

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

**QUERY REGARDING RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2016**

The Board of Directors of OKH Global Ltd (the “**Company**”) would like to respond to the query below raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) dated 6 September 2016 as follows:

SGX-ST’s Query 1:

We note on page 5 of the Results Announcement that ‘Property, plant and equipment’ has increased by 147.9% from S\$12.554 million to S\$31.118 million. Please explain why is Company acquiring Property, plant and equipment when Revenue has decreased and provide breakdown of these Property, plant and equipment.

Company’s Response 1:

The Group commenced construction of a warehouse for its own use at 5 Pioneer Sector Lane Singapore 628323 prior to the financial year ended 30 June 2016 (“FY2016”). The addition of the property, plant and equipment (“PPE”) during FY2016 referred to the construction works carried out for the said warehouse.

Under the applicable financial reporting standards, the construction works carried out during FY2016 would be considered as an addition to the PPE.

SGX-ST’s Query 2:

We note on page 5 of the Results Announcement that ‘Trade and other payables’ has increased by 57.6% from S\$82.070 million to S\$129.374 million. Please provide the following information:-

- (a) Breakdown and aging of Trade and other payables**
- (b) Explain underlying transactions for amounts relating to material items in other payables**

Company’s Response 2:

(a)

<u>Breakdown of Trade and other payables</u>	
	FY2016 (’000)
<u>Trade Payables</u>	
Trade payables	24,994
<u>Other Payables</u>	

Other payables	5,457
Accrued Expenses	22,640
Deposits Received	5,213
Amount due to director	145
Advance Receipts from Customers	53,079
Profit sharing payable	7,900
Trade finance	9,946
Total	129,375

Aging of Trade Payables

Period	Amount ('000)
Current	662
1 - 30 days	9,284
31 - 60 days	1,449
61 - 90 days	1,188
Over 90 days	12,411
Total	24,994

Other payables aging is not meaningful for analysis hence the Company is of the view that it is not necessary to disclose the same.

(b)

The material items under the other payables mainly attributed to the following:-

1. Advance receipts from customers

This represented the progress billings that the developer had billed to the customers. Under the applicable financial reporting standards, these advance receipts would only be classified and recognised as revenue when the Group has achieved its Temporary Occupation Permit ("TOP").

2. Profit sharing payable

This represented the outstanding profit sharing due to our non-controlling interest for one of our recently completed project, Woodlands Horizon.

3. Accrued Expenses

This mainly related to the accrued project costs for unbilled progress billings from sub-contractors and suppliers for the work performed up to the FY2016.

SGX-ST's Query 3:

We note on page 17 of the Results Announcement the statement that the Group registered a net current liabilities position of approximately S\$86.47 million as at 30 June 2016 and notwithstanding that the management is of the opinion that it is able to meet all its obligations as and when it falls due. Please disclose the basis for the management's opinion that the Group is able to meet all its obligations as and when it falls due.

Company's Response 3:

Management is of opinion that the Group is able to meet its obligation as and when it falls due based on the following basis:-

1. There was a S\$50 million shares placement for cash from the new substantial shareholder in August 2016.
2. There was a reclassification of a term loan amounting to approximately S\$17 million from current liabilities to non-current liabilities due to breach of covenant, of which waiver had been obtained subsequent to year end.
3. Advance receipts from customers amounting to approximately S\$53 million as mentioned above did not represent the Group's payment obligation. Instead, it would be classified and recognised as revenue upon the Group's project, ACE@Buroh, achieving TOP in FY2017.

BY ORDER OF THE BOARD

CHEW KOK LIANG
Company Secretary
8 September 2016