The proposed acquisition of the entire issued and paid-up share capital of Chip Eng Seng Construction Pte. Ltd.

Transformation into a leading player in the building and construction industry

4 December 2024

Contents

Transaction Overview

Proposed Transaction	• Acquisition by OKH Global Ltd. (“**OKH**” or the “**Group**”) of the entire issued and paid-up share capital of Chip Eng Seng Construction Pte. Ltd. (the “**Target**” and together with its subsidiaries, collectively, the “**Target Group**”) (the “**Proposed Acquisition**”) and allotment and issuance of shares in OKH Global Ltd. as consideration for the Proposed Acquisition (the “**Proposed Issuance**”, and together with the Proposed Acquisition, the “**Proposed Transaction**”).
The Target	• The Target Group's core businesses primarily focus on six (6) core business segments: (a) building construction; (b) building construction in Australia; (c) civil infrastructure; (d) environmental and sustainability; (e) prefabrication technology; and (f) procurement. • As at 30 June 2024, the Target Group’s order book is in excess of S$2 billion.
Transaction Consideration	• Initial consideration of S$118,548,000 (the “**Initial Consideration**”). The final consideration may be adjusted depending on the estimated net asset value of the Target Group nearer to the completion date. • No cash payment is necessary; 100% of the consideration will be satisfied by the allotment and issuance of an aggregate of up to 2,257,197,258 shares to the Vendors. • The consideration shares will be issued at an issue price of S$0.05252 per share (being the net asset value (“**NAV**”) per share of OKH).
Independent Valuer	• The appointed independent valuer, RSM SG Corporate Advisory Pte. Ltd. (the “**Independent Valuer**”), has assessed the valuation of the Target Group to be between S$115.3 million and S$128.4 million. • The Initial Consideration is at the lower end of this range.

Transaction Overview (cont'd)

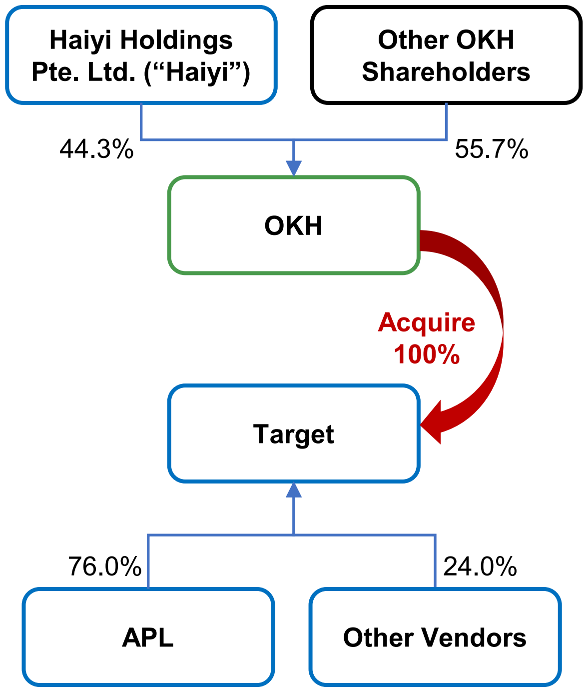
Vendors	• Acrophyte Pte. Ltd. (formerly known as Chip Eng Seng Corporation Ltd.) ("**APL**") and 4 individuals[1] (the "**Other Vendors**", and together with APL, the "**Vendors**"), collectively, are the vendors to the Proposed Transaction.
Independent Financial Adviser	• The appointed independent financial adviser, Stirling Coleman Capital Limited, will be providing its advice in a circular to be despatched to shareholders of the Group on, *inter alia*, whether the Proposed Transaction as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of OKH and its minority shareholders.
Abstention by Interested Persons	• The Proposed Transaction will be subject to the approval of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the shareholders of OKH at a Special General Meeting to be convened (the "**SGM**"). • Mr. Gordon Tang, Mrs. Celine Tang ("**CT**"), APL and MTC and each of their associates will abstain from voting on the resolutions relating to the Proposed Transaction at the SGM. • CT is a director of both OKH and APL. Accordingly, CT has abstained and will abstain on all decisions of the directors of OKH in relation to the Proposed Transaction. • Mr. Lock Wai Han is a director and the Chief Executive Officer of OKH and was a director of APL up till 30 September 2024. For good corporate governance, he will also abstain on all decisions of the directors of OKH in relation to the Proposed Transaction.

