

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

**PROPOSED DISPOSAL OF THE PROPERTY AT NO. 5 PIONEER SECTOR LANE
SINGAPORE 628323**

1. Introduction

The Board of Directors of OKH Global Ltd. (the “**Company**” and its subsidiaries, collectively the “**Group**”) refers to the Company’s Announcements dated 17 May 2019, 4 June 2019, 23 September 2019 and 25 September 2019 (the “**Announcements**”) in relation to the Proposed Disposal of the Group’s Property located at No. 5 Pioneer Sector Lane, Singapore 628323 (the “**Property**”). Unless otherwise defined, capitalised terms used in this announcement shall have the meanings given to them in the Announcements.

The Board wishes to announce that the Company’s wholly-owned subsidiary, OKH Holdings Pte. Ltd. (“**OKHH**”) has on 23 September 2019 issued an Option to Purchase (the “**Option**”) to Utraco Pte Ltd (the “**Purchaser**”) for the sale of the Group’s Property (“**Proposed Disposal**”).

The Board wishes to further announce that as at the date of this announcement, the Purchaser has exercised the Option to purchase the Property.

The Purchaser’s core activity is geotechnical engineering. The Purchaser is not related to the Directors and controlling shareholders of the Company and their associates.

2. Information on the Property

The Group acquired the land at No. 5 Pioneer Sector Lane, Singapore 628323 in year 2013 to construct a warehouse for fabrication and assembly works and storage of construction materials. The Company commenced construction in 2015. In 2016, the Group scaled down the construction segment and decided not to continue with the construction of the warehouse.

3. Consideration

The total consideration for the Property is S\$4 million (the “**Consideration**”). The Consideration was arrived at on a willing-buyer willing-seller basis, after taking into the valuation detailed in item 4 below.

The Consideration will be satisfied in cash and is to be paid by the Purchaser in the following manner:

- a. a S\$40,000 (the “**Option Fee**”), equivalent to 1% of the Consideration, which was paid by the Purchaser to the Company on 23 September 2019, being the date OKHH granted the Purchaser the option to purchase the Property;

- b. a S\$160,000 (the “**Option Exercise Money**”), which together with the Option Fee shall constitute the “**Deposit**” for the purchase on or before the date expiring Two (2) weeks from the date of this Option (“the **Option Expiry Date**”) equivalent to 5% of the Consideration, shall be paid by the Purchaser to OKHH’s solicitors on or before the Option Expiry Date which shall expire at 4.00 p.m. on the Option Expiry Date, being the final date and time the Purchaser may exercise its option to purchase the Property;
- c. balance Consideration of S\$3.8 million (equivalent to 95% of the Consideration) shall be paid by the Purchaser to OKHH’s solicitors on or before the date expiring Two (2) months from the date of approval in item 5c below (“**Completion**”).

4. Value of the Property

The Company have engaged RHT Chestertons Valuation and Advisory Pte. Ltd. as the independent valuer to perform the independent valuation for the Property. The valuation of the Property was S\$4 million as at 24 May 2019 based on the valuation report (the “**Valuation Report**”) which is reflected in the Company’s full year results announcement for the financial year ended 30 June 2019. The Property was valued on an as-is where-is basis, by the Comparable Sales Method.

5. Salient Terms of the Option

The Proposed Disposal is subject to, amongst others, the following items:-

- a. the sale and purchase of the Property is subject to the “Singapore Law Society’s of Conditions of Sale 2012” (the “**Conditions**”), in so far as the Conditions and the terms and conditions of the Option are not contrary to or conflict with the Conveyancing & Law of Property (Conveyancing) Rules 2011 and the Singapore Academy of Law (Conveyancing Money) Rules 2011 (if applicable);
- b. OKHH and the Purchaser obtaining written approval from JTC and all other relevant government authorities (“**Relevant Authorities**”) for OKHH to sell and the Purchaser to purchase all the interest of the Company in the Property; and
- c. the Purchaser being able to obtain the approval from JTC and Relevant Authorities for, amongst others, the investment commitment and change of use of the Property to the following:
 - i) manufacture and assembly of drilling rigs, service and maintenance of plants and machineries;
 - ii) fabrication of structural steel component and storage of construction materials;
 - iii) management office and ancillary dormitory

(collectively referred to as the “**Approval**”).

Subject to the terms and conditions of the Option, Completion is expected to take place on or before February 2020.

6. Rationale for the Proposed Disposal of the Property

The proposed disposal is in line with the Company's strategic direction to dispose off its property. The Group had ceased construction of the Property, hence disposal of the Property will reduce cost associated to maintain and upkeep the Property.

7. Use of Sales Proceeds

The proceeds from the Proposed Disposal will be used for repayment of loans and working capital purposes of the Group.

8. Net Profits Attributable to the Proposed Disposal

Based on the latest announced unaudited consolidated accounts of the Group for the financial year ended 30 June 2019, the net book value of the Property as at 30 June 2019 was approximately S\$4 million.

The Proposed Disposal would also be at S\$4 million, which will not result in any material gain or loss for the financial year ending 30 June 2020.

9. Financial Effects

The Proposed Disposal is not expected to have a material impact on the earnings per share and the net tangible asset per share for the financial year ending 30 June 2020.

10. Relative Figures Computed pursuant to Rule 1006 of the Listing Manual

The relative figures for the Proposed Disposal (the "Relative Figures") computed on the bases of assessment pursuant to Rule 1006 (a) to (e) of the Listing Manual of the SGX-ST (the "Listing Manual") are set out below, based on the latest announced unaudited consolidated accounts for the financial year ended 30 June 2019:

Rule 1006	Relative Figure (%)
(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value	4%
(b) The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss	3%
(c) The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	24%
(d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not Applicable
(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not Applicable

As the Relative Figures computed on the above bases of assessment in Rule 1006(c) exceeds 20%, the Proposed Disposal constitutes a “major transaction” as defined in Chapter 10 of the Listing Manual. Accordingly, shareholders’ approval is required for the Proposed Disposal.

The Company had, however, obtained the waiver of shareholders’ approval pursuant to Rule 1014(2) of the Listing Manual from the SGX-ST. Please refer to the Company’s announcement dated 23 September 2019.

11. Interests of Directors and Controlling Shareholders

Save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any direct interests or deemed interest in the Proposed Disposal.

12. Service Agreement

No person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly, no service agreement is proposed to be entered into between the Company and any such person.

13. Documents for Inspection

A copy of the Option is available for inspection at the head office of the Company at 701 Sims Drive, #02-06, LHK Building, Singapore 387383 during normal business hours for a period of three months from the date of this announcement.

14. Further Announcements

The Company will make further announcements on the Proposed Disposal as appropriate or when there are material developments to the Proposed Disposal.

There is no assurance that the aforesaid proposed sale of the Group’s property will be completed successfully in due course. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

BY ORDER OF THE BOARD

LOCK WAI HAN
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
4 October 2019