



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, 2023

<u>Table of Contents</u>	<u>Page</u>
A. Condensed consolidated statement of profit or loss and other comprehensive income.....	2
B. Condensed statements of financial position.....	4
C. Condensed statements of changes in equity.....	6
D. Condensed consolidated statement of cash flows.....	8
E. Notes to the condensed consolidated financial statements.....	9
F. Other information required by Listing Rule Appendix 7.2.....	21
• Review of performance of the group.....	21
• Significant trends and business outlook.....	23
• Dividend.....	23
• Interested person transactions.....	24

August 29, 2023



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

	Note	Group		change
		FY2023 12 months ended Jun 30, 2023 S\$'000	FY2022 12 months ended Jun 30, 2022 S\$'000 Audited	
Revenue	6	14,528	16,458	-11.7%
Cost of sales		(2,629)	(2,843)	-7.5%
Gross profit		11,899	13,615	-12.6%
Other income		2,665	988	n.m.
Other expenses		(2,144)	(27,706)	n.m.
Loss allowance on trade and other receivables from third parties		(302)	(28)	n.m.
General and administrative expenses		(5,017)	(4,373)	14.7%
Finance costs		(3,474)	(3,656)	-5.0%
Share of loss of associates		-	(106)	-100.0%
Profit/(Loss) before income tax	7	3,627	(21,266)	n.m.
Income tax expense	8	(1,110)	(87)	n.m.
Profit/(Loss) for the year		2,517	(21,353)	n.m.
Profit/(Loss) attributable to:				
Owners of the Company		2,517	(21,353)	n.m.
Non-controlling interests		-	-	n.m.
		2,517	(21,353)	n.m.

n.m. – percentage change more than 100% is deemed not meaningful.



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

	Group		change
	FY2023 12 months ended Jun 30, 2023 S\$'000	FY2022 12 months ended Jun 30, 2022 S\$'000	
Note			
Profit/(Loss) for the year	2,517	(21,353)	n.m.
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Reclassification of other comprehensive income on disposal of associates	-	3,836	-100.0%
Share of other comprehensive loss of associates	-	(1,004)	
Other comprehensive income for the year	-	2,832	-100.0%
Total comprehensive income/(loss) for the year	<u>2,517</u>	<u>(18,521)</u>	n.m.
Total comprehensive income/(loss) attributable to:			
Owners of the Company	2,517	(18,521)	n.m.
Non-controlling interests	-	-	n.m.
	<u>2,517</u>	<u>(18,521)</u>	n.m.



B. CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
		S\$'000	S\$'000	S\$'000	S\$'000
		Audited		Audited	
<u>ASSETS</u>					
Current assets					
Cash and bank balances		9,179	14,558	114	77
Trade and other receivables		1,505	3,966	7,647	15,476
Non-current asset classified as held for sale	9	35,000	850	-	-
Total current assets		45,684	19,374	7,761	15,553
Non-current assets					
Property, plant and equipment	10	594	408	-	-
Investment properties	12	80,000	120,500	-	-
Investments in subsidiaries		-	-	-	10,000
Investment in joint venture		-	-	-	-
Investment in associates	13	-	-	-	-
Financial asset at fair value through profit or loss	14	-	-	-	-
Total non-current assets		80,594	120,908	-	10,000
Total assets		126,278	140,282	7,761	25,553
<u>LIABILITIES AND EQUITY</u>					
Current liabilities					
Trade and other payables		5,408	9,435	3,428	48,315
Lease liabilities	15	206	61	-	-
Loan due to a shareholder		-	-	-	-
Bank loans	16	17,920	21,920	-	-
Income tax payable		898	279	-	-
Total current liabilities		24,432	31,695	3,428	48,315



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

	Group		Company	
	Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
	S\$'000	S\$'000	S\$'000	S\$'000
		Audited		Audited
Non-current liabilities				
Other payables	830	2,688	830	2,688
Loan due to a shareholder	17	2,000	2,000	3,000
Lease liabilities	15	270	-	-
Bank loans	16	43,092	-	-
Total non-current liabilities		46,192	2,830	5,688
Total liabilities		70,624	6,258	54,003
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		(1,491)	(1,491)	(1,491)
Other reserves		-	-	-
Accumulated losses		(52,138)	(204,486)	(234,439)
Equity attributable to owners of the Company		55,654	1,503	(28,450)
Non-controlling interests		-	-	-
Total equity (capital deficiency)		55,654	1,503	(28,450)
Total liabilities and equity (net of capital deficiency)		126,278	7,761	25,553



