

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

THE PROPOSED DISTRIBUTION *IN SPECIE* OF THE GROUP'S IT BUSINESS TO SHAREHOLDERS OF THE COMPANY BY WAY OF CAPITAL REDUCTION

1 INTRODUCTION

The Board of Directors (the "**Board**") of OKH Global Ltd. ("**Company**" or "**OKH Global**") is proposing to divest two of the Company's subsidiaries, Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited (collectively the "**Operating Subsidiaries**") by way of the Proposed Distribution (as defined below).

Following the Proposed Distribution, the Operating Subsidiaries will cease to be subsidiaries of the Company and the Company will no longer be involved in the IT business going forward.

2 INFORMATION ON THE OPERATING SUBSIDIARIES

As at the date hereof, the Company holds a 99% equity interest in Guangzhou Sinobest Information Technology Ltd. and a 100% equity interest in Sinobest Technologies (H.K.) Limited.

The Operating Subsidiaries operate as a one-stop solution provider of IT services consisting of system integration for computer information systems and intelligent building systems, and software development and technical services. Its main customers include various governmental authorities, departments, telecommunication service operators and corporations (both state-owned and private-owned) in the People's Republic of China (the "**PRC**"). Having a head office located in Guangzhou, the IT business has five branch offices located in Shenzhen, Fuzhou, Wuhan, Guiyang and Changsha.

3 THE PROPOSED DISTRIBUTION BY WAY OF CAPITAL REDUCTION

3.1 RESTRUCTURING

Prior to the Proposed Distribution, an intermediate holding company wholly owned by the Company ("**HoldCo**") will be incorporated in the British Virgin Islands ("**BVI**"). The Company will transfer the shares it holds in the Operating Subsidiaries to HoldCo and in consideration for such transfer, HoldCo will issue new HoldCo shares to the Company ("**Restructuring**"). Upon completion of the Restructuring, all of the Company's interests in the Operating Subsidiaries will be transferred to HoldCo and the Company will hold all the issued HoldCo shares.

Please refer to the Appendixes A, B and C of this announcement which sets out the group structure of the Company and its subsidiaries before and after the Restructuring.

3.2 CAPITAL REDUCTION AND PROPOSED DISTRIBUTION

Upon completion of the Restructuring, the Company will undertake a reduction of the issued and fully paid-up share capital of the Company ("**Capital Reduction**") and return

to the shareholders of the Company ("**Shareholders**") funds generated by such reduction by a distribution *in specie* of its entire shareholding in HoldCo to all Shareholders in proportion to their respective shareholdings in the Company ("**Proposed Distribution**").

The Capital Reduction is subject to the approval of Shareholders at a general meeting of the Company, the Company's ability to pass the solvency test set out in the Companies Act 1981 of Bermuda and also approvals being obtained from all relevant authorities, if any.

The Capital Reduction will be effected via (i) a reduction of the par value of the Company's shares and/or (ii) a reduction of the share premium account of the Company. Taking into account the combined unaudited net tangible assets of the Operating Subsidiaries attributable to Shareholders as at 30 June 2013 of RMB149.6 million, the Company has sufficient share capital and share premium for the purpose of the Proposed Distribution.

Based on an exchange rate of US\$1 to RMB6.1274 (or S\$1.2668) as at 30 June 2013 and the 628,657,445 issued ordinary shares of the Company, the combined unaudited net tangible assets of the Operating Subsidiaries attributable to Shareholders as at 30 June 2013 of RMB149.6 million translates to approximately US\$0.04 (or S\$0.05) per Share, out of which it is expected that US\$12.6 million (or S\$15.9 million) will be reduced from the Company's share capital (thereby reducing the par value of one Share from US\$0.18 to US\$0.16) and US\$11.8 million (or S\$15.0 million) will be reduced from the share premium account. The exact amount of par value and/or share premium to be reduced will be determined nearer to the effective date of the Capital Reduction. The Company will make the appropriate announcement when necessary.

