

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

**PROPOSED ALLOTMENT AND ISSUE OF 500,000,000 NEW ORDINARY SHARES IN THE
CAPITAL OF OKH GLOBAL LTD. AT THE SUBSCRIPTION PRICE OF S\$0.10 PER SHARE,
S\$10,000,000 LOAN AND CAPITAL REORGANISATION**

1. INTRODUCTION

- 1.1 The board of directors (the **"Board"**) of OKH Global Ltd (the **"Company"** and together with the Company's subsidiaries and associated companies, the **"Group"**) wishes to announce that the Company had on 5 April 2016 entered into:
- (a) a conditional subscription agreement (the **"Subscription Agreement"**) with Haiyi Holdings Pte. Ltd. (the **"Subscriber"**), pursuant to which the Company has agreed to allot and issue an aggregate of 500,000,000 new ordinary shares (the **"Subscription Shares"**) in the capital of the Company (the **"Shares"**) to the Subscriber at the subscription price of S\$0.10 (the **"Subscription Price"**) per Subscription Share for an aggregate amount of S\$50,000,000 (the **"Proposed Subscription"**); and
 - (b) a loan agreement (the **"Loan Agreement"**) with the Subscriber, pursuant to which the Subscriber shall extend the Company a loan of S\$10,000,000 (the **"Loan"**).
- 1.2 In order to undertake the Proposed Subscription, the Company is also proposing to undertake a capital reorganisation exercise to reduce the par value of its Shares from US\$0.16 to US\$0.01 (the **"Capital Reorganisation"**).
- 1.3 The Company will make an application to the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) for the listing of and quotation for the Subscription Shares on the Main Board of the SGX-ST in due course. The Company also intends to seek specific approval from the shareholders of the Company (the **"Shareholders"**) at a special general meeting (**"SGM"**) to be convened for the Proposed Subscription and the Capital Reorganisation.

2. THE SUBSCRIPTION

2.1 Subscription Price

The Subscription Price of S\$0.10 per Share represents a discount of approximately 21.9% to the volume weighted average price of S\$0.128 for trades done on the Main Board of the SGX-ST on 4 April 2016 (being the last full market day immediately preceding the date of the Subscription Agreement on which trades for the Shares were done on the Main Board of the SGX-ST).

The Subscription Price was arrived at following arm's length negotiations between the Company and the Subscriber.

2.2 The Subscription Shares

The Subscription Shares, when allotted and issued, shall rank equally in all respects with the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls before the completion of the Proposed Subscription (“**Completion**”).

The Subscription Shares will represent approximately 44.3% of the issued and paid-up share capital of the Company of 1,128,657,445 Shares immediately after Completion, and approximately 43.0% of the enlarged share capital of the Company of 1,162,054,100 Shares on a fully diluted basis immediately following Completion and conversion or exercise of certain exchangeable securities issued by subsidiaries of the Company.

The allotment and issue of the Subscription Shares to the Subscriber will amount to a transfer of a controlling interest under Listing Rule 803 of the SGX Mainboard Rules, and will be subject to the approval of Shareholders.

2.3 Conditions Precedent

2.3.1 Completion of the Proposed Subscription is conditional upon the satisfaction of certain conditions precedent within six (6) months of the date of the Subscription Agreement, including:

- (a) the completion of the due diligence (legal and financial) to be carried out by the Subscriber and/or its appointed advisers on the Group and the results of the due diligence exercise being satisfactory to the Subscriber in its sole and absolute discretion;
- (b) the obtaining of the waiver granted by the Securities Industry Council (“**SIC**”) pursuant to Note 1 of the Notes on dispensations from Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”) from an obligation (which would otherwise arise as a result of the Completion) on the part of the Subscriber (or any entity controlled by or under the common control of the Subscriber) and the persons acting in concert with them to make a general offer for the issued securities of the Company in accordance with the Code and if such approval is subject to any conditions imposed by the SIC (save for those conditions set out in Section 2 of Appendix 1 of the Code), such conditions being reasonably acceptable to the Subscriber (and such entity controlled by or under the common control of the Subscriber);
- (c) the approval in-principle of the SGX-ST for the listing and quotation of the Subscription Shares on the Main Board of the SGX-ST being obtained from the SGX-ST and such approval remaining in force and effect on the date of Completion (the “**Completion Date**”) and not having been revoked or amended on or prior to the Completion Date and, where such approval is subject to conditions pertaining to and are to be complied with or fulfilled, such conditions being acceptable to the Company and the Subscriber (both acting reasonably) and are so complied with or fulfilled;
- (d) the approval of the independent shareholders of the Company (the “**Shareholders**”) being obtained at the SGM:
 - (i) for the Subscription and the allotment and issue of the Subscription Shares on the terms set out in the Subscription Agreement; and