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, 2021	27,916	69,304	12,063	(4,141)	(182)	(33,602)	71,358	300	71,658
Total comprehensive loss for the year:									
Loss for the year	-	-	-	-	-	(21,353)	(21,353)	-	(21,353)
Other comprehensive income for the year	-	-	-	2,650	182	-	2,832	-	2,832
Total	-	-	-	2,650	182	(21,353)	(18,521)	-	(18,521)
Transaction recognised directly in equity									
Acquisition of shares from non-controlling interest	-	-	-	-	-	300	300	(300)	-
Balance at June 30, 2022	27,916	69,304	12,063	(1,491)	-	(54,655)	53,137	-	53,137
Balance at July 1, 2022	27,916	69,304	12,063	(1,491)	-	(54,655)	53,137	-	53,137
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	2,517	2,517	-	2,517
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	2,517	2,517	-	2,517
Balance at June 30, 2023	27,916	69,304	12,063	(1,491)	-	(52,138)	55,654	-	55,654



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, 2021	8,936	72,155	126,389	(1,491)	(230,279)	(24,290)
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(4,160)	(4,160)
Balance at June 30, 2022	8,936	72,155	126,389	(1,491)	(234,439)	(28,450)
Balance at July 1, 2022	8,936	72,155	126,389	(1,491)	(234,439)	(28,450)
Profit for the year, representing total comprehensive profit for the year	-	-	-	-	29,953	29,953
Balance at June 30, 2023	8,936	72,155	126,389	(1,491)	(204,486)	1,503



D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		12 months ended Jun 30, 2023 S\$'000	12 months ended Jun 30, 2022 S\$'000
			Audited
Operating activities			
Profit/(Loss) for the year		2,517	(21,353)
Adjustments for:			
Income tax expense		1,110	87
Loss allowance on trade receivables from third parties	7	302	24
Loss allowance on other receivables due from joint venture	7	-	4
(Gain)/Loss on sale of investment properties	7	(1,024)	19
Loss on sale of investment in associates	7	-	18,342
Loss on disposal of financial asset at fair value through	7	-	1,000
Gain on disposal of property, plant and equipment	7	(31)	(149)
Depreciation of property, plant and equipment	10	173	108
Interest expense		3,474	3,656
Changes in fair value of investment properties	12	1,644	8,364
Derecognition of investment property	12	500	-
Reversal of payables and accruals	7	(1,495)	-
Interest income	7	(31)	-
Share of loss of associates		-	106
Operating cash flows before movement in working capital		7,139	10,208
Trade and other receivables		2,159	(454)
Trade and other payables		(2,559)	(1,084)
Cash generated from operations		6,739	8,670
Income tax (paid) refund		(491)	36
Interest paid		(5,301)	(7,342)
Net cash from operating activities		947	1,364
Investing activities			
Purchase of property, plant and equipment	10	(29)	(210)
Proceeds from disposal of property, plant and equipment		31	149
Proceeds from sale of investment properties		5,230	1,459
Proceeds from sale of investment in associates		-	43,400
Proceeds from sale of investment in financial asset at fair value through profit or loss		-	8,000
Interest received		27	-
Net cash from investing activities		5,259	52,798
Financing activities			
Repayment of bank loans		(10,475)	(10,335)
Repayment of lease liabilities		(110)	(3,349)
Proceeds from bank loan		-	4,000
Repayment of loans due to a shareholder		(1,000)	(40,537)
Net cash used in financing activities		(11,585)	(50,221)
Net increase in cash and cash equivalents		(5,379)	3,941
Cash and cash equivalents at beginning of year		14,558	10,617
Cash and cash equivalents at end of year		9,179	14,558



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 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 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, 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 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 12 – Valuation of investment properties

Other information about assumptions and estimation uncertainties are discussed below.