The Capital Reduction will not affect the authorised share capital of the Company or the 628,657,445 issued ordinary shares of the Company. Accordingly, the number of ordinary shares in the Company held by each of the Shareholders will remain the same.

The Proposed Distribution will be made on the basis of one (1) share in HoldCo for every one (1) share held by entitled Shareholders in the capital of OKH Global as at the relevant books closure date ("**Entitled Shareholders**").

No payment will be required from Entitled Shareholders for the Proposed Distribution as this is a return of shareholder funds by the Company. HoldCo shares will be distributed free of encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is completed.

For illustration purposes, an Entitled Shareholder holding 1,000 shares in OKH Global before the Proposed Distribution, will hold:

- (i) 1,000 shares in OKH Global; and
- (ii) 1,000 shares in HoldCo,

subsequent to the completion of the Proposed Distribution.

Please refer to the Appendix D of this announcement which sets out the group structure of the Company and its subsidiaries after the Capital Reduction and Proposed Distribution.

3.3 BUYBACK OF THE HOLDCO SHARES

Following the Proposed Distribution, Entitled Shareholders will hold shares in HoldCo, an unlisted BVI company. It is proposed that Entitled Shareholders who do not wish to own unlisted shares of HoldCo following the Proposed Distribution (the "**Buyback Shareholder**") can request that HoldCo purchase the unlisted HoldCo shares held by such Buyback Shareholder (the "**Buyback**").

For illustration purposes, a Buyback Shareholder who holds 1,000 HoldCo shares can tender his 1,000 HoldCo shares for purchase by HoldCo and receive cash from HoldCo, as consideration for the Buyback.

Based on the combined unaudited net tangible assets of the Operating Subsidiaries attributable to Shareholders as at 30 June 2013 of RMB149.6 million and HoldCo's issued share capital of 628,657,445 HoldCo shares upon the completion of the Restructuring, it is expected that the purchase consideration for each HoldCo share to be not more than RMB0.24.

It is expected that HoldCo will fund the Buyback by internal cash resources and/or external financing. Shareholders should note that the Company will not be funding the Buyback.

To ensure that HoldCo has sufficient funds to effect the Buyback from minority Shareholders, each of Mr Bon Ween Foong, Mr Zou Gefei, Mr Jin Changren and Profit Saver International Limited (the "**Undertaking Shareholders**") will respectively provide irrevocable undertakings to the Company not to elect for the Buyback in respect of the aggregate number of 426,492,128 HoldCo shares that the Undertaking Shareholders will hold in the HoldCo upon completion of the Proposed Distribution.

The Buyback is subject to approvals being obtained from all relevant authorities, where applicable. Further details of the Buyback, including the time frame for Buyback Shareholders to submit their Buyback requests to HoldCo will be set out in the circular to Shareholders which will be sent to Shareholders in due course.

4 RATIONALE FOR THE PROPOSED DISTRIBUTION

4.1 DISPOSAL OF A NON-CORE BUSINESS

Following the completion of the reverse takeover of OKH Holdings Pte. Ltd., the core business of the Company is in property development and construction.

The IT business, as operated via the Operating Subsidiaries, is a non-core business that has only managed to breakeven in recent years. The IT business operates primarily in the PRC and is geographically separated from the core property development and construction business in Singapore. As the majority of the Board is based in Singapore, additional time and efforts have to be spent by the Board to maintain oversight of the IT business in the PRC.

The Proposed Distribution allows the Company to dispose of the IT business, which has low return on equity, with no adverse impact to the Company's financial performance.

4.2 UNLOCKING VALUE FOR SHAREHOLDERS

Following the Proposed Distribution, the Shareholders will become direct shareholders of HoldCo. The Proposed Distribution will enable the Company to return value to

Shareholders free of payment. Shareholders will then hold shares in two separate companies, namely OKH Global and HoldCo.