(1) Mr. Chia Lee Meng Raymond; Mr. Michael Tong Chiew ("**MTC**"); Mr. Lin Daqi; and Ms. Wong Tze Theng.

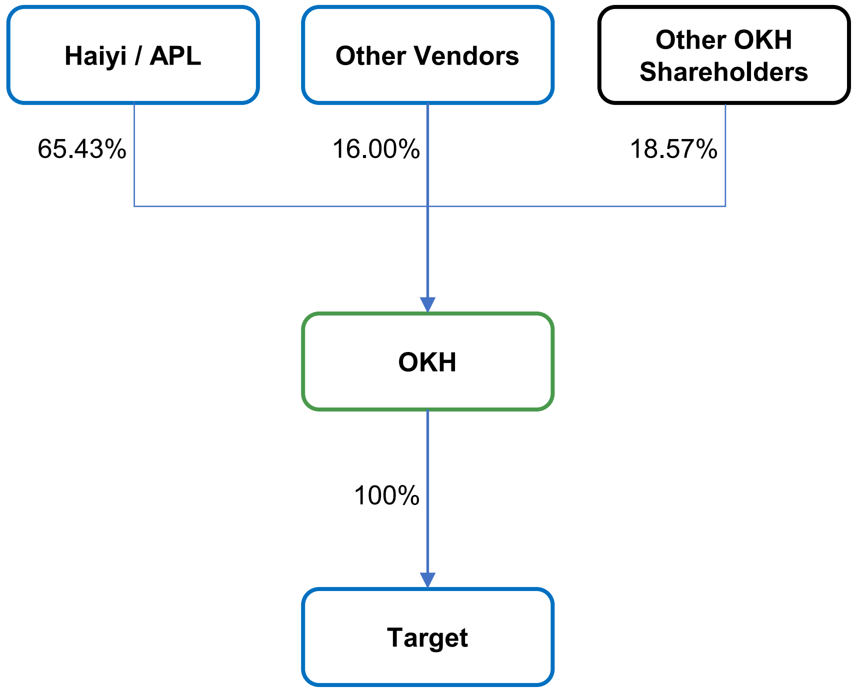
Transaction Structure

- The Proposed Acquisition will be fully funded through the Proposed Issuance rather than cash. This preserves the Group's cash flow and aligns the interests of both Vendors and the shareholders of the Group to drive growth and enhance the value of the enlarged group comprising, (a) the Group and (b) the Target Group, following completion of the Proposed Transaction (the "**Enlarged Group**").
- UOB is the sole financial adviser to the Group in relation to the Proposed Transaction.