- (ii) to waive their rights to receive a mandatory general offer for all the Shares held by such shareholders to be made by the Subscriber and parties acting in concert with it pursuant to Rule 14 of the Code as a result of the allotment and issue of the Subscription Shares;
- (e) the approval of the Shareholders being obtained at the SGM to effect a reduction in the par value of each Share to such an amount which (taking into account the currency exchange rates for the time being) is either equivalent to or less than the Subscription Price per Share;
- (f) the Company's compliance with relevant legal procedures and requirements under Bermuda laws and Singapore laws (if any) to effect the Capital Reorganisation;
- (g) the Company's receipt of all necessary approvals (if any) from the regulatory authorities, as may be required in respect of the Capital Reorganisation; and
- (h) the trading of the issued Shares not being suspended by the SGX-ST (other than a suspension on a temporary basis for a period not exceeding three (3) market days on which the SGX-ST is open for trading or as requested by the Company for the purposes of the Proposed Subscription) and the issued Shares not having been delisted from the SGX-ST.

2.4 **Board Representation**

Under the terms of the Subscription Agreement, the Subscriber shall be entitled to nominate at least two (2) persons and representing at least one-third of the entire Board for appointment to the Board as a Director with effect from Completion.

The Subscriber's right to appoint nominee directors shall cease if the Subscriber (together with its related corporations and nominees) holds or controls less than 5% of the issued share capital of the Company after Completion.

2.5 **Right of First Refusal and Assignment**

The Subscriber may grant a right of first refusal to any entity controlled by or under the common control of the Subscriber, pursuant to which such entity may elect to acquire the Subscription Shares from the Subscriber following Completion.

The Subscriber also has the right to assign its rights and obligations to any person or entity controlled by or under the common control of the Subscriber.

2.6 **Undertakings by the Company**

Subject to the written consent of the Subscriber, the Company has undertaken that:

- (a) during the period from the date of this Agreement up to and including Completion, the Company shall not, directly or indirectly through its affiliates: (i) enter into discussions or negotiations with a third party for the subscription of new Shares or other marketable securities or the grant of any options over Shares or marketable securities; and (ii) induce, solicit, procure or otherwise encourage or engage in discussions with a third party regarding any transaction relating to the subscription of

new Shares or other marketable securities or options over Shares or marketable securities; and

- (b) during the period of six (6) months from Completion, the Company shall not undertake any share buy-back or capital raising activities by way of allotment of any new Shares or other marketable securities or grant of any options over Shares or marketable securities or enter into any agreement or undertaking to do the same.

2.7 Financial Effects of the Proposed Subscription

The pro forma financial effects of the Proposed Subscription set out below are purely for illustration and do not reflect or represent the actual financial effects of the Proposed Subscription on the net tangible assets ("NTA") per Share or earnings per Share ("EPS") of the Group, or the actual financial position of the Group after completion of the Proposed Subscription.