HoldCo shares which are distributed via the Proposed Distribution are not, and will not be, listed on the SGX-ST. Accordingly, the transfer and purchase of such shares in HoldCo will be subject to, *inter alia*, the memorandum and articles of association of HoldCo and the applicable laws and regulations in the BVI relating to the transfer and purchase of shares in companies incorporated in the BVI.

4.3 PRIOR SHAREHOLDERS' APPROVAL FOR THE DISPOSAL OF THE OPERATING SUBSIDIARIES

Upon completion of the Proposed Distribution, the Company's business will be solely those related to property development and construction. The Proposed Distribution allows the Company to achieve the purpose of a disposal of the Operating Subsidiaries in line with the prior approval obtained from the Shareholders at the special general meeting (the "SGM") held on 23 January 2013.

4.4 ABSENCE OF ALTERNATIVE OFFERS

The Company has explored various alternatives to dispose of the IT business. The Directors have confirmed that as at the date hereof, the Company has not received any offers from any third party for its shares in the Operating Subsidiaries or for the IT business.

5 FINANCIAL EFFECTS OF THE PROPOSED DISTRIBUTION

The proforma financial effects of the Proposed Distribution on the share capital, earnings, net tangible assets ("NTA") and gearing of OKH Global and its subsidiaries (the "Group") have been prepared based on:

- (i) the audited consolidated financial results of the Group for the financial year ended 30 June 2013 ("FY2013"); and
- (ii) the unaudited financial statements of the Operating Subsidiaries for FY2013.

The proforma financial effects of the Proposed Distribution are for illustrative purposes only and do not necessarily reflect the actual future results and financial position of the Group following the completion of the Proposed Distribution.

For the purpose of illustrating the financial effects of the Proposed Distribution, the financial effects of the Proposed Distribution are computed based on, *inter alia*, the following assumptions:

- (a) the financial effects on the Group's earnings and earnings per Share are computed assuming that the Proposed Distribution were completed on 1 July 2012;
- (b) the financial effects on the Group's NTA and gearing are computed assuming that the Proposed Distribution were completed on 30 June 2013; and
- (c) the financial effects have taken into account the Company's share placement exercise completed on 9 October 2013 ("Placement"), in which approximately S\$39.5 million in net proceeds were raised through the 60 million new Shares allotted and issued to placement subscribers.

5.1 SHARE CAPITAL

	Before the Placement and the Proposed Distribution	After the Placement	After the Placement and the Proposed Distribution
Issued and paid-up share capital (S\$'000)	19,793	59,283	59,283
Number of shares in issue ('000)	568,657	628,657	628,657

5.2 NTA

	Before the Placement and the Proposed Distribution	After the Placement	After the Placement and the Proposed Distribution
NTA (S\$'000)	40,117	79,607	51,086
Number of shares in issue ('000)	568,657	628,657	628,657
NTA per Share (S\$)	0.07	0.13	0.08

5.3 EARNINGS

	Before the Placement and the Proposed Distribution	After the Placement	After the Placement and the Proposed Distribution
(Loss)/Profit attributable to Shareholders (S\$'000)	(914)	(914)	(14,383)
Number of shares in issue ('000)	568,657	628,657	628,657
(Loss)/Earnings per Share (S\$)	(0.002)	(0.001)	(0.023)

5.4 GEARING

	Before the Placement and the Proposed Distribution	After the Placement	After the Placement and the Proposed Distribution
Total borrowings (S\$'000) ⁽¹⁾	177,510	177,510	177,510
Shareholders' equity (S\$'000)	40,351	79,841	51,625
Gearing (times) ⁽²⁾	4.4	2.2	3.4

Notes:

- (1) Total borrowings include bank borrowings and finance leases
(2) Gearing is determined based on total borrowings divided by Shareholders' equity

6 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or controlling Shareholders have any interest, direct or indirect, in the Proposed Distribution other than through their respective shareholdings in the Company.

