

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 6 September 2017 as follows:

SGX-ST’s Query:

We refer to OKH Global Ltd.’s (the “Company”) announcement on 29 August 2017 in relation to the unaudited financial statement for the financial year ended 30 June 2017 (“FY2017”).

We refer to the share of profits of associates which increased by S\$1.98 million to S\$5.38 million in FY2017, which was mainly attributed to “completed BMW warehouse project which started contributing to the rental income in the current financial year”.

Please provide details of the BMW warehouse project, including the identity of the associate which undertook the project, the completion date of the project, the commencement date of the lease of the BMW warehouse, and the Group’s cost of investment in the project.

Company’s Response:

On 20 August 2015, the Group announced that PALI Senai Bhd., a wholly-owned subsidiary of Pan Asia Logistics Investments Holdings Pte Ltd. (“PALI”), has entered into a lease agreement for a build-to-suit logistics property with BMW Asia Technology Centre Sdn. Bhd. (“BMW Asia”). PALI is an associate of the Group and it was formed as a joint venture between the Group and the Pan Asia Logistics Holdings Singapore Pte Ltd whereby the Group has a direct 40% stake in PALI.

The BMW warehouse project is located at Senai Airport Free Industrial Zone in Johor Bahru, Malaysia, and it was designed and built to suit the logistics requirements of BMW Asia. The lease agreement, which provides up to 761,000 square feet of logistics property space for BMW Asia over 2 phases, is contracted for a period of 10 years which commenced from 18 November 2016 with the option to renew for a further 5 years by BMW Asia. The first phase of the project was completed on 17 November 2016.

The Group did not directly invest in the BMW project. The BMW project was undertaken directly by PALI with funding coming from PALI’s internal resources and borrowings. As the Group owns 40% of its associate, PALI, its fully year financial result would correspondingly take in 40% share of PALI’s net profits.

BY ORDER OF THE BOARD

LOCK WAI HAN
Executive Director and Chief Executive Officer
7 September 2017