Current Structure



Post-Transaction Structure



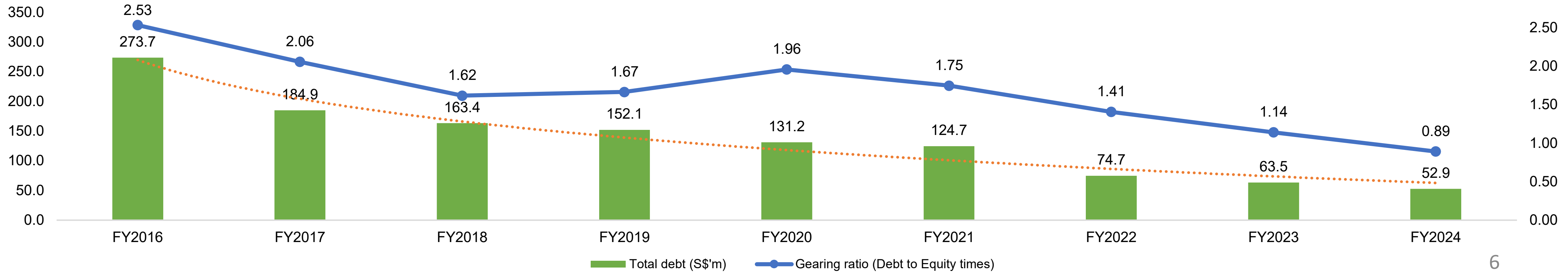
Background of the Proposed Transaction

1. The Group's journey

- Formed in a reverse takeover exercise in 2013 when Sinobest Technology Holdings Ltd. acquired OKH Holdings Pte. Ltd.
- The Group was a local contractor undertaking renovation projects and minor alteration & addition works and gained capabilities in construction and project management.
- Subsequently, the Group diversified its business by venturing into property development in Singapore and found a niche in developing industrial properties for strata sales.
- In 2015/2016, the Group faced a confluence of headwinds in economic outlook, industrial strata market, cashflows and internal management challenges, resulting in the sudden downward spiral of OKH's share price in 2016.
- Haiyi came on board in 2016 as the new controlling shareholder to restore confidence and strengthen the Group's balance sheet by injecting new capital and loans for the Group to complete the construction of its development projects.
- The Group revised its business model and leased out its unsold properties whilst continuing to focus on completing the construction of its uncompleted development projects. Upon completion of its development projects, the Group's construction business was scaled down.

2. Rationalisation strategy has strengthened the Group's financial position

- The Group's current recurring income base is derived mainly from its property investment segment, which comprises industrial properties in Singapore.
- Since 2016, the Group has been focusing on a strategy of divesting assets to reduce gearing and strengthen its financial position.



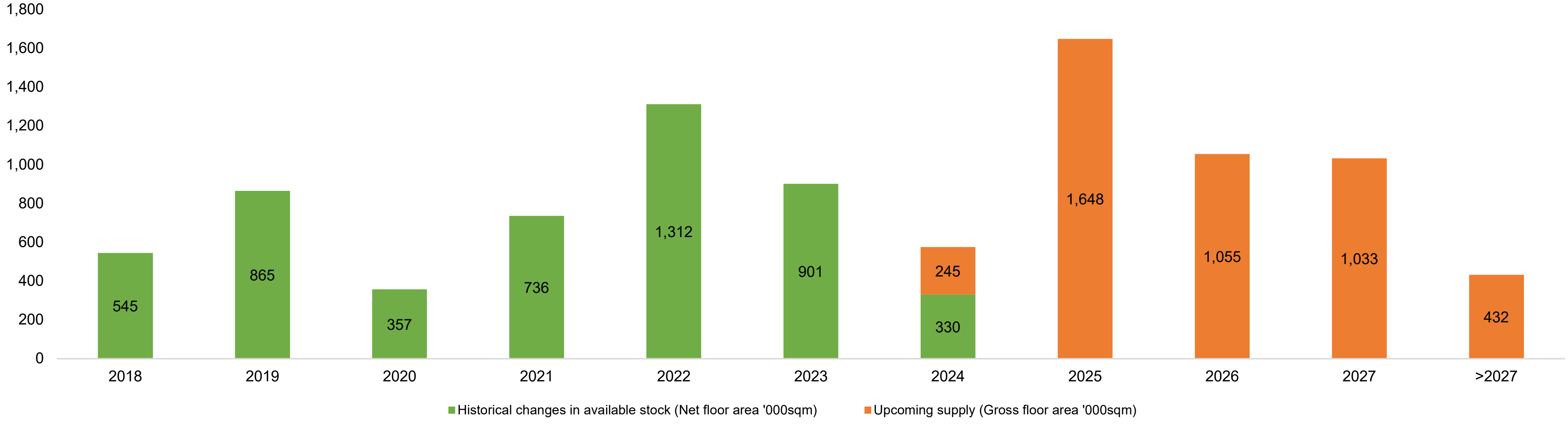
Background of the Proposed Transaction (cont'd)

3. However, the Group faces a challenging outlook

A. Tough macro environment due to large supply of factory spaces

- According to JTC Corporation ("**JTC**"), the vacancy rate of multi-user factory space stood at 8.4% as at the third quarter of 2024 and an additional 1.6 million sqm of industrial space is expected to be completed in 2025. Between 2025 and 2027, an additional 3.7 million sqm of industrial space is expected to be completed. This amounts to an annual average supply of about 1.2 million sqm from now until end 2027 which far exceeds the average annual supply and demand for industrial space of approximately 0.9 million sqm and 0.5 million sqm respectively over the past three years.
- This may push up the overall vacancy rates of the multi-user factory segment, causing the Group to face greater challenges in renewing its leases with tenants at favourable rates.

