

OKH GLOBAL LTD.
(Company Registration Number: 35479)
(Incorporated in Bermuda)

RESPONSE TO SGX QUERY

The Board of Directors of OKH Global Ltd would like to respond to the query below raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) dated 2 September 2019 as follows:

SGX-ST’s Query:

We refer to OKH Global Ltd.’s / the Company’s FY2019 financial results filed on 27 August 2019. Please clarify the following:

For the 12 months’ ended 30 June 2019 (“FY2019”), “other expenses” increased significantly to S\$18.9 million from only S\$959K in the previous comparable period in 2018. The Company had attributed the said increase in FY2019 mainly, to higher impairment loss on the Group’s PPE and completed properties held for sale and revaluation loss on the Group’s investment property. At para 1(c), the Company disclosed the breakdown of the “other expenses” in FY2019 to be as follows: impairment loss of PPE of S\$8 million; loss on revaluation of investment properties of S\$7.7 million and impairment loss on completed properties held for sale of S\$3.2 million respectively. Please elaborate on these factors which had caused the significant losses.

Company’s Response:

The current state of Singapore’s economy and industrial real estate market remains challenging, hence our annual year end valuation exercise performed by independent professional valuers reflected a lower valuation on the Group’s property, plant and equipment, investment properties and completed properties held for sale.

The impairment loss on property, plant and equipment of S\$8 million was taken up on a piece of land where construction work had ceased, to reflect its current open market value which is a value which the land might reasonably be expected to be sold at, at the date of the valuation.

The impairment loss on completed properties held for sale of S\$3.2 million and loss on revaluation of investment properties of S\$7.7 million are mainly due to the Group’s project ACE@Buroh and Loyang Enterprise. The lower valuations were derived based on comparison with sales and listings of similar properties in the vicinity as guides after relevant valuation adjustments are made for differences in locality, floor area, floor level, building condition, tenure, market conditions and other improvements done.

BY ORDER OF THE BOARD

LOCK WAI HAN
Executive Director and Chief Executive Officer
3 September 2019