

OKH GLOBAL LTD.
(Company Registration No. 35479)
(Incorporated in Bermuda)

1. **PROPOSED SUBSCRIPTION OF 2,584,923 ORDINARY SHARES IN PAN ASIA LOGISTICS HOLDINGS SINGAPORE PTE. LTD.**
 2. **PROPOSED ACQUISITION OF 646,231 ORDINARY SHARES IN PAN ASIA LOGISTICS HOLDINGS SINGAPORE PTE. LTD.**
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1. **PROPOSED SUBSCRIPTION OF 2,584,923 ORDINARY SHARES IN PAN ASIA LOGISTICS HOLDINGS SINGAPORE PTE. LTD.**

(A) INTRODUCTION

The Board of Directors of OKH Global Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary Chronoz Investment Holding Pte. Ltd. (Company Registration No. 201423984Z) (“**Chronoz**”) has on 18 August 2014 entered into a subscription and shareholders’ agreement (“**SSA**”) with Pan Asia Logistics Holdings Singapore Pte. Ltd. (“**Pan Asia Logistics**”), Mr Bischoff Christian Paul and Ms Tan Siew Fun, to subscribe for 2,584,923 new ordinary shares in the capital of Pan Asia Logistics (“**Subscription Shares**”), at an approximate issue price of S\$6.65 per ordinary share, representing approximately 12% of the enlarged share capital of Pan Asia Logistics for an aggregate subscription price of S\$17,200,000 (“**Subscription Price**”) (“**Proposed Subscription**”).

(B) INFORMATION ON PAN ASIA LOGISTICS

Pan Asia Logistics is a company incorporated in Singapore on 29 August 2013, with an issued and paid-up share capital of S\$18,956,100 comprising of 18,956,100 ordinary shares as at the date of this announcement. Mr Bischoff Christian Paul (“**Vendor**”) holds 95% of the issued and paid-up share capital of Pan Asia Logistics and is also a director of Pan Asia Logistics. Pan Asia Logistics and its wholly-owned subsidiaries (collectively, “**Pan Asia Logistics Group**”) are involved in the business of providing fully integrated logistics services and supply chain solutions worldwide to customers including multinational companies.

As announced on 9 October 2013, Pan Asia Logistics entered into a joint venture agreement with OKH TransHub Pte. Ltd. (a subsidiary of the Company) pursuant to which both parties agreed to establish a joint venture company known as Pan Asia Logistics Investments Holdings Pte. Ltd. for the purposes of carrying out the business of developing, owning and managing modern logistic buildings (“**Joint Venture**”) with Pan Asia Logistics holding 60% and OKH TransHub Pte. Ltd. holding 40% of its issued shares respectively.

(C) INDEPENDENT VALUER

AVA Associates Limited has been engaged as the independent valuer by the Company to provide an independent valuation for Pan Asia Logistics. Based on the valuation report dated 4 August 2014 (“**Valuation Report**”), the estimated market value of a 100% equity interest in Pan Asia Logistics as at 31 December 2013 is valued at S\$145.7 million.

(D) SUBSCRIPTION PRICE

The Subscription Price was arrived at after arm’s length negotiations and taking into account:-

- (i) the net asset value of Pan Asia Logistics of approximately S\$53.6 million as at 31 December 2013;

- (ii) the Valuation Report, where the estimated market value of a 100% equity interest in Pan Asia Logistics as at 31 December 2013 is valued at S\$145.7 million; and
- (iii) the business potential for the Company through the relationship with Pan Asia Logistics.

The Subscription Price of S\$17,200,000 will be paid by the Company in cash in the following manner:-

- (i) First instalment of S\$3,000,000 no later than 8 September 2014 or such other date as may be agreed in writing by the Parties; ("**Subscription Completion Date**");
- (ii) Second instalment of S\$5,000,000 on 15 October 2014;
- (iii) Third instalment of S\$6,000,000 on 15 November 2014; and
- (iv) Fourth instalment of S\$3,200,000 on 15 December 2014.

After the completion of the Proposed Subscription, the Company will hold 12% of the enlarged share capital of Pan Asia Logistics.