The financial effects of the Proposed Subscription below were prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2015 ("FY2015") and the unaudited consolidated financial statements of the Group for the six (6) months ended 31 December 2015 ("HY2016"), and subject to the following assumptions:

- (a) in relation to the financial effects based on the audited consolidated financial statements of the Group for FY2015, that the Proposed Subscription was completed on: (i) 30 June 2015 for the purposes of illustrating the financial effects on the NTA per Share; and (ii) 1 July 2014 for the purposes of illustrating the financial effects on the EPS; and
- (b) in relation to the financial effects based on the unaudited consolidated financial statements of the Group for HY2016, that the Proposed Subscription was completed on: (i) 31 December 2015 for the purposes of illustrating the financial effects on the NTA per Share; and (ii) 1 July 2015 for the purposes of illustrating the financial effects on the EPS.

Effect on Share Capital

As at the date of this Announcement, the issued and paid-up share capital of the Company is US\$100,585,191 divided into 628,657,445 Shares. Following the Capital Reorganisation and Completion, the issued and paid-up share capital of the Company will decrease to US\$11,286,574 divided into 1,128,657,445 Shares.

Effect on NTA per Share

	FY2015 (Audited) S\$'000	HY2016 (Unaudited) S\$'000
NTA of the Group before the Proposed Subscription	125,576	117,512
Number of Shares before the Proposed Subscription	628,657	628,657
NTA per Share before the Proposed Subscription (cents)	0.20	0.19

NTA of the Group after the Proposed Subscription	175,576	167,512
Number of Shares after the Proposed Subscription	1,128,657	1,128,657
NTA per Share after the Proposed Subscription (cents)	0.16	0.15

Effect on EPS

	FY2015 (Audited) S\$'000	HY2016 (Unaudited) S\$'000
Profit / (Loss) attributable to Shareholders	46,243	(7,782)
Number of Shares before the Proposed Subscription	628,657	628,657
EPS before the Proposed Subscription (cents)	0.07	(0.01)
Number of Shares after the Proposed Subscription	1,128,657	1,128,657
EPS after the Proposed Subscription (cents)	0.04	(0.01)

3. WHITEWASH WAIVER

Under Rule 14 of the Code, where: (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights, such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.

As disclosed in paragraph 2.2 above, the Subscriber will acquire more than 30% of the voting rights in the Company following Completion. As a result, the Subscriber and its concert parties would incur an obligation to make a mandatory offer under the Code, unless the relevant waivers under the Code are obtained. Accordingly, the Subscriber intends to make an application to the SIC for a waiver of the obligations of the Subscriber (or any entity controlled by or under the common control of the Subscriber) and their concert parties to make the mandatory offer for the Company as a result of, among other things, the allotment and issue of the Subscription Shares.

4. THE LOAN

4.1 Loan Amount

In conjunction with the Proposed Subscription, the Company and the Subscriber have also entered into the Loan Agreement, pursuant to which the Subscriber shall extend the Loan of an aggregate principal amount of S\$10,000,000 to the Company.

4.2 Disbursement

The Loan shall be disbursed and paid by the Subscriber to the Company within one (1) business day of the signing of the Subscription Agreement, the Loan Agreement and the receipt of a personal guarantee provided by Bon Ween Foong (the “**Guarantor**”) in favour of the Subscriber to guarantee, *inter alia*, all payment obligations of the Company under the Loan Agreement (in form and substance satisfactory to the Subscriber) duly executed by the Guarantor (the “**Disbursement Date**”).

4.3 Interest

The Loan shall bear interest in the following manner:

- (a) during the first three (3) months after the Disbursement Date, the Loan shall bear interest at 1.5% per month; and
- (b) if the Loan is not repaid in full in the three (3) months following the Disbursement Date, the Loan shall bear interest at a rate of 2.0% per month from the beginning of the fourth (4th) month following the Disbursement Date,

calculated on the basis of actual number of days elapsed and a month of 30 days.

4.4 Repayment

The Company shall repay the Loan, together with accrued interest, and all other amounts then due, owing or payable by the Company to the Subscriber under the Loan Agreement in full:

- (a) immediately after the Completion of the Proposed Subscription; or
- (b) at any time after the date falling six (6) months after the Disbursement Date,

whichever is the earlier.

4.5 Use of Proceeds

The proceeds from the Loan will be applied towards:

- (a) working capital requirements; and
- (b) partial repayment of redeemable convertible preference shares or redeemable exchangeable preference shares only,

on the terms set out in the Loan Agreement.