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

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
Jun 30, 2023					
Revenue:					
External customers, representing total revenue	49	-	14,478	-	14,528
Results	250	-	7,532	(82)	7,699
Unallocated expenses					(598)
Finance costs					(3,474)
Profit before tax					3,627
Income tax expense					(1,110)
Profit for the year					2,517
Jun 30, 2022					
Revenue:					
External customers, representing total revenue	124	-	16,334	-	16,458
Results	(191)	-	(15,564)	(125)	(15,880)
Unallocated expenses					(1,730)
Finance costs					(3,656)
Loss before tax					(21,266)
Income tax credit					(87)
Loss for the year					(21,353)



4. SEGMENT AND REVENUE INFORMATION (CONT'D)

4.1. Reportable segments (cont'd)

	Construction Services	Property Development	Property Investment	Total
	\$'000	\$'000	\$'000	\$'000
Jun 30, 2023				
Segment assets:				
Total segment assets	2,832	-	123,228	126,060
Unallocated assets				218
Total consolidated assets				126,278
Segment liabilities:				
Total segment liabilities	774	-	66,771	67,546
Unallocated liabilities				3,077
Total consolidated liabilities				70,624
Other segment information:				
Gain on sale of investment properties	-	-	1,024	1,024
Derecognition of investment property	-	-	(500)	(500)
Depreciation	(173)	-	-	(173)
Change in fair value of investment properties	-	-	(1,644)	(1,644)
Loss allowance on trade receivables from third parties	(299)		(4)	(302)
Write-off of long outstanding payables and accruals	1,279		216	1,495
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	
	FY2023 S\$'000	FY2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
<u>Financial assets</u>				
At amortised cost:				
Cash and bank balances	9,179	14,558	114	77
Trade and other receivables	1,167	3,362	7,594	15,420
At fair value through profit or loss:				
Financial asset at fair value through profit or loss	-	-	-	-
	10,346	17,920	7,708	15,497
<u>Financial liabilities</u>				
At amortised cost:				
Bank loans and overdrafts	61,012	71,487	-	-
Trade and other payables	4,306	9,774	4,259	51,003
Lease liabilities	476	256	-	-
Loans due to a shareholder	2,000	3,000	2,000	3,000
	67,794	84,517	6,259	54,003

6. REVENUE

	Group	
	FY2023 S\$'000	FY2022 S\$'000
Type of goods and services		
Revenue from construction services	49	124
Rental income	11,259	12,459
Rental related income	3,220	3,875
	14,528	16,458
Timing of revenue recognition		
At a point in time	49	124
Over time	3,220	3,875

A breakdown of sales:

	Group		
	FY2023 S\$'000	FY2022 S\$'000	Change
Sales reported for first half year	8,640	8,151	6%
Operating profit after tax before deducting minority interests reported for first half year	62	5,264	-99%
Sales reported for second half year	5,888	8,307	-29%
Operating loss after tax before deducting minority interests reported for second half year	2,455	(26,617)	n.m.



7. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
Depreciation of property, plant and equipment	(173)	(108)
Loss allowance on trade receivables	(302)	(24)
Loss allowance on amount due from a joint venture	-	(4)
Changes in fair value of investment properties	(1,644)	(8,364)
Derecognition of investment property	(500)	-
Gain/(Loss) on sale of investment properties	1,024	(19)
Loss on sale of investment in associates	-	(18,342)
Loss on sale of financial asset at fair value through profit or loss	-	(1,000)
Write-off of long outstanding payables and accruals	1,495	-
Gain on disposal of property, plant and equipment	31	149
Interest income	31	-
Grant income	18	665
Employee benefits expense	(1,790)	(1,858)

8. INCOME TAX EXPENSE

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
Current year tax expense	828	197
Under/(Over)provision of current tax in prior year	282	(110)
	1,110	87

9. 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 June 30, 2023, 12TSL 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 as management is of the view that the tender will still be completed subjected to approval from the authorities.

Subsequent to the end of the financial year, on August 9, 2023, approval was still not obtained from the authorities, time being of the essence in the transaction and not having any indication of when a satisfactory response will be obtained from the authorities, the purchaser ultimately decided to terminate the tender contract. The Group. The Group continued to classify 12TSL as non-current asset classified as held for sale as the intention of the Group is to sell the property and the Group had continued to actively market the property subsequent to the termination of the tender contract.

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.