7 FINANCIAL ADVISER

The Company has appointed Asiasons WFG Capital Pte Ltd as its financial adviser in respect of the Proposed Distribution.

8 CIRCULAR AND NOTICE OF EGM

The Company is consulting with the SGX-ST with regards to the application of certain provisions of the SGX-ST Listing Manual to the Proposed Distribution and Buyback. Thereafter, the Company will convene a SGM to seek the approval of the Shareholders for the Proposed Distribution, and a circular containing further details of the Proposed Distribution will be despatched to the Shareholders in due course.

9 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Restructuring, the Capital Reduction, the Proposed Distribution, the Buyback, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

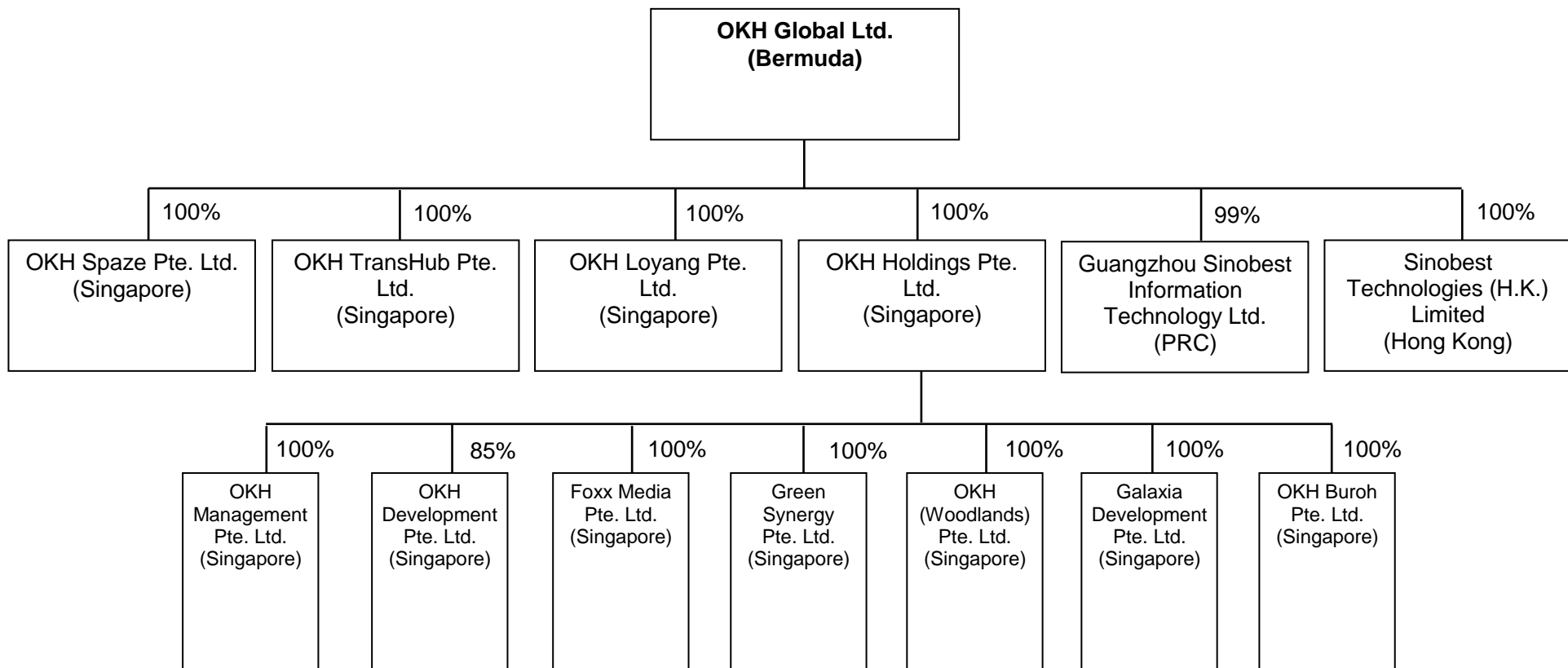
Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

