

OKH GLOBAL LTD.

(formerly known as Sinobest Technology Holdings Ltd.)
(Company Registration Number: 35479)
(Incorporated in Bermuda)

PROPOSED ISSUANCE OF REDEEMABLE EXCHANGEABLE PREFERENCE SHARES BY A WHOLLY-OWNED SUBSIDIARY

1. Introduction

The Board of Directors of OKH Global Ltd. (the “**Company**” or “**OKH**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 15 July 2013 and wishes to announce that the Company has on 19 July 2013 entered into a legally binding letter agreement (the “**Letter Agreement**”) with Evia Growth Opportunities II Ltd and Evia Growth Opportunities III Ltd (collectively, the “**Investors**”) in relation to the proposed issuance of an aggregate principal amount of S\$10 million redeemable exchangeable preference shares (the “**REPS**”) by a wholly-owned subsidiary of the Company to be incorporated in Singapore (the “**Project Company**”) to the Investors at the issue price of S\$100,000 per REPS. The consideration for the REPS is payable in full on the allotment and issue of the REPS.

2. Principal terms of the REPS

Pursuant to the Letter Agreement, the Company and the Investors have agreed that the issue of the REPS shall be on, *inter alia*, the following terms:

Issue Price (the “ Issue Price ”)	S\$100,000 per REPS.
Maturity Date (“ Maturity Date ”)	The date falling on the third anniversary of the date on which the REPS are issued (“ Issue Date ”).
Use of Proceeds	The proceeds are to be used to fund the acquisition by the Project Company of a 40% stake of a joint venture company (“ JVC ”) (comprising vendor shares owned by Pan Asia Logistics Singapore Pte. Ltd. to be acquired by the JVC and new shares) engaging in warehouse and logistics assets development projects with 3 projects under various stages of development, one in Singapore, one in Malaysia and one in Korea. These warehouse and logistics assets will be rented out to generate rental income.
Structure of the REPS	<ol style="list-style-type: none">1. The REPS shall have a Maturity Date, being three (3) years from the Issue Date.2. All outstanding REPS shall be redeemed by the Project Company in cash at 1.5 times of the Issue Price on the Maturity Date.3. Holders of the REPS (the “Holders”) shall have the right to exchange 50% of their holdings of REPS into the ordinary shares of the Company (the “OKH Shares”) at the Exchange Price (as defined below) at any time starting from the first anniversary of the Issue Date and up to the Maturity Date; another 50% of their holdings of REPS into OKH Shares at any time starting from the second anniversary of the Issue Date and up to the Maturity Date; provided that such above exchange into OKH Shares shall be subject to the approval in-principle for the admission to and listing and quotation of such OKH Shares on the Mainboard of the Singapore Exchange Securities Trading Limited (the “SGX-ST”).

	being granted by the SGX-ST following the submission of the relevant additional listing application to the SGX-ST, which submission shall take place no later than 7 business days from the date of signing the definitive agreements and other ancillary documents (“ Closing Documents ”).
Redemption at Maturity	Within 5 business days immediately after the Maturity Date, the Project Company shall redeem (upon which OKH shall guarantee) any amount of the outstanding REPS not exchanged by the Holders at Maturity Date at a redemption price per REPS equal to 1.5 times of the Issue Price.
Exchange Ratio	Upon exchange, each REPS can be exchanged into certain number of OKH Shares using the following formula (the “ Formula ”): Number of OKH Shares Per REPS = Issue Price ÷ Exchange Price
Exchange Price	The Exchange Price is S\$0.45 .
Anti-Dilution Exchange Price Adjustments	The Exchange Price and all per share amounts set forth herein are subject to equitable adjustment for stock splits, share consolidation, reorganizations or any other activities that alter the capital structure of OKH and the Project Company, Provided that no adjustment shall apply in the case of: (i) distribution in specie (whether via dividends or capital distribution), (ii) issue of new shares or convertible securities via placement for cash or in exchange for assets to be acquired.
Ranking of the REPS	The REPS shall rank above ordinary shares and all other preference shares of the Project Company in liquidation preference. The payment obligations of the Project Company in respect of the REPS, save as may be provided otherwise by any mandatory provisions of applicable law, shall rank at least <i>pari passu</i> with all existing and future direct, senior, unsubordinated, unconditional and unsecured obligations of the Project Company provided that the REPS shall always rank after all financial obligations owing to banks.
Liquidation Event	A “ Liquidation Event ” in relation to the Project Company shall include: (i) a merger or consolidation of the Project Company with or into another entity (except a merger or consolidation in which OKH continues to hold at least 50% of the outstanding voting power of the capital of the surviving or acquiring entity); (ii) a voluntary liquidation of the Project Company; (iii) a major corporate restructuring involving the Project Company which would result in a change in majority control of OKH in the Project Company; (iv) a sale of any amount of the ordinary shares of the Project Company by OKH resulting in OKH not having majority control in the Project Company; or (v) disposal of all or substantially all of the assets of the Project Company.
Liquidation Preference	If a Liquidation Event takes place before the exchange of all the REPS (or the remaining amount if exchanged partially) into OKH Shares by the Holders, these outstanding REPS shall be immediately exchangeable at the option of the Holders in accordance with the Formula. If the Holders decided not to exercise the exchange option, the Project Company shall redeem all outstanding REPS by cash at 1.5 times of the Issue Price within 30 business days from the Liquidation Event.
Share Charge	The parties agree that they shall as soon as practicable after the completion of the issuance of REPS to the Investors, finalize a share charge in favour of the Investor(s) (on a pro-rata basis according to