New Industrial Space Supply (Historical and Upcoming)[1]



(1) JTC Quarterly Market Report (Industrial Properties) Third Quarter 2024.

Background of the Proposed Transaction (cont'd)

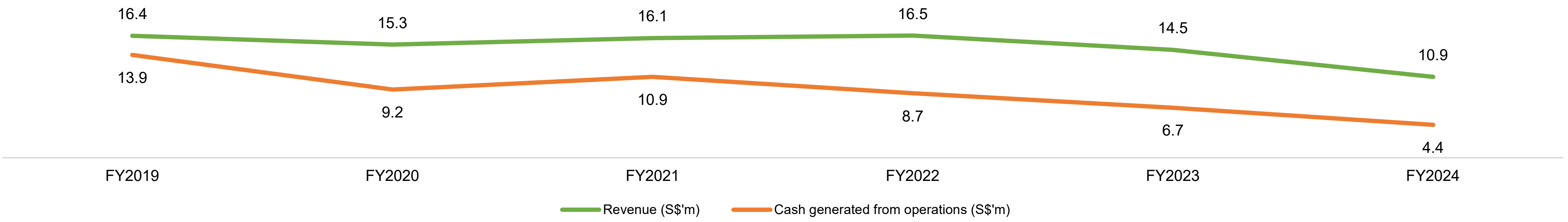
3. However, the Group faces a challenging outlook (cont'd)

B. Shortening lease terms erodes asset valuation and threatens business continuity

- The remaining investment properties were all acquired before 2016. With lease terms of less than 20 years, these properties are expected to keep depreciating, with valuations likely to decline in the medium to long term.
- On the back of the macro headwinds, according to JTC[1] the price index of multiple-user factory space with less than 30 years of remaining tenure has declined from 92.2 in the first quarter of 2023 to 88.5 in the third quarter of 2024.
- More critically, the renewal of the tenure of the Group's assets is pertinent for the continuity of the business. However, there is no certainty that the leases can be extended.

C. Limited internally generated cashflow unable to support major expansive growth

- The monetisation of the Group's investment property portfolio to reduce gearing has resulted in a reduction in revenue and cashflow. Whilst this is sufficient for the current operations of the Group, it is insufficient to support major expansive growth and business opportunities.



(1) JTC Quarterly Market Report (Industrial Properties) Third Quarter 2024.

Transaction Rationale

1. New growth engine to revitalise the Group

- The Group shall revitalise growth by integrating its construction capabilities with the Target Group's expertise. By combining their proven track records and leveraging a broader range of in-house technical expertise, the Enlarged Group will be better positioned to undertake a wider variety of construction projects, including its own developments and third-party contracts.
- The Proposed Transaction would thus allow the Group to emerge as one of the foremost leading players in the building and construction industry.

Target Group's Core Business Segments

❖ **Building Construction**
Undertakes public sector projects (mainly public housing projects), private projects (such as condominiums) and industrial and commercial projects

❖ **Building Construction in Australia**
Builds private residential projects, community housing and aged care & education facilities

❖ **Civil Infrastructure**
Design and build construction service provider that specialises in civil, industrial and utilities infrastructure projects

❖ **Environmental & Sustainability**
Provides design, engineering, supply, and commissioning of water and wastewater treatment technologies and solutions, as well as offers project management and consultancy services for sustainability solutions in buildings and industrial plants

❖ **Prefabrication Technology**
Supplies precast concrete materials for residential, commercial, industrial and infrastructure projects and providing 3D printing technology services

❖ **Procurement**
Provides procurement services relating to construction-related supplies and materials and related services