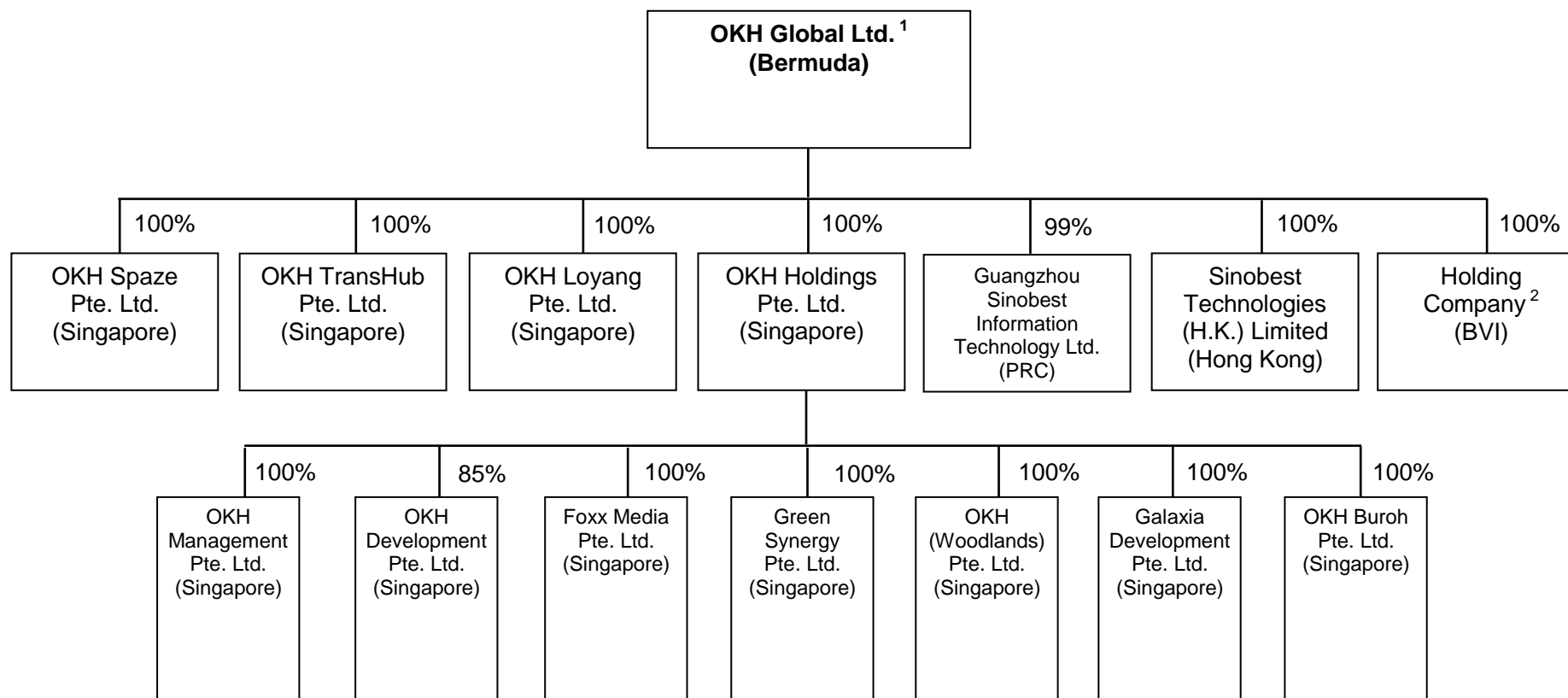
MR BON WEEN FOONG
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
22 October 2013

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.

