other expenses

Other expenses increased from nil in HYFY2022 to S\$3.00 million in HYFY2023 mainly due to a fair value loss of S\$3.00 million recorded on the Group's investment property when it was revalued to its realisable value and reclassified to non-current asset classified as held for sale.

General and administrative expenses

General and administrative expenses increased by 76.5% from approximately S\$1.59 million in HYFY2022 to S\$2.80 million in HYFY2023. The increase was largely due to rental expense to Singapore Land Authority ("SLA") being recognised as rental expense under general and administrative expenses as the group's investment property, The Herencia, is no longer classified as an investment property under right-of-use asset.

Finance costs

Finance costs decreased by 24.3% from approximately S\$1.90 million in HYFY2022 to S\$1.44 million in HYFY2023. The decrease was due to the lower outstanding bank loans in HYFY2023 and lower balance of loan due to a shareholder as compared to HYFY2022. The increase was partially offset by higher interest rates on the existing bank loans in HYFY2023 due to the higher interest rate environment.

Share of profits of associates

Share of profits of associate decreased to nil in HYFY2023 from S\$1.02 million in HYFY2022 as the Group had disposed its entire investment in associates on June 8, 2022.



Income tax (expense) credit

For HYFY2023, income tax expense amounts to S\$3,000 as compared to income tax credit of S\$0.37 million in HYFY2022 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\$0.06 million in HYFY2023 as compared to S\$5.26 million in HYFY2022.

Condensed interim statements of financial position

As at December 31, 2022, total current assets stood at approximately S\$53.22 million as compared to S\$19.37 million as at June 30, 2022. The increase in total current assets is mainly due to reclassification of an investment property to non-current asset classified as held for sale and the increase in bank balances partially offset by the decrease in trade and other receivables.

Total non-current assets stood at approximately S\$82.86 million as at December 31, 2022 as compared to approximately S\$120.91 million as at June 30, 2022. The decrease was a result of the reclassification of an investment property to non-current asset classified as held for sale.

As at December 31, 2022, total current liabilities increased to approximately S\$35.87 million as compared to approximately S\$31.70 million as at June 30, 2022. This was largely attributed to the reclassification of the loan to a shareholder and its accrued interest from non-current liabilities to current liabilities as its maturity date is in July 2023.

Total non-current liabilities decreased to approximately S\$47.02 million as at December 31, 2022 as compared to approximately S\$55.45 million as at June 30, 2022. The decrease was largely due to reclassification of the loan to a shareholder and its accrued interest from non-current liabilities to current liabilities and the decrease in outstanding bank loans due to repayment during the period.

Condensed interim consolidated statement of cash flows

Net cash from operating activities

For the 6 months ended December 31, 2022, the Group generated a net cash from operating activities of approximately S\$3.08 million as compared to a net cash of approximately S\$5.47 million in for the corresponding period in the preceding financial year. The lower net cash inflow was primarily due to payment to SLA for rental expenses and higher interest paid for the reporting period.

Net cash from investing activities

The Group recorded a net cash of approximately S\$0.86 million for the 6 months period ended December 31, 2022 from investing activities as compared to net cash from investing activities of approximately S\$1.16 million in the corresponding period in the preceding year. The net cash inflow for the 6 months ended December 31, 2022 is largely due to proceeds from the disposal of investment property in the current period.

Net cash used in financing activities

The Group recorded net cash used in financing activities of approximately S\$2.94 million in the 6 months ended December 31, 2022 as compared to a net cash used of S\$4.60 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\$1.00 million for the 6 months period ended December 31, 2022.

Cash and cash equivalents as at December 31, 2022 stood at S\$15.56 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 ongoing global geopolitics has 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>Haiyi Holdings Pte. Ltd.</u> Interest on loan ¹	Controlling shareholder	73	-
<u>CES properties (Tai Seng) Pte. Ltd.</u> Sale of 12 Tai Seng Link via a Public Tender ²	Associate of Celine Tang	35,000	-

¹ Please refer to Note 18 on Page 20 of the Condensed Interims Financial Statements for more information on the Loan Due to a Shareholder.

² Please refer to Note 10 on Page 15 of the Condensed Interims Financial Statements for more information on the sale of 12 Tai Seng Link.



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 2022 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, 2022 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 10, 2023