	their respective REPS holding) in respect of all the ordinary shares of the Project Company held by OKH, provided that the REPS shall always rank after all financial obligations owing to banks and the holders of the REPS shall execute a release of the first share charge in place of a second share charge for the interest of holders of REPS to rank after the bank in the event that the bank requires a first charge over the ordinary shares of the Project Company.
Conditions precedent	<p>The completion of the proposed transaction shall be subject to, <i>inter alia</i>:-</p> <ol style="list-style-type: none"> 1. Resolution and approval from the Board of Directors and shareholders (if required) of OKH and the Project Company for the issuance of the REPS and all matters requiring approval in connection to the proposed transaction; 2. Satisfactory completion of business, legal and financial due diligence, all to the Investors' satisfaction; 3. Execution of the definitive joint venture agreement relating to the JVC between Project Company and its joint venture partner; 4. Signing of the Closing Documents; and 5. Adopt or amend the Article of Association or Memorandum of Association to accommodate the REPS and other related matters in the Closing Documents pertaining to the REPS.

3. Information on the Investors

Evia Growth Opportunities II Ltd and Evia Growth Opportunities III Ltd are private equity investment companies incorporated in Singapore and are, managed by Evia Capital Partners Pte Ltd on a full discretionary basis. The shareholders of these companies comprise mainly local and foreign high net worth individual investors and corporate investors.

None of the Investors is a restricted person under Rule 812 of the Listing Manual of the SGX-ST.

4. OKH Shares

The Exchange Price of S\$0.450 represents a discount of approximately 4.05% to S\$0.469, which is the volume weighted average price of the shares of the Company in respect of trades done on the SGX-ST on 19 July 2013, being the full market day on which the Letter Agreement was signed.

The Company will be obliged to issue up to 22,222,222 OKH Shares in the event that (a) an aggregate principal amount of S\$10 million REPS has been issued by the Project Company pursuant to the Closing Documents; and (b) the holders of the REPS have exercised their right to exchange the entire REPS into OKH Shares using the Formula.

The OKH Shares, when issued by the Company, will rank *pari passu* in all respects with and carry all rights similar to the then existing shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the relevant date of issue of such OKH Shares.

The authority to issue the OKH Shares (upon exchange of the REPS) was obtained pursuant to a general mandate approved by the shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company ("**AGM**") held on 29 April 2013 ("**General Mandate**"). As at the date of the AGM, the issued and paid-up share capital of the Company (the "**Share Capital**")

comprises 568,657,445 Shares. The aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders under the General Mandate shall not exceed 113,731,489 Shares, being 20% of such Share Capital. The OKH Shares represent approximately 3.91% of such Share Capital and approximately 3.76% of the enlarged Shares of 590,879,667.

6. Financial Effects

Solely for illustration purposes only and may not be reflective of the actual future financial situation of the Group upon actualisation, the financial effects based on the latest unaudited consolidated financial statements of the Group for the financial period ended 31 March 2013, and assuming that the Group issued an aggregate principal amount of S\$10 million REPS, which are then exchanged into 22,222,222 OKH Shares, the effect on the Group's net tangible assets ("NTA") per Share and earnings per Share ("EPS") based on the gross proceeds for the issuance of REPS of S\$10 million will be as follows:

	Before proposed issuance of REPS 31 March 2013	After proposed issuance of REPS 31 March 2013	After exchange of REPS into OKH Shares 31 March 2013
Group			
NTA (\$'000)	41,128	51,128	51,128
No. of Shares	568,657,445	568,657,445	590,879,667
NTA per share (Singapore cents)	7.23	8.99	8.65
EPS (Singapore cents)	1.70	1.70	1.64

7. Other information

The Company will apply to the SGX-ST for the admission to and listing and quotation of the OKH Shares on the Mainboard of the SGX-ST in due course. The Company will make the necessary announcements upon receipt of the approval in-principle from the SGX-ST for the listing and quotation of the OKH Shares and upon entering into the Closing Documents with the respective Investors.

None of the Directors or substantial shareholders of the Company have any direct or indirect interest in the proposed issue of the REPS (other than through their respective shareholdings).

BY ORDER OF THE BOARD

MR BON WEEN FOONG
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
19 July 2013

Asiasons WFG Capital Pte Ltd was the financial adviser to the Company in relation to the acquisition of the entire issued share capital of OKH Holdings Pte. Ltd. (the "Financial Adviser"). The Financial Adviser assumes no responsibility for the contents of this announcement.