

Appendix 4E

Preliminary Final Report

REPORTING PERIOD

The financial information contained in this report is for the year ended 30 June 2021. Comparative amounts, unless otherwise indicated, are for the year ended 30 June 2020.

RESULTS FOR ANNOUNCEMENT TO THE MARKET (UNAUDITED)

	Change	% Change	2021 \$	2020 \$
Revenue from ordinary activities ¹	down	32%	1,942,250	2,859,963
Profit/(Loss) from ordinary activities after tax ²	up	353%	336,385	(132,755)
Profit/(Loss) for the year attributable to the shareholders	up	554%	603,219	(132,755)
Revenue from continuing activities	down	23%	2,209,084	2,859,963
Profit/(Loss) from continuing activities after tax	up	562%	612,698	(132,755)
Profit/(Loss) from continuing activities attributable to the shareholders	up	562%	612,698	(132,755)
Dividends (distributions) (The Company does not propose to pay dividends)	N/A	N/A	Nil	Nil

1. In 2021, Revenues from ordinary activities is total revenue and other income from continuing operations excluding the gain on disposal of subsidiaries and gain on sale of non-current assets of \$263,698 and \$3,136 respectively.
2. In 2021, Profit/(Loss) from ordinary activities after tax is the total profit for the year less the gain on disposal of subsidiaries and gain on sale of non-current assets of \$263,698 and \$3,136 respectively.

COMMENTARY ON THE RESULTS FOR THE YEAR

Commentary on the results for the year

Revenue from this year to the prior year has decreased 32% and is mainly attributable to the recognition of R&D tax concession of \$1,630,695 in the prior year as opposed to \$881,270 in the current year. The Profit for the year attributable to shareholders increased from a loss of \$132,755 to a profit of \$603,219. The revenue from operations decreased by 17% compared to the prior year which was mainly due to the reduction in sales as a result of the COVID-19 pandemic throughout the fiscal year 2021.

AUDIT

This report should be read in conjunction with the attached financial statements which do not contain a full set of disclosures as required by the International Financial Reporting Standards (IFRS). This report is based on accounts which are in the process of being audited.

NET TANGIBLE ASSET BACKING PER SHARE

	2021 (Cents)	2020 (Cents)
Net Tangible asset per ordinary share	0.05	(0.01)

Oakridge International Limited
Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue and other income from continuing operations	3	2,209,084	2,860,418
Cost of sales: Inventories and other cost of sales		(250,709)	(124,339)
Employee and contracting expenses		(464,915)	(1,130,718)
Finance costs		(14,986)	(13,527)
Directors fees		(7,500)	(166,983)
Consulting and advisory fees		(166,980)	(48,643)
Occupancy costs		(7,980)	(73,310)
Travel		(6,609)	(32,269)
Marketing and promotion costs		(4,153)	(25,095)
Professional and legal fees		(193,009)	(395,353)
Legal settlement fee		-	(443,473)
Patents and trademarks fees		-	(24,222)
Depreciation expense		(6,922)	(22,032)
Amortisation expense	11	(49,809)	(52,111)
Bad debt on trade receivables	6	-	(11,250)
Impairment loss on other receivables		(21,234)	-
Impairment loss on intangible assets		-	-
Impairment loss on inventory		(170,395)	(87,220)
Foreign currency gains/(losses)		4,164	(194)
Rehabilitation expense		(72,091)	(60,408)
Other expenses		(163,258)	(282,026)
Profit/(Loss) before income tax		612,698	(132,755)
Income tax benefit		-	-
Profit/(Loss) from continuing operations		612,698	(132,755)
Loss from discontinued operations, net of income tax	17	(9,479)	-
Total profit/(loss) for the year		603,219	(132,755)
Other comprehensive income		-	-
Total comprehensive income		603,219	(132,755)
Total profit/(loss) and comprehensive income for the period attributable to:			
Owners of the parent		603,219	(132,755)
Non-controlling interests		-	-
		603,219	(132,755)
Total profit/(loss) and comprehensive income for the period attributable to:			
Continuing operations		612,698	(132,755)
Discontinued operations	16	(9,479)	-
		603,219	(132,755)
Earnings per share for profit/(loss) from continuing operation attributable to the shareholders of the Company		Cents	Cents
Basic and diluted profit/(loss) per share	15	0.03	(0.01)
Earnings per share for profit/(loss) attributable to the shareholders of the Company		Cents	Cents
Basic and diluted profit/(loss) per share	15	0.03	(0.01)