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	Office premises S\$'000	Total S\$'000
Cost:							
At July 1, 2021	410	383	1,101	273	220	-	2,387
Additions	32	-	446	-	-	-	478
Disposals	(52)	(33)	(493)	(5)	-	-	(583)
At June 30, 2022	390	350	1,054	268	220	-	2,282
Additions	11	-	-	-	18	330	359
Disposals	-	-	(380)	-	-	-	(380)
At June 30, 2023	401	350	674	268	238	330	2,261
Accumulated depreciation:							
At July 1, 2021	376	383	1,101	269	220	-	2,349
Depreciation for the year	19	-	89	-	-	-	108
Disposals	(52)	(33)	(493)	(5)	-	-	(583)
At June 30, 2022	343	350	697	264	220	-	1,874
Depreciation for the year	27	-	89	-	2	55	173
Disposals	-	-	(380)	-	-	-	(380)
At June 30, 2023	370	350	406	264	222	55	1,667
Carrying amount:							
At June 30, 2022	47	-	357	4	-	-	408
At June 30, 2023	31	-	268	4	16	275	594

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, motor vehicles and office premises. The lease term ranges from 1 – 7 years.

	Motor vehicles	Computer equipment	Office premises	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Cost:				
At July 1, 2021	6	26	-	32
Additions	446	-	-	446
At June 30, 2022	452	26	-	478
Additions	-	-	330	330
At June 30, 2023	452	26	330	808
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 year	89	6	55	95
At June 30 2023	184	24	55	263
Carrying amount:				
At June 30, 2022	357	8	-	365
At June 30, 2023	268	2	275	545

12. INVESTMENT PROPERTIES

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
At fair value		
Balance at beginning of the year	120,500	128,600
Transfer from properties for sale	-	2,592
Sale of investment properties during the year	(3,356)	(1,478)
Change in fair value included in profit or loss (Note 7)	(1,644)	(8,364)
Derecognition of investment property	(500)	-
Reclassified to non-current asset classified as held for sale	(35,000)	(850)
Balance at end of the year	80,000	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 June 30, 2022, it was derecognised as at June 30, 2023 as it no longer qualifies to be presented as right-of-use asset presented as an investment property.

As at June 30, 2023, the fair value of the Group's investment properties amounting to S\$80,000,000 (FY2022: S\$120,500,000) has been arrived at on the basis of a valuation carried out by a qualified independent professional valuer 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	
	FY2023	FY2022
	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 had an associate with wholly-owned subsidiaries (collectively known as the "Associate Group") that hold investment properties which were leased out and measured at fair value. The financial position and results of the Associate Group which was equity accounted by the Group was 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 used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged 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	
	FY2023	FY2022
	S\$'000	S\$'000
Unquoted equity shares:		
Financial asset at fair value through profit or loss	-	-



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

The investment in unquoted equity shares represented a 15% equity interest of Deltanvil Pte Ltd. The investment in unquoted equity shares was acquired in September 2014 and was 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 was 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 considered the net asset value approximates the fair value of its investment due to the following reasons:

- The investee had investment properties measured at fair value, whereby third-party qualified valuers were engaged to perform the valuation.
- Investee's non-current liabilities mainly comprised of 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	
	FY2023	FY2022
	S\$'000	S\$'000
Current	206	61
Non-current	270	195
	476	256

Reconciliation of liabilities arising from financing activities

	At beginning of year	Net financing cash flow	Non-cash changes	At end of year
			Addition of property, plant and equipment under leases	
Group	S\$'000	S\$'000		S\$'000
<u>FY2023</u>				
Bank loans	71,487	(10,475)	-	61,012
Lease liabilities	256	(110)	330	476
Loans due to a shareholder	3,000	(1,000)	-	2,000
	74,743	(11,535)	330	63,488



15. LEASE LIABILITIES (CONT'D)

<u>Group</u>	At beginning of year S\$'000	Net financing cash flow S\$'000	Non-cash changes	
			Addition of property, plant and equipment under leases	At end of year S\$'000
<u>FY2022</u>				
Bank loans	77,822	(6,335)	-	71,487
Lease liabilities	3,337	(3,349)	268	256
Loans due to a shareholder	43,537	(40,537)	-	3,000
	<u>124,696</u>	<u>(50,221)</u>	<u>268</u>	<u>74,743</u>

16. BANK LOANS

	Group	
	FY2023 S\$'000	FY2022 S\$'000
Bank loans – secured	<u>61,012</u>	<u>71,487</u>
<u>Current</u>		
On demand or within one year	<u>17,920</u>	<u>21,920</u>
<u>Non-current</u>		
Between one and five years	<u>43,092</u>	<u>49,567</u>
Total	<u>61,012</u>	<u>71,487</u>

The bank loans of the Group are secured over the Group's investment properties, corporate guarantees issued by the Company, assignment of rental proceeds and charge over receivables and project proceeds in respect to certain projects.

