

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

**AWARD OF PUBLIC TENDER FOR THE SALE OF THE COMPANY'S PROPERTIES
LOCATED AT 701 SIMS DRIVE #02-02, #02-04, #02-05, #02-06, AND #02-07
SINGAPORE 387383**

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as in the Company's announcement dated 8 June 2017 and 30 June 2017 (the "Announcements")

The Board of Directors (the "**Board**") of OKH Global Ltd. (the "**Company**" and its subsidiaries, collectively the "**Group**") refers to the Company's Announcements dated 8 June 2017 and 30 June 2017 in relation to the Public Tender of the Group's properties located at 701 Sims Drive #02-02, #02-04, #02-05, #02-06 and #02-07 Singapore 387383 (the "Properties").

The Board wishes to inform the Shareholders that the Company had identified the successful bidder as Singhaiyi Capital Pte Ltd, a wholly-owned subsidiary of Singhaiyi Group Ltd. (the "**Purchaser**"). A letter of acceptance in relation to the proposed sale of the Group's Properties for a consideration of S\$8.8 million (the "**Proposed Disposal**") via the Public Tender was issued to the Purchaser on 11 July 2017 (the "**Acceptance Date**") and details of the Proposed Disposal is set out below.

Save for Mrs Celine Tang and Ms Ng Kheng Choo who had abstained totally from all forms of involvement in the award of the Public Tender for the Proposed Disposal by the Company, the Board has considered the recommendations from the Audit Committee and the cash flow needs of the Group in making the decision to award the Public Tender to the Purchaser.

Information on the Purchaser

Haiyi Holdings Pte Ltd ("Haiyi") holds approximately 44.3% in the Company and approximately 56.17% in the Purchaser. Mr Gordon Tang and Mrs Celine Tang are husband and wife, and they have an aggregate shareholding interest of 100% in Haiyi. Mrs Celine Tang is the Non-Executive Chairman of the Company, as well as the Group Managing Director of the Purchaser. Mr Gordon Tang is a Non-Executive Director of the Purchaser. Therefore the Purchaser is an associate of the Non-Executive Chairman of the Company. Based on the above, the Company is an entity at risk, Mrs Celine Tang is an interested person and the Purchaser is an associate of Mrs Celine Tang under the definition in Chapter 9 of the Listing Manual.

Pursuant to Rule 904(4) of the Listing Manual, the Purchaser is therefore an interested person of the Company, being an associate of Mrs Celine Tang. The Proposed Disposal is an interested person transaction for purposes of Chapter 9 of the Listing Manual and the value of the interested person transaction of \$8.8 million as compared to the group's latest audited net tangible assets of S\$107.97 million as at 30 June 2016 is 8.2% which is more than 5% under Rule 906(1)(a), the Proposed Disposal is subject to shareholders' approval pursuant to Rule 906 of the Listing Manual.

In addition, pursuant to Rule 916(4) of the Listing Manual, the Proposed Disposal is not required to comply with Rule 906 of the Listing Manual if it falls within the exception set out in Rule 916(4) of the Listing Manual, which provides that (i) the awarder entity at risk announces (a) the prices of all bids submitted and (b) the explanation of the basis for selection of the winning bid; and (ii) majority of the directors of both the listed bidder and listed awarder are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different. Hence, no separate approval of the minority Shareholders needs to be obtained under Rule 906 of the Listing Manual.

Participation by Interested Person

The Company has sought clarification with the SGX-ST on the applicability of Rule 916(4) of the Listing Manual in relation to the Proposed Disposal. SGX-ST has stated in its letter dated 4 July 2017 that Listing Rule 916(4) of the Listing Manual would apply to the Proposed Disposal in the event that the Purchaser is the successful bidder, subject to the Company announcing:-

- (i) The information required under Listing Rule 916(4)(a) and the basis for the selection of the winning bid must be on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders;
- (ii) Details of its compliance with Listing Rule 916(4)(b); and
- (iii) Ms Ng Kheng Choo may not be considered independent of the controlling shareholders of the Company under Guideline 2.3(f) of the Code of Corporate Governance 2012. Therefore, she should also abstain from all deliberations of interested person transaction with Haiyi and its associates, including all forms of involvement in the Proposed Transaction