The above unaudited consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Oakridge International Limited
Unaudited Consolidated Statement of Financial Position
As at 30 June 2021

	Notes	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	4	2,377,753	370,675
Other financial assets	5	100,000	100,000
Trade and other receivables	6	196,816	119,813
Prepayments		80,096	61,432
Inventory	7	20,407	232,674
Total current assets		<u>2,775,072</u>	<u>884,594</u>
Non-current assets			
Plant and equipment		27,403	43,263
Right of use assets	11	20,906	28,902
Total non-current assets		<u>48,309</u>	<u>72,165</u>
TOTAL ASSETS		<u>2,823,381</u>	<u>956,759</u>
Current liabilities			
Trade and other payables	8	191,445	379,952
Convertible Note		200,000	-
Borrowings	9	20,000	-
Provisions	10	177,314	545,424
Lease liabilities	12	21,178	27,883
Total current liabilities		<u>609,937</u>	<u>953,259</u>
Non-current liabilities			
Borrowings	9	243,825	261,102
Provisions	10	10,186	7,615
Total non-current liabilities		<u>254,011</u>	<u>268,717</u>
TOTAL LIABILITIES		<u>863,948</u>	<u>1,221,976</u>
NET ASSETS/(LIABILITIES)		<u>1,959,433</u>	<u>(265,217)</u>
EQUITY			
Contributed equity	12	28,799,411	27,177,980
Accumulated losses	13	(26,839,978)	(27,443,197)
TOTAL EQUITY		<u>1,959,433</u>	<u>(265,217)</u>

The above unaudited consolidated statement of financial position should be read in conjunction with the accompanying notes.

Oakridge International Limited
Unaudited Consolidated Statement of Changes in Equity
For the year ended 30 June 2021

	Contributed Equity \$	Accumulated Losses \$	Total \$
2020			
Balance at 1 July 2019	26,891,949	(27,310,442)	(418,493)
Loss for the year	-	(132,755)	(132,755)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(132,755)	(132,755)
Transactions with owners in their capacity as owners:			
Ordinary shares issued	286,031	-	286,031
Balance at 30 June 2020	27,177,980	(27,443,197)	(265,217)
2021			
Balance at 1 July 2020	27,177,980	(27,443,197)	(265,217)
Profit for the year	-	603,219	603,219
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	603,219	603,219
Transactions with owners in their capacity as owners:			
Ordinary shares issued	1,621,431	-	1,621,431
Balance at 30 June 2021	28,799,411	(26,839,978)	1,959,433

The above unaudited consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Oakridge International Limited
Unaudited Consolidated Statement of Cash Flows
For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		889,754	1,223,118
Interest received		432	2,564
Interest paid		(6,214)	(8,338)
Government grants and R&D incentives received		1,027,471	98,000
Payments to suppliers and employees		(1,487,854)	(2,563,025)
Net cash outflow from operating activities		423,589	(1,247,681)
Cash flows from investing activities			
Payments for plant and equipment		(399)	-
Proceeds from sale of plant and equipment		12,473	455
Proceeds from redemption of term deposits		-	20,000
Net cash inflow from investing activities		12,074	20,455
Cash flows from financing activities			
Proceeds from issue of shares		1,196,431	250,000
Proceeds from issue of convertible notes		200,000	-
Proceeds from exercise of share options		250,000	-
Transaction costs related to issues of shares, convertible notes or options		(25,000)	-
Payment of borrowings		-	(4,800)
Payment of lease liability		(50,016)	(53,130)
Net cash inflow/ (outflow) from financing activities		1,571,415	192,070
Net increase/(decrease) in cash and cash equivalents		2,007,078	(1,035,156)
Cash and cash equivalents at the beginning of the year	4	370,675	1,405,831
Cash and cash equivalents at the end of the year	4	2,377,753	370,675
Non-cash financing activities:-			
Settlement of consultancy fees by issuing 36,031,250 shares		-	36,031
Settlement of Termination Agreement via Convertible Note issue		200,000	-

The above unaudited consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements relate to the consolidated entity consisting of Oakridge International Limited and its subsidiaries.