Target Group's Certifications

❖ **Civil Infrastructure: A1 Classifications for General Building (CW01) and Civil Engineering (CW02) Contractors**
Qualifies the Target to tender for public sector projects that have an **unlimited** contract value

❖ **Building Construction: A1 Classifications for General Building Contractors**
Qualifies the Target to tender for public sector projects that have an **unlimited** contract value

❖ **Civil Engineering Contractors: A2 and B2 Gradings**
Qualified to tender for public sector civil engineering projects with values of **S$105 million** and **S$16 million** respectively

❖ **L6 Mechanical Engineering (ME11) Workhead**
Qualified to tender for public sector contracts in Singapore with **unlimited** tender sums

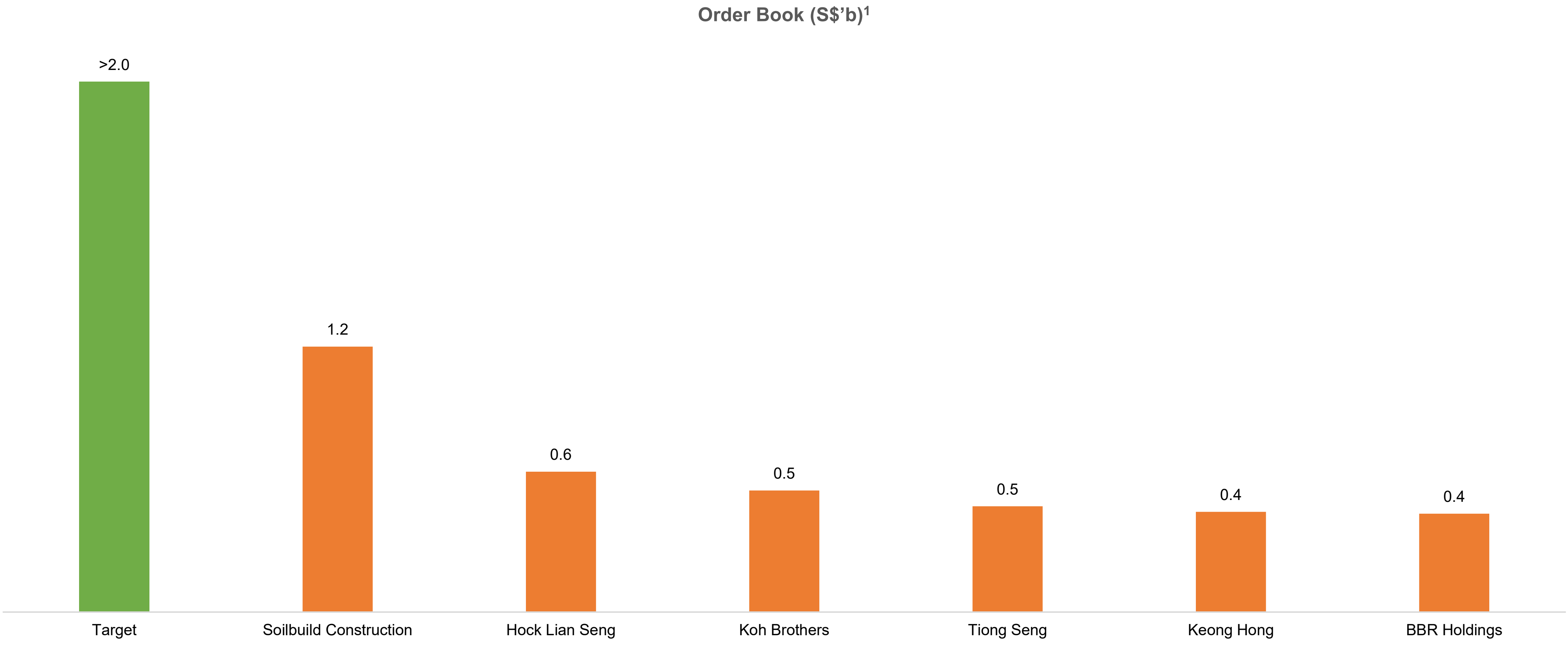
❖ **CR10B "Precast Concrete Works" and Financial Category L6**
Qualified to bid for public sector prefabrication contracts of **unlimited** tender sums

❖ **Approved Materials Supplier for the Housing & Development Board projects**

Transaction Rationale (cont'd)

1. New growth engine to revitalise the Group (cont'd)

- As at 30 June 2024, the Target Group's outstanding order book is in excess of S$2 billion which significantly exceeds the order books of other Singapore listed construction companies.