The Board wishes to inform the Shareholders that: -

- (i) Pursuant to Rule 916(4) of the Listing Manual, as at the close of the Public Tender, despite various advertisements on the Public being put up in the Straits Times and Lianhe Zaobao on 9 June 2017, 16 June 2017 and 23 June 2017 for the awareness of the public. The Company has also informed various marketing agents and potential buyers on the Public Tender especially agents and buyers who had previously expressed interest in the Properties Although numerous enquiries were received during the tender period, the Company received only one bid for S\$8.8 million and it was submitted by the Purchaser. The selection of the Purchaser as the successful bidder was on the basis that: -
 - (a) by way of a Public Tender which means it is open to all to participate in this exercise. By submitting its bid, the Purchaser is subscribing and complying with all the commercial terms stated in the tender documents without variations. This would deem the entire transaction to be on normal commercial terms.
 - (b) based on the last transacted price on the property similar to the Properties, the Company has set an internal acceptable price range of between S\$8.5 million to S\$9.5 million of which the tender price was within the acceptable price range set by the Company.
 - (c) after taking into account the net book value of the Properties as at 30 June 2016 of S\$7.6 million, being the date as of which the latest audited financial statements were made up to and taking into account the valuations in respect of

the Properties as determined by an independent valuer commissioned by the Group, namely United Valuers Pte Ltd (the “**Independent Valuer**”) and the current real estate market conditions. The valuations as at 20 June 2017 as determined by the Independent Valuer are as follows:

Description of Property	Current Market Values
701 Sims Drive #02-02 Singapore 387383	S\$1.4 million
701 Sims Drive #02-04 Singapore 387383	S\$1.48 million
701 Sims Drive #02-05 Singapore 387383	S\$1.9 million
701 Sims Drive #02-06 Singapore 387383	S\$2.75 million
701 Sims Drive #02-07 Singapore 387383	S\$1.47 million
Total	S\$9.00 million

- (d) The tender price of S\$8.8 million is only 2.22% lower than the reported valuation. It is reasonable and acceptable in commercial dealings to expect pricing to be at a discount to valuation as the Company is selling 5 properties on an en bloc basis.

In this respect, the Company considered the tender price by way of the Public Tender and the basis in the selection of the Purchaser as the successful bidder is on normal commercial terms, and the aforesaid rationale shows that the tender price is not prejudicial to the interests of the Company and its minority shareholders. The decision on the award of the Public Tender was also under the review and opinion of the Audit Committee, save for Ms Ng Kheng Choo.

- (ii) The boards of directors of both the Company and the Purchaser are different and the Directors of the Company who are not related to and independent from Mrs Celine Tang, the interested person or its associates are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different. The Board of Directors and Audit Committee of the Company and the Purchaser are set out below:-

(a) Board of Directors of the Company

- (i) Mrs Celine Tang (Non-Executive Chairman)
- (ii) Mr Lock Wai Han (Executive Director and Chief Executive Officer)
- (iii) Mr Ong Soon Teik (Lead Independent Director)
- (iv) Mr Lim Eng Hoe (Independent Director)
- (v) Ms Ng Kheng Choo (Non-Executive and Non-Independent Director)

