

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

RESPONSE TO SGX QUERIES

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 8 October 2021, regarding the Company’s announcement of its FY2021 financial results on 29 September 2021. The Company sets out below its responses to the queries raised by the SGX-ST:

SGX-ST’s Query 1:

As at 30 June 2021, the Group has a working capital amounting to a deficit of S\$73.4 million of which the Group had renewed a current portion of the long-term bank loan amounting to S\$24,192,000 for a further 3 years. The Group also has a shareholder loan of S\$43.5 million due for repayment in July 2022. Please disclose:

- a) the Board's assessment, including bases of assessment, on the Company's ability to operate as a going concern;
- b) the Board's assessment, including bases of assessment, of the Company's ability to meet its debt covenants and short-term obligations as and when they fall due; and
- c) how the Company intends to fulfill its significant payment obligations in the next 12 months. Where the Company has worked out debt repayment plans to fulfill its debt obligations, please disclose if the Company is on track to fulfilling these obligations.

Company’s Response 1:

As at financial year ended 30 June 2021, total bank loans amounting to S\$77,822,000 were classified as current liabilities. However, subsequent to 30 June 2021, the following took place:

- 1. a bank loan amounting to S\$24,192,000 was renewed for a further 3 years;
- 2. a portion of the bank loan amounting to S\$17,302,000 was classified to non-current liabilities after a financial covenant relating to Loan-to-Value ratio was cured; and
- 3. a bank loan amounting to S\$15,728,000 was granted approval by the lender for a further extension of 3 years to December 2024, pending administrative procedures.

The remaining bank loan amounting to S\$20,600,000 is classified as current due to the nature of the loan being a Money Market Loan, which rollovers on an annual basis.

The Board and management are also of the view that the shareholder loan amounting to S\$43,500,000 will be successfully extended before it is due in July 2022 as the shareholder had extended the loan annually in the past. During the course of the audit for FY2021, there were also no findings from the auditors that shows that the Group will not be able to operate as a going-concern.

Based on the above, the Board and management are of the view that the Group will be able to operate as a going-concern and will be able to meet its short-term obligations when they fall due as there will not be any immediate repayment required for the loans in the next twelve months.

SGX-ST's Query 2:

Listing Rule 905(1) states that an issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets ("NTA"). Listing Rule 905(2) states if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited NTA, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. Based on the Group's audited NTA of S\$67.29 million taken from the Annual Report for FY2020, interested person transaction amount of S\$2.09 million entered into with Haiyi Holdings Pte Ltd in FY2021 is more than 3% of the Group's latest audited NTA. Please explain how the Company has complied with Listing Rule 905.

Company's Response 2:

The interested person transaction ("IPT") in question relates to the accrued interest for FY2021 on shareholder's loans taken up since 2016 and the Company has been disclosing the said accrued interest on the shareholder's loans in its Results Announcements since then. The shareholder's loans were extended to the Company in 2016 and 2018 by the controlling shareholder to fund the Company to complete its development projects at ACE@Buroh and Loyang Enterprise, as well as to make repayments to sub-contractors. These loans were critical in stabilising the Company's operations since the new controlling shareholders invested into the Company in 2016. Over the years, the Company had approached various financial institutions to take over the shareholder's loans, however there were no interest shown. Nonetheless, the controlling shareholder continues to support the Company and have been extending the loans on an annual basis.

The Company acknowledge that due to an oversight, no immediate announcement was made when the IPT for FY2021 crossed 3% of the group's latest audited NTA when the final month of interest was accrued on 30 June 2021. In prior years, the quantum of interest payment aggregated on an annual basis had not crossed 3% of the group's audited NTA but at the end of FY2020, the Group's NTA had dropped following the downward revaluation of the Group's properties in the aftermath of the Covid-19 pandemic. The Company had since disclosed the full-year aggregate IPT in Note 17 on page 20 and Para 6 on page 25 of its full yearly Results Announcement dated 29 September 2021, in compliance with Rule 905 of the Listing Manual.

SGX-ST's Query 3:

Please disclose the nature of relationship with Haiyi Holdings Pte Ltd as the interested person, as required under the format for interested person transactions disclosure under Listing Rule 907.

Company's Response 3:

Name of interested party	Nature of relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions conducted under shareholders' mandate ¹ pursuant to Rule 920)	Aggregate value of all interested person transaction conducted under shareholders' mandate pursuant to Rule 920
		S\$'000	S\$'000
<u>Haiyi Holdings Pte Ltd</u> Interest on loan	Controlling shareholder	2,090	-

BY ORDER OF THE BOARD

LOCK WAI HAN
Executive Director and Chief Executive Officer
11 October 2021

¹ The Company had not sought a general mandate from shareholders for IPTs under Rule 920(1)(a)(ii)