5. THE CAPITAL REORGANISATION

- 5.1 In order to undertake the Subscription, the Company proposes to undertake the Capital Reorganisation to reduce the par value of each Share from US\$0.16 to US\$0.01.

- 5.2 The Capital Reorganisation will involve the following:

- (a) the issued and paid-up share capital of the Company shall be reduced by cancelling the paid-up share capital of the Company to the extent of US\$0.15 on each of the Shares with a par value of US\$0.16 in issue on the Effective Date (as defined below) (“**Capital Reduction**”) such that each issued Share with a par value of US\$0.16 shall be treated as one (1) fully paid Share with a par value of US\$0.01 as at the Effective Date and any liability of the holder of such Shares to make any further contribution to the share capital of the Company on each such Share shall be treated as satisfied;
- (b) subject to and forthwith upon the Capital Reduction taking effect, all of the authorised but unissued Shares with a par value of US\$0.16 each in the share capital of the Company (which shall include, without limitation, the authorised but unissued Shares resulting from the Capital Reduction) shall be cancelled and the authorised share capital of the Company of US\$500,000,000 shall be diminished by such amount representing the amount of Shares so cancelled (the “**Authorised Capital Diminution**”), and forthwith upon the Authorised Capital Diminution, the authorised share capital of the Company shall be increased to US\$500,000,000 by the creation of such number of Shares with a par value of US\$0.01 each as shall represent the difference between 50,000,000,000 Shares with a par value of US\$0.01 each and the number of Shares with a par value of US\$0.01 in issue after the Capital Reduction (the “**Authorised Capital Increase**”);
- (c) subject to and forthwith upon the Capital Reduction taking effect, the transfer of the credit arising from the Capital Reduction to the contributed surplus account of the Company which may be utilised in such manner as may be determined by the Board and permitted by applicable law, including but not limited to capitalisation of such reserve (or any part thereof) for future corporate exercises of the Company.

The “**Effective Date**” of the Capital Reorganisation will be determined by the Directors in accordance with the Bermuda Companies Act if the Capital Reorganisation is approved by the Shareholders.

5.3 The effect of the Capital Reorganisation will be:

- (a) the par value of each issued and unissued Share (including treasury shares) will be reduced from US\$0.16 to US\$0.01;
- (b) the authorised share capital of the Company will remain intact at US\$500,000,000 but will be divided into 50,000,000,000 Shares of par value of US\$0.01 each; and
- (c) the total number of issued and paid-up Shares will remain intact at 628,657,445 Shares (before the Completion of the Proposed Subscription), but will comprise Shares of US\$0.01 par value each.

5.4 The Capital Reorganisation will not result in any adjustment to the number of Shares held by the Shareholders and is not expected to result in any adjustment to the price of the Shares of the Company.

5.5 Save for the costs and expenses relating to the Capital Reorganisation, the implementation of the Proposed Capital Reorganisation will not have any effect on the net tangible assets, earnings and gearing of the Group.

- 5.6 The Capital Reorganisation is subject to the approval of Shareholders by way of a special resolution at the SGM.

6. DETAILS OF THE SUBSCRIBER¹

The Subscriber, Haiyi Holdings Pte. Ltd., is an investment holding company incorporated in Singapore. As at the date of this Announcement, the Subscriber is the controlling shareholder of SingHaiyi Group Ltd (“**SHG**”), a company listed on the Catalist Board the SGX-ST with a market capitalisation of approximately \$300 million.

SHG is a fast-growing, diversified real estate company focused on property development, real estate investment and property management services. With strategic support from its major shareholders, SHG is led by a board and management team with deep insights and strong connections that provide access to unique investment opportunities. Besides an established track record in residential property development, SHG also holds a portfolio of income-generative assets and investments in the commercial and retail sectors, with reach into the USA and widening exposure in Asia. SHG’s exposure to various segments of the real estate sector in multiple countries stands as a testament to its calculated diversification strategy, which is designed to provide stable and visible earnings and deliver value to shareholders. In addition, the Subscriber is also in the business of providing ship chandlers and general service through an associated company.