Oakridge International Limited is a publicly listed company limited by shares, incorporated and domiciled in Australia and listed on the Australian Securities Exchange (ASX: OAK). Its registered office is:

Level 6, 412 Collins Street, Melbourne, Victoria 3000.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. Oakridge International Limited is a for-profit entity for the purpose of preparing financial statements. All amounts are presented in Australian Dollars unless otherwise noted.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the "rounding off" of amounts in the directors' report and financial report. The Group has rounded off amounts in the directors' report and financial report to the nearest dollar, in accordance with that instrument.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

New and amended standards adopted by the group

There are a number of new and amended accounting standards issued by the AASB which are applicable for reporting periods beginning on 1 July 2020. All the mandatory new and amended accounting standards issued that are relevant to our operations and effective for the current reporting period have been adopted. There was no material impact on the financial report as a result of the mandatory new and amended accounting standards adopted.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The critical estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Rehabilitation

The Group assesses rehabilitation requirements at each reporting date by evaluating costs for closure, restoration and for environmental clean-up costs. Provision is made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

Recoverability and classification of other receivable from K.S Orka

The Group has a receivable in relation to an additional payment from the sale of its interest in PT Sokoria Geothermal Indonesia. The payment of the receivable under the Payment Commitment Agreement between Oakridge International Limited and KS Orka Renewables Pte. Ltd. ('KS Orka') is triggered by KS Orka's Notice of Intent to Develop ('NOID') which is to be approved by PT PLN (Persero) under the Power Purchase Agreement ('PPA'). The Payment Multiple under the Payment Commitment Agreement is a factor of the Total Committed Capacity (as specified in the NOID) and the final negotiated Base Power Price per the PPA.

2. Critical accounting estimates and judgements (Continued)

This receivable is carried at amortised cost less accumulated impairment. After taking into consideration the timing and final amount to be paid management estimate the recoverable amount at 30 June 2021 to be \$Nil (2020: \$Nil). Any material change in the status of the project may result in a material change in the receivable to be recovered. This receivable has been classified as non-current at 30 June 2021 due to uncertainty in the timing of final settlement.

Inventory

The Group assesses inventory for obsolescence each reporting date by evaluating whether the carrying value of inventory items exceeds its net realisable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon. An allowance for obsolescence for the difference between the carrying value of an inventory items and its expected net realisable value.

Deferred tax assets

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits, feasible tax planning strategies and deferred tax liabilities will be available against which the tax losses can be utilized. Estimation of the level of future taxable profits is therefore required in order to determine the appropriate carrying value of the deferred tax asset. Given the Group past losses, plans to continue research and development in other indications and uncertainty of its ability to generate future taxable profit, the Group does not believe that it is more probable than not that the company can realize its deferred tax assets and therefore, it has not recognised any amount in the consolidated statements of financial position.

3. Revenue and other income from continuing operations

	2021	2020
	\$	\$
Revenue from contracts with customers:		
Revenue recognised at a point in time – sale of goods	172,641	413,365
Revenue recognised over time – projects and services	736,307	676,110
	908,948	1,089,475
Other income:		
Interest income	432	2,293
R and D tax concession*	881,270	1,630,695
Grant revenue (Jobkeeper and Cashflow Boost)	151,600	137,500
Gain on sale of non-current assets	3,136	455
Gain on disposal of subsidiaries	263,698	-
	2,209,084	2,860,418

* The R & D tax concession relates to the 2019 R & D tax concession claim received by the Group in the 2021 financial year.

As at the date of this report, the Group is considering its ability to submit an R & D Tax Concession claim for the year ended 30 June 2021. The group is not in a position to reliably estimate the quantum of the claim made and hence, no amount has been recognised in respect to the potential claim for the 2021 financial year.

4. Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	241	242
Cash at bank	2,377,512	370,433
	2,377,753	370,675

5. Other financial asset

	2021	2020
	\$	\$
Term Deposits	100,000	100,000

Term deposits as at 30 June 2021 are held as security in favour of South Australian Government (PIRSA) of \$100,000 for the Limestone Coast tenements. The term deposits are recognised and measured as amortised cost financial assets.