(b) Audit Committee of the Company

- (i) Mr Ong Soon Teik – Chairman

- (ii) Mr Lim Eng Hoe – Member
- (iii) Ms Ng Kheng Choo – Member
- (c) Board of directors of the Purchaser
 - (i) Mr Neil Bush (Non-Executive Chairman)
 - (ii) Mrs Celine Tang (Group Managing Director)
 - (iii) Mr Mao Jinshan (Managing Director of US Operations)
 - (iv) Mr Gordon Tang (Non-Executive Director)
 - (v) Mr Gn Hiang Meng (Lead Independent Non-Executive Director)
 - (vi) Mr David Hwang Soo Chin (Independent Non-Executive Director)
 - (vii) Mr See Yen Tarn (Independent Non-Executive Director)
 - (viii) Ms Yang Manlin (Independent Non-Executive Director)
- (d) Audit Committee of the Purchaser
 - (i) Mr Gn Hiang Meng – Chairman
 - (ii) Mr David Hwang Soo Chin – Member
 - (iii) Mr See Yen Tarn - Member
- (iii) Ms Ng Kheng Choo is the Non-Executive and Non-Independent Director and a member of the Audit Committee of the Company. She has executed her duties by fielding her queries and comments to the Management when the Management informed the Board that the Company intended to dispose of the Properties by way of Public Tender as well as the results of the Public Tender prior to 4 July 2017. On 4 July 2017, Ms Ng Kheng Choo informed the Board that she abstained from all the deliberations of interested person transactions with Haiyi and its associates, in relation the award of the Public Tender for the Proposed Disposal by the Company, including all forms of involvement in the Proposed Transaction.

Accordingly, the Proposed Disposal will fall within the exception set out in Rule 916(4). No separate approval of the minority Shareholders needs to be obtained under Rule 906.

The Proposed Disposal by way of Public Tender

The Disposal was conducted by way of Public Tender, wherein bidders were invited to submit their bids by the close of the Public Tender at 3pm of 30 June 2017. The close of the Public Tender was at the office of Rajah & Tann Singapore LLP who is the solicitor acting for OKH Holdings Pte Ltd (a subsidiary of the Company) in the sale of the Properties. Rajah & Tann Singapore LLP was engaged as the solicitor as they are one of the largest law firms in Singapore with vast experience in acting as solicitors in a public tender. Rajah & Tann Singapore LLP confirmed that there was only one bid received at the close of the tender and the bid received was the Purchaser's bid. Based on normal commercial terms and not

prejudicial to the interests of the Company and its minority shareholders, the Board with the concurrence of the Audit Committee accepted the Purchaser's bid of S\$8.8 million (the "**Consideration**") for the Proposed Disposal after taking into account the net book value of the Properties as at 30 June 2016 of S\$7.6 million, being the date as of which the latest audited financial statements were made up to and taking into account the valuations in respect of the Properties as determined by an Independent Valuer.

Rationale of Proposed Disposal

Pursuant to a strategic review of the Group's balance sheet, financial position and long-term operational needs, the Board concluded that the disposal of the Properties will free up financial resources for better liquidity and to fund the Group's working capital requirements to carry out the core businesses of the Group, as well as to strengthen the financial position of the Group as a whole. Given the aforesaid reasons, the Directors are of the view that the Proposed Disposal is in the best interests of the Company.

Intended Use of Proceeds

The Properties are currently mortgaged to a bank as a restructured loan with an outstanding amount of approximately S\$6.8 million which is due by early November 2017. The Company intends to use the proceeds arising from the Proposed Disposal to repay its restructured loan of approximately S\$6.8 million and the balance of approximately S\$2 million to fund the Group's working capital requirements to carry out the core businesses of the Group.

Discloseable Transaction under Chapter 10 of the Listing Manual of the SGX-ST

The Proposed Disposal is also governed by Chapter 10 of the Listing Manual of the SGX-ST (the "**Listing Manual**") and would be identified as a discloseable transaction for the Company pursuant to Rule 1010 in respect of acquisitions and realisations. Based on the latest audited consolidated financial statements of the Group for the financial year ended 30 June 2016, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:-

Rule 1006	Percentage
(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value	7.03%
(b) The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss	0.04%
(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 (weighted average price of the Company's shares transacted on 3 July 2017 is S\$0.044)	17.7%
(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	N.A. as it does not involve issuance of new shares by the Company

(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.	N.A. as it is applicable only to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.
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Under Chapter 10 of the Listing Manual, if any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 20%, the relevant disposal would be classified as a discloseable transaction. The Proposed Disposal is therefore regarded as a discloseable transaction on the bases of Rule 1006 (a) and (c) above.