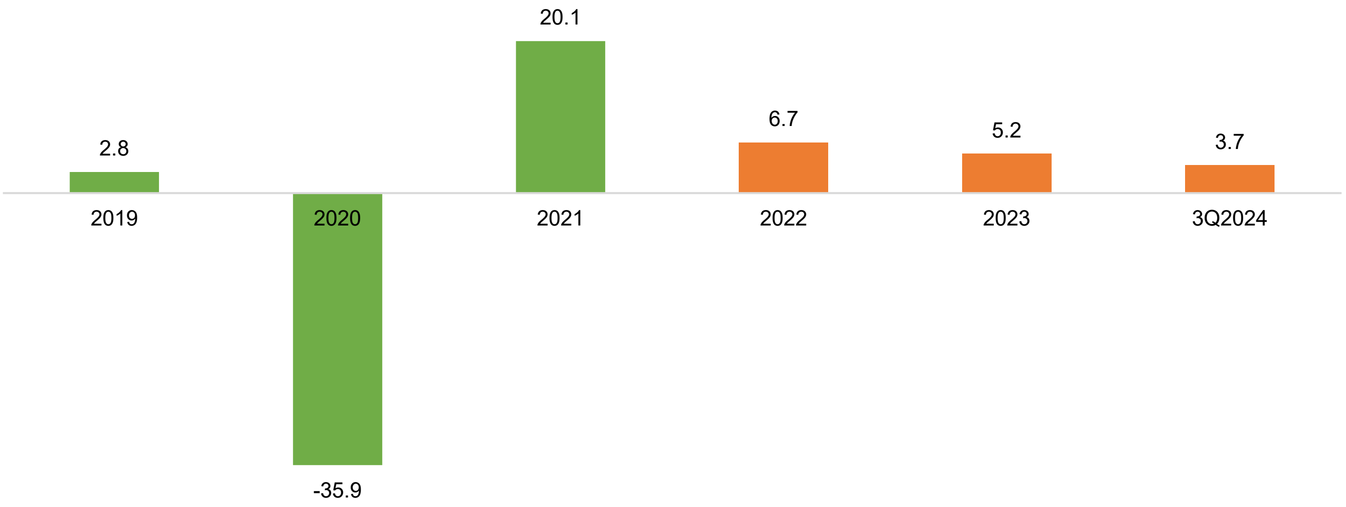
(1) Information relating to the order books of the Singapore listed construction companies are extracted from public announcements on the SGX-ST and are as of 30 June 2024, except for Keong Hong's order book which is as of 31 March 2024.

Transaction Rationale (cont'd)

2. Opportunity to participate in the robust demand in the building and construction industry

- According to the Ministry of Trade and Industry, the construction sector grew 3.7% year-on-year in the third quarter of 2024, following a 4.8% expansion in the previous quarter. The increase in certified progress payments was largely driven by higher outturns in public civil engineering and residential building works.[1]
- Looking ahead, the Building and Construction Authority expects total construction demand to range between S$32 billion and S$38 billion for 2024 and between S$31 billion and S$38 billion per annum from 2025 to 2028.[2]
- The public sector is anticipated to continue leading demand with about S$19 billion to S$23 billion per annum, supported by building projects and civil engineering works with key developments, such as Mass Rapid Transit projects and various major public sector initiatives. Private sector construction demand is projected to remain steady at approximately S$12 billion to S$15 billion per annum from 2025 to 2028, reflecting healthy investment commitments amid Singapore's strong economic fundamentals.
- The Target is well-positioned to leverage its leading position and credentials and capitalise on the robust demand in the construction sector.