6. Trade and other receivables

	2021	2020
	\$	\$
Current		
Trade receivables	180,540	83,676
Bad debt on trade receivables	-	(11,250)
Other receivables	16,276	47,387
	196,816	119,813
Non-current		
Other receivables – K.S. Orka	1,300,000	1,300,000
Impairment loss on other receivables	(1,300,000)	(1,300,000)
	-	-

The carrying amount of the receivable from K.S. Orka is \$1,300,000 (30 June 2020: \$1,300,000). The \$1,300,000 impairment charge was recognised in 2019 profit or loss as 'impairment loss on other receivables'.

7. Inventory

	2021	2020
	\$	\$
Inventory	661,196	703,068
Provision for obsolescence	(640,789)	(470,394)
	20,407	232,674

8. Trade and other payables

	2021	2020
	\$	\$
Current		
Trade payables	89,945	255,905
Accrued expenses	43,215	74,154
Other payables	58,285	49,893
	191,445	379,952

Trade payables are unsecured, non-interest bearing and are generally due 30 days from the date of recognition.

9. Borrowings

	2021 \$	2020 \$
Current		
Loan – Bio SA	20,000	-
Non-Current		
Loan – Bio SA	243,825	261,102

On 1 December 2012, JCT Healthcare Pty Limited (“JCT”), a subsidiary of the Company, received a grant of \$230,000 under a Deed of Grant with Bio Innovation SA for the development of a nurse call system. The development was completed on 30 June 2013. Pursuant to the Deed of Grant, JCT is obligated to pay royalties calculated on 7% of the income derived from the commercialisation of the messaging software. The current portion of the amount outstanding represents the royalties payable at 30 June 2021. This amount outstanding relates to the period 1 July 2019 to 30 June 2021. Furthermore, the amount of the outstanding loan shall accrue annual indexation fees calculated at the Consumer Price Index on the outstanding loan amount.

10. Provisions

	2021 \$	2020 \$
Current		
Restoration and rehabilitation	100,280	30,906
Employee benefits	77,034	71,045
Provision for legal settlement	-	443,473
	<u>177,314</u>	<u>545,424</u>
Non-current		
Employee benefits	<u>10,186</u>	<u>7,615</u>

The provision for restoration and rehabilitation relates to tenement interests that the Group is required to rehabilitate land and the surrounding environment to its original condition. The remaining work is anticipated to be completed in the 2022 financial year.

The movement in provisions comprises:

	Rehabilitation \$	Employee benefits \$	Provision for legal settlement \$	Total \$
Opening balance at 1 July 2020	30,906	78,660	443,473	553,039
Increase/(Decrease) in provision	69,374	8,560	(443,473)	(365,539)
Balance at 30 June 2021	<u>100,280</u>	<u>87,220</u>	<u>-</u>	<u>187,500</u>

11. Right of use assets and Lease liabilities

	Right of use assets \$
Right of use assets	
Carrying amount at 1 July 2019	81,013
Amortisation	(52,111)
Carrying amount at 1 July 2020	<u>28,902</u>
Additions	41,813
Amortisation	(49,809)
Carrying amount at 30 June 2020	<u>20,906</u>

11. Right of use assets and Lease liabilities (Continued)

	2021	2020
	\$	\$
Lease liabilities		
Current lease liabilities	21,178	27,883
Total lease liabilities	<u>21,178</u>	<u>27,883</u>
Total payments for leases during the year comprise the following:		
Principal payments	50,016	53,130
Interest expense	1,381	2,773
Payments made in relation to lease liabilities	<u>51,397</u>	<u>55,903</u>
Future payments of lease liabilities, including interest, are set out below:		
Due within one year	21,178	27,883
Due between one year and five years	-	-
Due after five years	-	-
	<u>21,178</u>	<u>27,883</u>

Our accounting policy and procedures for leases changed on 1 July 2019. The date we implemented AASB 16 Leases. Please refer to Note 1 for further information.

We lease office and warehouse under rental contract containing extension options for three years. All our significant premises leases allow assignment of the lease or sublease of the premises with the approval of the landlord. All leases are under normal commercial lease terms and conditions.