The weighted average effective interest rates at the end of the reporting period were as follows:

	Group	
	FY2023 %	FY2022 %
Bank loans (floating rate)	<u>5.68</u>	<u>2.76</u>

17. LOAN DUE TO A SHAREHOLDER

As at June 30, 2023, the Company has one (2022: one) loan due to a shareholder amounting to S\$2,000,000 (2022: S\$3,000,000), Haiyi Holdings Pte. Ltd.

The loan of S\$2,000,000 is unsecured, bears interest of 4.8% per annum, and due for repayment in July 2024.

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:



17. LOAN DUE TO A SHAREHOLDER (CONT'D)

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
<u>Shareholder</u>		
Interest on loans due to a shareholder, recorded as finance costs	143	1,972

18. SHARE CAPITAL

	Company			
	FY2023	FY2022	FY2023	FY2022
	Number of ordinary shares '000	S\$'000	S\$'000	S\$'000
Issued and fully paid up:				
At the beginning and end of the year	1,128,657	1,128,657	8,936	8,936

There were no treasury shares and subsidiary holdings as at June 30, 2023 and June 30, 2022.

19. EARNINGS PER ORDINARY SHARE

	Group		
	FY2023	FY2022	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)	0.22	(1.89)	n.m.
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	

20. NET ASSET VALUE PER ORDINARY SHARE

	Group		
	FY2023	FY2022	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)	4.93	4.71	4.7%
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	

	Company		
	FY2023	FY2022	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)	0.13	(2.52)	n.m.
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, 2023 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\$14.53 million in FY2023 as compared to S\$16.46 million in FY2022. The decrease in the reported revenue for FY2023 was attributed to the end of the Group's lease with SLA for the investment property, The Herencia, and the drop in occupancy in one of the Group's investment property due to the tender sale. The tender sale was rescinded subsequent to the end of the financial year.

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

The Group recorded a lower gross profit of approximately S\$11.90 million in FY2023 as compared to approximately S\$13.62 million in FY2022. The lower gross profit in FY2023 was largely attributed to the end of the Group's lease with SLA for the investment property, The Herencia, and the drop in occupancy in one of the Group's investment properties. As a result, the Group's GPM was lower at 82.0% in FY2023 as compared to 82.7% in FY2022.

Other income

Other income for FY2023 was higher at approximately S\$2.67 million as compared to S\$0.99 million in FY2022. Amongst others, the increase was largely attributed to the gain on sale of investment properties in FY2023 and one-off income from long outstanding payables and accruals written off.

Other expenses

Other expenses for FY2023 decreased to approximately S\$2.14 million as compared to S\$27.71 million in FY2022. The decrease was mainly attributed to the higher fair value loss on the Group's investment properties in FY2022 and a one-off loss on disposal of investment in associates and financial asset at fair value through profit or loss. The loss on disposal is due to the Group's sale of its entire equity stake in Equalbase Pte Ltd and Deltanvil Pte Ltd in FY2022.

Loss allowance on trade and other receivables

Loss allowance on trade and other receivables increased to approximately S\$0.30 million in FY2023 from S\$0.28 million in FY2022 mainly due to higher impairment loss on amount due from third parties made in FY2023 as the receivables were long outstanding.

General and administrative expenses

General and administrative expenses increased by 14.7% from approximately S\$5.02 million in FY2022 to S\$4.77 million in FY2023. The increase was largely due to rental paid to SLA is recognised as rental expense as the property as The Herencia was no longer classified as an investment property under right-of-use asset and the absence of rental rebate from SLA in FY2023.



Finance costs

Finance costs decreased by 5.0% from approximately S\$3.66 million in FY2022 to S\$3.47 million in FY2023. The decrease was due to the lower outstanding bank loans and shareholder loans in FY2023 due to repayments made in during the year, the decrease was partially offset by the higher interest rate.

