

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 15 November 2022, regarding the Company’s announcement on its Award of Public Tender For The Proposed Sale of The Group’s Ten-Storey Industrial Building Located at 12 Tai Seng Link, Singapore 534233, on 8 November 2022. The Company sets out below its responses to the queries raised by the SGX-ST:

SGX-ST’s Query:

1. Noting that the successful bidder through the tender process was an interested person, please provide further information on the Public Tender:
 - a) whether any professional real estate firm was appointed for the purpose of the Public Tender and if not why;
 - b) the material requirements pertaining to the tender process with regards to submission of bids;
 - c) whether any real estate professional firm has been appointed to dispose the Property at a higher consideration;
 - d) We note the Company’s efforts in the previous years to solicit interest but no offers have been received prior to the tender. Please clarify if it was the Audit Committee that was the approving authority for the decision to proceed to accept the bid and if so, the basis for decision to dispose the Property at a loss of \$3 million and whether it is the best interest of the Company and its minority shareholders.

Company’s Response:

There were no professional real estate firm appointed for the purpose of the Public Tender as the marketing process was handled by the Company’s own sales team. Our own sales team through their extensive network and contacts had reached out to various marketing firms in order to seek out the highest possible bid. By using our own sales team who had experience in running a public tender, the Company is able to save the commission paid to professional real estate firm of approximately 1% - 2% of the sale price.

There are no material requirements for submission of bids, any tender submitted with the form of tender accompanied by a cashier’s order of S\$400,000 as tender fee before the closing date will be duly evaluated. For submission of bids, a secured tender box was placed at our solicitor, Rajah & Tann Singapore LLP’s office and the secured tender box was only opened after the close of tender by representatives from the Company in the presence of our solicitor.

The Audit Committee was the approving authority for the decision to proceed to accept the bid after considering the following:

1. the shortening lease term of the Property which will impact the future valuation of the Property;
2. the disposal will allow the Group to fully repay the borrowings on the Property which will allow the Group to reduce its financing cost in the current increasing interest rate environment; and
3. any residual proceeds will be retained as working capital.

Based on the above considerations, the Audit Committee is of the view that the disposal is in the best interest if the Company and its minority shareholders.

SGX-ST's Query:

2. Listing Rule 909(4) states that "in the case that the market value or book value of the asset to be disposed of is higher than the consideration from an interested person, the value of the transaction is the higher of the market value or book value of the asset." In this regard, we note that the book value and latest valuation of the Property as at 30 June 2022 is approximately S\$38 million but the Company had computed the figure of 65.9% for the purpose of Listing Rule 906 using the lower value of the consideration of S\$35 million. Please disclose the correct relative figure.

Company's Response:

The recomputed relative figure based on the book value of the Property as at 30 June 2022 of S\$38 million is 71.5%.

BY ORDER OF THE BOARD

LOCK WAI HAN
Executive Director and Chief Executive Officer
16 November 2022