APPENDIX A – EXISTING GROUP STRUCTURE



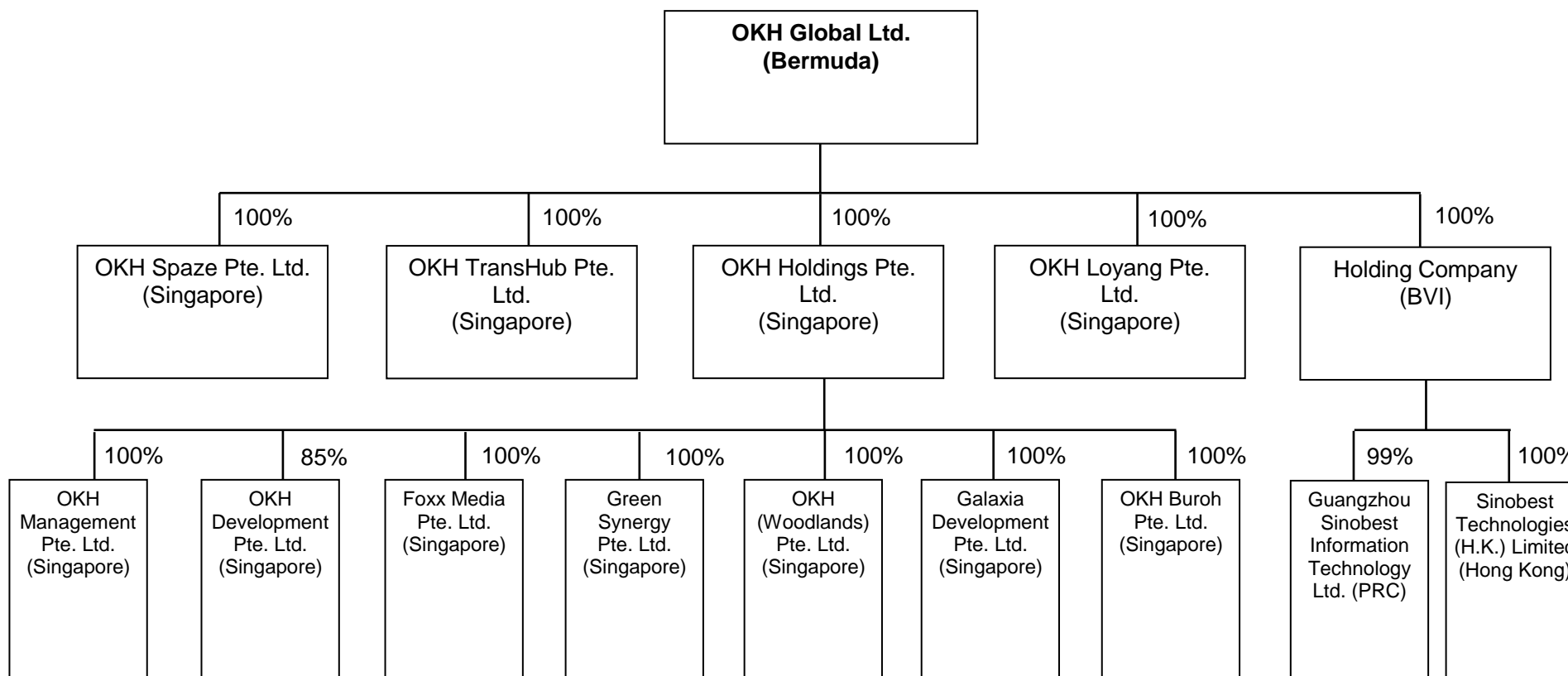
APPENDIX B – AFTER THE INCORPORATION OF HOLDCO



Notes:

- (1) There are currently 628,657,445 issued shares in the share capital of OKH Global
- (2) HoldCo will similarly have 628,657,445 issued shares in its share capital

APPENDIX C – AFTER THE RESTRUCTURING



APPENDIX D – AFTER THE PROPOSED DISTRIBUTION