7. USE OF PROCEEDS

- 7.1 Based on the Subscription Price, the estimated amount of proceeds from the allotment and issue of the Subscription Shares, net of the estimated expenses of approximately S\$250,000 is approximately S\$49,750,000 (the “**Subscription Proceeds**”).
- 7.2 The Company intends to utilise the Subscription Proceeds for the following purposes:
- (a) approximately S\$10,700,000 for repayment of the Loan and interest accrued thereon;
 - (b) the balance of approximately S\$39,050,000 million for repayment of existing loans and interest and general working capital.
- 7.3 The Company will make periodic announcement(s) as to the use of the proceeds from the Proposed Subscription as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 7.4 Pending the deployment of the proceeds from the Proposed Subscription, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Board may deem fit, from time to time.

¹ The information set out in this section was provided by the Subscriber. The sole responsibility of the Board has been to ensure that such information has been accurately and correctly reproduced in this Announcement in its proper form and context.

8. RATIONALE FOR THE TRANSACTIONS

8.1 The Proposed Subscription and Loan

The trading price of the Shares has seen a sharp fall since 21 March 2016, when it was announced that part of the shareholdings of Bon Ween Foong (Executive Chairman and CEO of the Company) that were pledged to certain financial institutions were forcibly sold on the market.

Since the issue of a Red Notice by Interpol against Bon Ween Foong and the fall in the prices of the Shares, the Company has observed a decline in the confidence of its investors, lenders and business partners in its business operations. Discussions with lenders for the provision or extension of credit facilities have become more protracted in recent months. In view of the declining confidence in its business and the challenging property market in Singapore, the Company has moved to raise fresh funds through the Proposed Subscription in order shore up its working capital, pay down borrowings and restore confidence in its business.

The Company believes that there are synergistic benefits to be reaped from the strategic investment by the Subscriber, with its real estate development business in Singapore. The Company also believes that the Subscriber's investment in the Company will deepen and strengthen the strategic ties between the Company and the Subscriber, as well as restore investor confidence in its business.

The Loan will provide the Company with a short term cash injection to shore up its working capital pending Completion of the Proposed Subscription. The Company believes that the provision of the Loan on short notice reflects the Subscriber's commitment to the strategic investment in the Company and confidence in the Company's business operations.

8.2 The Capital Reorganisation

The Company is an exempted company incorporated in Bermuda and is subject to the Bermuda Companies Act. Bermuda, unlike certain other jurisdictions such as Singapore, has yet to abolish the concept of par value of shares. As such, a share in a company incorporated in Bermuda may not be issued for a consideration that is below its par value.

As at the date of this Announcement, the par value of the Shares is US\$0.16, which is higher than the Subscription Price per Share. In order to undertake the Proposed Subscription, the Company is proposing to reduce the par value of the Shares to US\$0.01. The Company also believes that the Capital Reorganisation will provide the Company with greater flexibility to issue new Shares in the future should fund raising opportunities or requirements arise and facilitate corporate actions which may require the issuance of new Shares.

In undertaking the Capital Reorganisation, the Company has also taken into consideration that the reduction of par value will not result in any change to its net asset position.

9. INTEREST OF DIRECTORS

None of the Directors of the Company have any interest, direct or indirect in the Proposed Subscription, Loan or Capital Reorganisation (other than through their respective direct and indirect shareholdings in the Company). None of the Directors have any connection (including business relationship) with the Subscriber, its directors and/or substantial shareholders.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreement are available for inspection at the Company's principal place of business at 701 Sims Drive, #02-06, LHK Building, Singapore 387383.

11. CIRCULAR TO SHAREHOLDERS

A circular containing further details on the Proposed Subscription and Capital Reorganisation, together with the notice of SGM, will be despatched to Shareholders in due course.

Shareholders are advised to exercise caution in trading their Shares. The Proposed Subscription is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Subscription will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

MR BON WEEN FOONG
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
5 April 2016