(E) OTHER PRINCIPAL TERMS OF THE SSA

(a) **Conditions Precedent:** The conditions precedent of the SSA are as follows:-

- (i) Chronoz being satisfied in its sole and absolute discretion with the results of the due diligence investigations (whether legal, financial, tax or otherwise) carried out by or on behalf of Chronoz in respect of the Pan Asia Logistics Group, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, financial performance, tax liabilities, accounts, results and prospects of the Pan Asia Logistics Group, in its sole and absolute discretion;
- (ii) receipt of consents, approvals and authorisations from relevant third parties including banks, financial institutions, landlords of leases (should such approval be required under the relevant terms of the leases), licensors, government or regulatory authorities which are necessary in connection with the entry into and performance of the SSA and the transactions contemplated hereunder, if any, and such consents, approvals and authorisation remaining in full force and effect and not being revoked prior to and on the Subscription Completion Date;
- (iii) the approval of and waiver of pre-emption rights by all existing shareholders of Pan Asia Logistics being obtained for the transactions contemplated in the SSA;
- (iv) the approval of the shareholders of the Company in an extraordinary general meeting (where necessary) being obtained for the transactions contemplated in the SSA;
- (v) the articles of association of Pan Asia Logistics having been amended on or before the Subscription Completion Date to provide for or conform to the terms of the SSA (to the extent applicable or necessary), such amended articles being in form and substance to the reasonable satisfaction of Chronoz; and
- (vi) each Party shall have performed and complied with all agreements, obligations and conditions contained in the SSA that are required or contemplated to be performed or complied with by it on or before the Subscription Completion Date.

(b) **Completion:** The completion of the Proposed Subscription shall take place on the Subscription Completion Date after the fulfilment of the above conditions precedent pursuant to the SSA.

2. **PROPOSED ACQUISITION OF 646,231 ORDINARY SHARES IN PAN ASIA LOGISTICS HOLDINGS SINGAPORE PTE. LTD.**

(A) **INTRODUCTION**

The Board of Directors of the Group wishes to announce that Chronoz has on 18 August 2014 entered into a sale and purchase agreement (“**SPA**”) with the Vendor and agreed, subject to the completion of the Proposed Subscription, to acquire 646,231 ordinary shares in the capital of Pan Asia Logistics (“**Sale Shares**”) at an approximate purchase price of S\$6.65 per ordinary share, representing approximately 3% of the enlarged share capital of Pan Asia Logistics from the Vendor for an aggregate purchase consideration of S\$4,300,000 (“**Purchase Consideration**”) (“**Proposed Acquisition**”).

(B) **PURCHASE CONSIDERATION**

The Purchase Consideration payable by the Company to the Vendor was arrived on a willing-buyer-willing-seller basis which has taken into account factors similar to that listed in paragraph 1(D) above.

The Purchase Consideration will be satisfied by the Company in cash in the following manner:-

- (i) First instalment of S\$3,000,000 no later than 9 September 2014 or at least 1 business day after the completion of the Proposed Subscription (“**Purchase Completion Date**”); and
- (ii) Second instalment of S\$1,300,000 on 15 December 2014.

Subsequent to the completion of the Proposed Acquisition, the Company will also own 3% of the enlarged share capital of Pan Asia Logistics.

(C) **OTHER PRINCIPAL TERMS OF THE SPA**

(a) **Conditions Precedent:** The conditions precedent of the SPA are as follows:-

- (i) Chronoz being satisfied in its sole and absolute discretion with the results of the due diligence investigations (whether legal, financial, tax or otherwise) carried out by or on behalf of Chronoz in respect of the Pan Asia Logistics Group, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, financial performance, tax liabilities, accounts, results and prospects of the Pan Asia Logistics Group, in its sole and absolute discretion;
- (ii) receipt of consents, approvals and authorisations from relevant third parties including banks, financial institutions, landlords of leases (should such approval be required under the relevant terms of the leases), licensors, government or regulatory authorities which are necessary in connection with the entry into and performance of the SPA and the transactions contemplated in the SPA, if any, and such consents, approvals and authorisation remaining in full force and effect and not being revoked prior to and on the Purchase Completion Date;
- (iii) the approval of and waiver of pre-emption rights by all existing shareholders of Pan Asia Logistics being obtained for the transactions contemplated in the SPA;
- (iv) the approval of the shareholders of the Company in an extraordinary general meeting (where necessary) being obtained for the transactions contemplated in the SPA;
- (v) the completion under the SSA; and