Share of losses of associates

There are no share of profits or losses from associate in FY2023 as the associate was sold in FY2022. The share of losses of associate of S\$0.12 million in FY2022 did not account for 1 full year in FY2022 due to the disposal on 8 June 2022.

Income tax expense

For FY2023 income tax expense amounts to S\$1.11 million as compared to S\$0.09 million in FY2022. The increase is due to tax provided for current year taxable profit for some subsidiaries of the Group and under provision of prior year tax.

Profit/(Loss) for the year

As a result of the foregoing, the Group registered a total profit of approximately S\$2.52 million in FY2023 as compared to a loss of S\$21.35 million in FY2022.

Condensed statements of financial position

As at June 30, 2023, total current assets stood at approximately S\$45.68 million as compared to S\$19.37 million as at June 30, 2022. The increase in total current assets was largely due to the reclassification of an investment property as non-current asset classified as held for sale, this was partially offset by the lower cash and bank balances due to repayment of bank loans and loans due to a shareholder and lower trade and other receivables balances.

Total non-current assets stood at approximately S\$80.59 million as at June 30, 2023 as compared to approximately S\$120.91 million as at June 30, 2022. The decrease was a result the Group's sale of several units of its investment properties coupled with the fair value loss on revaluation of its investment properties and the reclassification of an investment property as non-current asset classified as held for sale.

As at June 30, 2023, total current liabilities decreased to approximately S\$24.43 million as compared to approximately S\$31.70 million as at June 30, 2022. This was largely attributed to repayment of banks loans and the write-off of long outstanding payables and accruals.

Total non-current liabilities decreased to approximately S\$46.19 million as at June 30, 2023 as compared to approximately S\$55.45 million as at June 30, 2022. The increase was largely due to the repayment of loans to a shareholder and its corresponding accrued interest as well as the repayment of bank loans.

Condensed consolidated statement of cash flows

Net cash from operating activities

For the financial year ended June 30, 2023, the Group generated a net cash from operating activities of approximately S\$0.95 million as compared to a net cash of approximately S\$1.36 million for the preceding financial year. The lower net cash inflow was primarily due to the lesser collection from rental of investment properties due to the end of the lease with SLA for the investment property, The Herencia, and vacancy which was partially offset by lower interest paid.



Net cash from investing activities

The Group recorded a net cash from investing activities of approximately S\$5.26 million for the year ended June 30, 2023 as compared to net cash from investing activities of approximately S\$52.80 million in the in the preceding financial year. The net cash inflow in FY2023 is largely due to proceeds from the disposal of investment properties in the current year. The lower net cash inflow from investing activities in FY2023 is due to the absence of one-off receipt from the sale of its investment in associates and financial asset at fair value though profit or loss.

Net cash used in financing activities

The Group recorded net cash used in financing activities of approximately S\$11.59 million for the year ended June 30, 2023 as compared to a net cash used of S\$50.22 million in the corresponding period last year. The net cash used was largely due to a repayment of bank loans and the repayment of loans due to a shareholder. Lower repayment of loans due to a shareholder in FY2023 contributed to the lower net cash used in financing activities.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of approximately S\$5.38 million for the financial year ended June 30, 2023.

Cash and cash equivalents as at June 30, 2023 stood at S\$9.18 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 Group owns a portfolio of 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 (Please refer to note 1 below)	Controlling shareholder	143	-
<u>CEL Property Investment Pte. Ltd.</u> Rental expense for rental of units at CES Centre (Please refer to note 2 below)	Associate of Celine Tang	72	-
<u>CES properties (Tai Seng) Pte. Ltd.</u> Sale of 12 Tai Seng Link via a Public Tender	Associate of Celine Tang	Please refer to note 3 below	-

Note 1 Please refer to Note 17 on Page 20 of the Condensed Financial Statements for more information on the Loan Due to a Shareholder.

Note 2 This transaction is exempted from shareholders' approval under SGX Listing Rule 916 (1). The Company had released announcement in relation to this transaction. Amount disclosed above represent the value incurred during the financial period under review.

Note 3 The tender sale of 12 Tai Seng Link for S\$35 million was exempted from shareholders' approval under SGX Listing Rule 916 (4). The transaction was subsequently rescinded after the end of the reporting period, on August 9, 2023. The Company had released announcements in relation to this transaction.

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

Other than those previously announced, during the financial year ended June 30, 2023 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
AUGUST 29, 2023