Construction Sector Year-on-Year Growth (%)[1]



- **The construction sector grew 3.7% year-on-year in the third quarter of 2024.**
- **Total construction demand to range between S$31 billion and S$38 billion per annum from 2025 to 2028.**
- **The public sector is anticipated to continue leading demand.**
- **Private sector construction demand is projected to remain steady reflecting healthy investment commitments amid Singapore's strong economic fundamentals.**

(1) https://www.mti.gov.sg/Resources/Economic-Survey-of-Singapore. Figures presented are based on figures reported in each respective year or period.
(2) https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024

Transaction Rationale (cont'd)

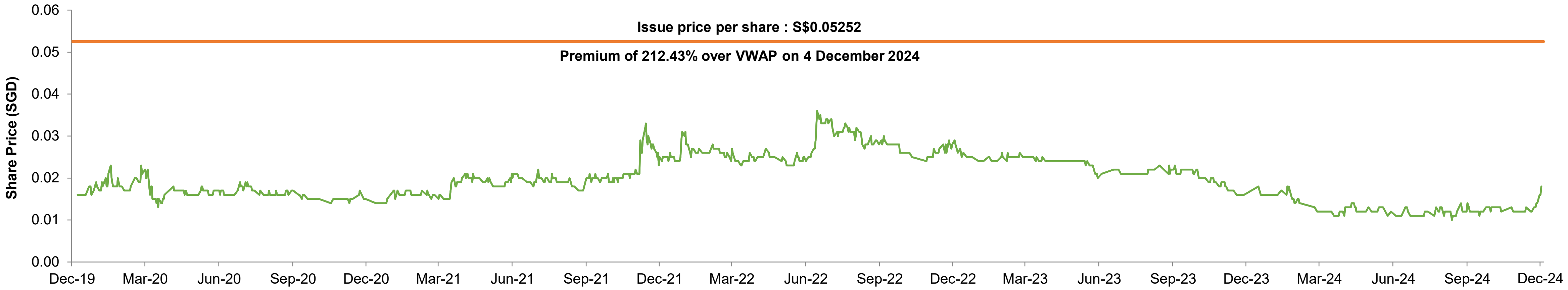
3. Initial Consideration falls within the market value range assessed by the Independent Valuer

- The market value for the Target Group has been assessed by the Independent Valuer to be in the range of S$115.3 million and S$128.4 million.
- The Initial Consideration falls within the lower end of the market value range assessed by the Independent Valuer.

4. All-shares consideration is beneficial to shareholders of the Group

- ✓ All-shares consideration strengthens the Group's capital base and preserves cashflow without raising new debt or equity funds to satisfy the consideration.
- ✓ The Vendors are taking shares and not cashing out, ensuring alignment of interest between the Vendors and the shareholders of the Group to work towards further growth and appreciation of the Enlarged Group.
- ✓ The consideration shares are issued at an issue price of S$0.05252 per share, which is pegged to the NAV of the Group, to preserve the value of the Group.

  The issue price significantly exceeds the closing prices of the shares for the past five (5) years and represents a premium of approximately 212.43% over the volume weighted average price ("**VWAP**") of S$0.01681 per share for 4 December 2024, being the last full market day prior to the date of the announcement of the Proposed Transaction.[1]



(1) The issue price and corresponding premium to VWAP need to be considered in conjunction with the other terms of the Proposed Transaction including the Initial Consideration.

Approvals Required and Other Conditions

Key approvals by shareholders of OKH

- For the Proposed Transaction (including the Proposed Acquisition and the Proposed Issuance)
- For the waiver by shareholders of OKH of their rights to receive a takeover offer for their shares as a result of the increase in shareholding in OKH of APL and persons acting in concert with it

Approvals by the SGX-ST

- For the Proposed Transaction (including the Proposed Acquisition and the Proposed Issuance)
- Listing and quotation notice for consideration shares being received and not having been withdrawn

Other key approvals and conditions

- No material adverse changes as defined in the conditional sale and purchase agreement entered into between OKH and the Vendors (the "**SPA**")
- Obtaining all consents and approvals in relation to the Proposed Transaction by the Group, APL and the Target Group
- No breach of certain warranties contained in the SPA