- (vi) each Party shall have performed and complied with all agreements, obligations and conditions contained in the SPA that are required or contemplated to be performed or complied with by it on or before the Purchase Completion Date.
- (b) **Completion:** The completion of the Proposed Acquisition shall take place on the Purchase Completion Date after the fulfilment of the above conditions precedent pursuant to the SPA.
- (c) **Put Option:** Under the SPA, the Vendor has also granted to Chronoz a put option to require the Vendor to acquire the Sale Shares from Chronoz ("**Put Option**") subject to the following salient terms and conditions:-
 - (i) Chronoz may exercise the Put Option once and in full, anytime during the period of 36 months commencing from 1 July 2015.
 - (ii) The put option price ("**Put Option Price**") upon Chronoz's exercise of the Put Option shall be calculated in the following manner:-
 - (aa) Within the first 12 months from 1 July 2015, the Put Option Price shall be 1.12 times of the Purchase Consideration.
 - (bb) During the period after the 12th month and before the 24th month, the Put Option Price shall be 1.24 times of the Purchase Consideration.
 - (cc) During the period after the 24th month up till the 36th month, the Put Option Price shall be 1.36 times of the Purchase Consideration.

3. SERVICE CONTRACT

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition and the Proposed Subscription (collectively, "**Proposed Transactions**").

4. RATIONALE FOR THE PROPOSED TRANSACTIONS

Pan Asia Logistics Group provides fully integrated logistics services and supply chain solutions worldwide to customers including multinational companies.

Following the Joint Venture, the Group recognised that the Pan Asia Logistics Group is a fast growing player in the logistics sector. As such, the Group hopes that through the Proposed Transactions, the Group will have the opportunity to leverage on the strengths of the Pan Asia Logistics Group. This will enable the Group to further develop the existing relationship with the Pan Asia Logistics Group and to provide opportunities for the Group to create new interlinked business opportunities in the real estate market which is complementary to the Group's current business.

5. SOURCE OF FUNDS

The Group will finance the Proposed Transactions by internal funds and/or external borrowings.

6. FINANCIAL EFFECTS

The following table illustrates the financial effects of the Proposed Transactions on (i) the net tangible asset per share of the Group (assuming the Proposed Transactions had been completed at the end of the financial year ended 30 June 2013 ("**FY2013**")); and (ii) the earnings per share of the Group (assuming that the Proposed Transactions had been completed at the beginning of FY2013) based on the audited financial statements of the Group for FY2013 are set out below:

	Before the Proposed Transactions (cents)	After the Proposed Transactions (cents)
Effects of the Proposed Transactions on the net tangible asset per share ⁽¹⁾	7.10	7.10
Effects of the Proposed Transactions on the earnings per share ⁽²⁾	(0.17)	(0.17)

Note:

- (1) Computed based on the issued share capital of 568,657,445 ordinary shares as at 30 June 2013.
- (2) Computed based on the weighted average number of ordinary shares in issue during FY2013 536,638,610 ordinary shares as at 30 June 2013.

7. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Transactions computed on the bases set out in Rule 1006 of the Listing Manual of Singapore Exchange Securities Trading Limited are set out below:

1006 (a)	Net Asset Value Test	Not applicable as there is no disposal of assets by the Company.
1006 (b)	Profits Test	_(1)
1006 (c)	Consideration Test	The Purchase Consideration of S\$4,300,000 and the Subscription Price of S\$17,200,000 together represents approximately 5.95% of the Company's market capitalisation of approximately S\$361.5 million as at 15 August 2014, being the market day preceding the date of the execution of the SPA and SSA.
1006 (d)	Equity Securities Test	Not applicable as no equity securities will be issued as consideration for the Proposed Transactions.
1006(e)	Reserves Test	Not applicable.

Note:

- (1) Based on the audited consolidated financial statements of Pan Asia Logistics for the financial year ended 31 December 2013, Pan Asia Logistics' net profits were approximately S\$27.8 million. Based on the latest announced unaudited consolidated financial statements of the Group for 3Q2014, the Group's net loss was approximately S\$8,408,000. As such, the comparison is not meaningful.

As one of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Transactions constitute discloseable transactions under Chapter 10 of the Listing Manual, which does not require approval of shareholders of the Company.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transactions.

9. DOCUMENTS FOR INSPECTION

Copies of the SPA, SSA and Valuation Report are available for inspection during normal business hours at the office of the Company at 701 Sims Drive, #02-06, LHK Building, Singapore 387383 and at the registered office of the Company for 3 months from the date of this announcement.

BY ORDER OF THE BOARD

BON WEEN FOONG
Executive Chairman and Chief Executive Officer
18 August 2014