Material Conditions attaching to the Proposed Disposal

Salient terms of the Proposed Disposal are set out below:

1. cash consideration of S\$8.8 million for the Proposed Disposal;
2. tender fee of \$200,000 paid when the Purchaser submitted their bid;
3. 10% of the Consideration less \$200,000 tender fee to be paid within seven (7) days from the Acceptance Date; and
4. remaining 90% of the Consideration to be paid on completion which shall be within five (5) weeks from the Acceptance Date.

Financial Effects of the Proposed Disposal

There would be a gain of S\$1.2 million upon completion of the Proposed Disposal.

Disposal as set out below are purely for illustrative purposes only. The illustrative financial effects do not necessarily reflect the actual future results and financial position of the Group following the completion of the Proposed Disposal. The financial effects of the Proposed Disposal on the Company as set out below are based on the Group's audited financial statements for the year ended 30 June 2016 and the following assumptions:

- (a) The financial effects on the Group's NTA attributable to the shareholders of the Company and the NTA per ordinary share in the capital of the Company are computed assuming that the Proposed Disposal was completed on 30 June 2016; and
- (b) The financial effects on the Group's earnings attributable to the shareholders of the Company and earnings per ordinary share in the capital of the Company have been computed assuming that the Proposed Disposal was completed on 1 July 2015.

NTA per share

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
NTA attributable to Shareholders (S\$'000)	107,971	109,181
Number of shares (excluding treasury shares) ('000)	628,657	628,657
NTA per share attributable to	17.17	17.37

Shareholders (cents)		
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Earnings per share

	Before Completion of the Proposed Disposal	After Completion of the Proposed Disposal
Net loss attributable to Shareholders (S\$'000)	(17,282)	(15,533)
Weighted average number of shares (excluding treasury shares) ('000)	628,657	628,657
Earnings per share (cents)	(2.75)	(2.47)

Opinion of the Audit Committee

Except for Ms Ng Kheng Choo who abstained, the Audit Committee has reviewed the terms and conditions of the Proposed Disposal and, considered all relevant circumstances of the Proposed Disposal including but not limited to: -

- (a) the disclosures made by the Company that the Proposed Disposal was made through a Public Tender;
- (b) all bids for the Public Tender was submitted into a sealed box placed at Rajah & Tann Singapore LLP's office whereby the bidders were only made known after the close of the Public Tender at 3pm of 30 June 2017;
- (c) the sole tender bid of S\$8.8 million is close to the market valuation of S\$9 million as at 20 June 2017, the net book value of the Properties as at 30 June 2016 of S\$7.6 million; and
- (d) the bid is within the acceptable price range set by the Company based on market valuation for the Properties.

The Audit Committee is of the opinion that the Proposed Disposal is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee has also noted that the majority of the Directors of the Company are different from the Board of the Purchaser and are not related to Mrs Celine Tang.

All Interested Person Transactions entered during the financial year ending 30 June 2018 including Interested Person Transactions with the Particular Interested Person

Pursuant to Rule 917(5) of the Listing Manual, the Company wishes to set out the current total of all interested person transactions with respect to the Proposed Disposal and the current total of all interested person transactions with the particular interested person whose transaction is the subject of the announcement and the current total of all interested person transactions for the same financial year as follows: -

Name and relationship of related party	Nature of transactions	Amount transacted as at 11 July 2017 (excluding transactions less than \$100,000)
Singhaiyi Capital Pte Ltd, a wholly owned subsidiary	Proposed Disposal	S\$8.8 million

of Singhaiyi Group Ltd.		
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Interests of the Directors and Substantial Shareholders

Save for the interests of Mrs Celine Tang, Haiyi and Ms Ng Kheng Choo as disclosed above, none of the Directors and substantial shareholders have any interest, direct or indirect, in the Proposed Disposal.

Service contracts of directors proposed to be appointed in connection with the Proposed Disposal

There is no service contract of director to be appointed in connection with the Proposed Disposal.

BY ORDER OF THE BOARD

LOCK WAI HAN
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
11 July 2017