12. Contributed equity

	2021	2020
	No.	No.
Ordinary shares – fully paid	<u>3,439,293,024</u>	<u>1,792,862,024</u>
(a) Movements in equity	No.	\$
Balance at 30 June 2020 and 1 July 2020	1,792,862,024	27,177,980
Issue of shares by private placement (i)	400,000,000	400,000
Issue of shares (ii)	996,430,895	971,431
Conversion of options (iii)	250,000,000	250,000
Balance at 30 June 2021	<u>3,439,292,919</u>	<u>28,799,411</u>

(i) 200,000,000 shares issued by private placement on 13 January 2021, raising \$200,000. No costs were incurred for the issuance of these shares.

200,000,000 shares issued by private placement on 29 January 2021, raising \$200,000. No costs were incurred for the issuance of these shares.

(ii) 996,430,895 shares issued via non-renounceable right issue. \$25,000 was incurred for the issuance of these shares.

(iii) 250,000,000 shares issued by conversion of 250,000,000 options. No costs were incurred for the issuance of these shares.

(b) Employee Share Option Scheme

The Company did not issue any share options during the financial year and there were no share options outstanding at the end of the financial year.

13. Reserves and accumulated losses

Accumulated losses

Accumulated losses	(26,839,978)	(27,443,197)
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The movement in the accumulated losses comprises:

Balance at beginning of year	(27,443,197)	(27,310,442)
Profit/(Loss) for the year	603,219	(132,755)
Balance at end of year	(26,839,978)	(27,443,197)

14. Cash flow information

	2021	2020
	\$	\$
<i>Reconciliation of loss after income tax to net cash outflow from operating activities:</i>		
Profit / (Loss) for the year	603,219	(132,755)
<u>Non-cash items in profit or loss:</u>		
Depreciation expense	6,922	22,032
Amortisation expense	49,809	52,111
Impairment loss/(reversal of impairment loss) on inventory	170,395	87,220
Impairment loss on other receivables	21,234	11,250
Rehabilitation expense	69,374	
Indexation of the BioSA loan	2,725	5,191
Interest on convertible note	6,049	-
Gain on sale of assets	(3,136)	(455)
Settlement of creditor invoices via issue of shares	-	36,031
Gain on sale of subsidiaries	(263,698)	-
Settlement of legal provision via issue of convertible note	200,000	-
Write back of provision for legal settlement	(1,858)	-
<u>Change in operating assets and liabilities:</u>		
(Increase)/decrease in trade or other receivables	(77,003)	(15,227)
Decrease in inventory	212,267	24,888
Decrease in other current assets	(18,664)	63,057
(Decrease)/increase in trade and other payables	(188,507)	(1,637,533)
Increase/(decrease) in provisions	(365,539)	236,509
Net cash outflow from operating activities	423,589	(1,247,681)

15. Earnings per share

	2021	2020
	cents	cents
(a) Basic and diluted earnings per share		
Profit/(Loss) from continuing operations attributable to the ordinary equity holders of the Group	0.03	(0.01)
Loss from discontinued operations attributable to the ordinary equity holds of the Group	(0.00)	-
Profit/(Loss) attributable to the ordinary equity holders of the Group	0.03	(0.01)

(b) Weighted average number of ordinary shares used as the denominator

		2021	2020
	Note	No.	No.
Number used in calculating basic and diluted earnings per share at 1 July		1,792,862,024	1,506,830,774
Effect of shares issued by private placement	12	175,342,466	124,316,940
Effect of shares issued	12	332,307,966	2,241,291
Number used in calculating basic and diluted earnings per share at 30 June		2,300,512,456	1,633,389,005

(c) Information concerning earnings per share

There were no options outstanding during and at the end of 2021 financial year. In the 2021 financial year, options granted are considered to be potential ordinary shares.

16. Discontinued operations

In financial year 2021, the Group disposed of interests in four of its subsidiaries during the year, being Xped USA LLC, Xped Holdings Pty Ltd, Xped Corporation Pty Ltd (the Group disposed of 97.8% of its interest in this company) and Xped USA Holdings. The following table outlines the performance of the discontinued operations for the financial year.

	2021	2020
	\$	\$
Financial performance		
Revenue and other income from discontinued operations	-	-
Expenses	(9,479)	-
Loss before tax from discontinued operations	(9,479)	-
Income tax expense	-	-
Loss after tax from discontinued operations	(9,479)	-
Other comprehensive income, net of income tax	-	-
Total comprehensive income for the year	(9,479)	-
Cash flows		
Net cash outflow from operating activities	(9,479)	-
Net decrease in cash generated by the component	(9,479)	-