



**SUNLIGHT GROUP HLDG LTD**  
**(Company Registration No. 199806046G)**  
**Incorporated in the Republic of Singapore**

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**Acquisition of shares in P5 Pte. Ltd. - Execution of Sale and Purchase Agreement**

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**1. INTRODUCTION**

- 1.1 The Board of Directors (the “**Board**”) of Sunlight Group Hldg Ltd (the “**Company**”) wishes to announce that the Company has on 31 May 2016 entered into a conditional sale and purchase agreement (the “**SPA**”) with Tan Ghin Chwee, Ngo Wei-Tze Calvin, Ang Leng Hong and Poo Chooi Yee (collectively, the “**Vendors**”) pursuant to which the Vendors have agreed to sell, and the Company has agreed to purchase all the shares held by the Company in P5 Pte. Ltd. (“**P5**”), upon the terms and subject to the conditions of the SPA (the “**Proposed Acquisition**”).
- 1.2 Completion of the Proposed Acquisition (the “**Completion**”) shall take place on such date as may be mutually agreed between the Company and the Vendors (the “**Completion Date**”). Upon completion of the Proposed Acquisition, P5 will become a wholly-owned direct subsidiary of the Company.

**2. RATIONALE FOR THE PROPOSED ACQUISITION**

- 2.1 The Company and its subsidiaries (the “**Group**”) has a lighting division which supplies architectural lighting. The Proposed Acquisition is intended for the Company to consolidate and gain effective control in P5 and will represent a synergistic progression from architectural lighting to decorative lighting and other interior related products, thereby beefing up the Group’s existing lighting retail business.
- 2.2 By sharing the showroom currently located at 5 Purvis Street #01-02, the Group can achieve synergistic marketing efforts by leveraging on the respective strengths of the Company and P5, allowing the Group and P5 to market and sell a wider range of products, including furniture and other interior related products, to the same target customers. The Group will be better poised to secure more good brands with the inclusion of P5 as a member of the Group.
- 2.3 The Proposed Acquisition will allow the Company to augment the Group’s current business portfolio from being primarily focused on the manufacturing line to also include the trading of lighting products (decorative), furniture and other interior related products to retail customers. The Board believes that by capitalising on the Group’s existing facilities, know-how and expertise, P5 will stand a better chance to be profitable with the Group’s involvement and management.
- 2.4 The Board believes that the Proposed Acquisition will allow (a) better integration and streamlining of the services provided by the Group and P5, enabling the Group to enjoy further economies of scale, and (b) the Group to explore viable business opportunities which could enhance shareholders’ value over the long term. The Board therefore considers the Proposed Acquisition to be in the best interests of and beneficial to the Group.

**3. INFORMATION ON P5 PTE. LTD.**

- 3.1 As at the date of this announcement, P5 is a company incorporated in Singapore on 24 July 2009 with a current paid up share capital of S\$1,084,000, comprising 1,600,000 ordinary shares, which are held by the following shareholders in the proportions set out below.

| Name of Shareholder     | Number of Shares<br>in P5 | Shareholding Percentage (%) |
|-------------------------|---------------------------|-----------------------------|
| Sunlight Group Hldg Ltd | 294,000                   | 18.375                      |
| Tan Ghin Chwee          | 103,000                   | 6.4375                      |
| Ngo Wei-Tze Calvin      | 603,000                   | 37.6875                     |
| Ang Leng Hong           | 300,000                   | 18.75                       |
| Poo Chooi Yee           | 300,000                   | 18.75                       |
| <b>Total</b>            | <b>1,600,000</b>          | <b>100.00</b>               |

3.2 The principal activity of P5 is trading of decorative lighting, furniture and other interior related products.

#### 4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

##### 4.1 Proposed Acquisition

Subject to the terms and conditions of the SPA, the Vendors shall sell to the Company and the Company agrees to acquire from the Vendors 1,306,000 shares in the share capital of P5, being all of the Vendors' interest in the issued and paid up share capital of P5 (the "**Sale Shares**").

##### 4.2 Consideration

4.2.1 The consideration for the sale of the Sale Shares shall be such number of ordinary shares fully paid, in the share capital of the Company (the "**Consideration Shares**"), the aggregate value of which is S\$555,050 (the "**Consideration**"). The value of the consideration payable to each Vendor shall be as follows:

| Name of Vendor     | Value of Consideration Payable (S\$) |
|--------------------|--------------------------------------|
| Tan Ghin Chwee     | 43,775                               |
| Ngo Wei-Tze Calvin | 256,275                              |
| Ang Leng Hong      | 127,500                              |
| Poo Chooi Yee      | 127,500                              |
| <b>Total</b>       | <b>555,050</b>                       |

4.2.2 The Consideration shall be satisfied in full by the allotment and issue by the Company to each of the Vendors, and/or the nominee(s) as each of the Vendors may direct, on the Completion Date, of the Consideration Shares, credited as fully paid-up and ranking *pari passu* in all respects with the existing issued and paid-up ordinary shares in the capital of the Company.

- 4.2.3 The number of Consideration Shares to be issued and allotted to each Vendor shall be determined by the following formula:

$$\text{Number of Consideration Shares to be issued to each Vendor} = \frac{\text{Value of Consideration payable to each Vendor as specified in paragraph 4.2.1.}}{\text{Issue Price per Consideration Share}}$$

**"Issue Price"** means S\$0.0153, being a 10% discount to the volume weighted average price of the shares in the Company for trades done on 30 May 2016, being the last full market day immediately preceding the date of the SPA on which the shares in the Company were traded.

- 4.2.4 Accordingly, subject to the completion of the Proposed Acquisition, the number of Consideration Shares to be issued to the Vendors shall be 36,277,777.
- 4.2.5 The Consideration was arrived at on a willing buyer willing seller basis, taking into account P5's total equity value of approximately S\$680,000 based on P5's latest balance sheet (unaudited) as at 31 March 2016.

#### 4.3 Conditions Precedent

The completion of the Proposed Acquisition is further conditional upon the following conditions having been fulfilled:

- 4.3.1 each of the warranties contained in the SPA remaining true and not misleading in any respect at Completion, as if repeated at Completion and at all times between the date of the SPA and Completion;
- 4.3.2 each of the parties to the SPA having performed all of the covenants and agreements required to be performed or caused to be performed by it under the SPA on or before the Completion Date;
- 4.3.3 all necessary or desirable actions, notifications, filings and registrations, approvals, permits and consents having been taken, given to, made with and obtained from the relevant governmental, regulatory and administrative departments, authorities and bodies in Singapore, or elsewhere in respect of the sale and purchase of the Sale Shares and the issuance of the Consideration Shares, including obtaining the approval in principle from the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) for such issuance and the listing and quotation (the **"LQN"**) of such Consideration Shares, and the compliance in full to the satisfaction of the relevant governmental, regulatory and administrative departments, authorities and bodies in Singapore, or elsewhere of all conditions (if any) attaching or in relation thereto, where such conditions are required to be complied with by the Completion Date; and
- 4.3.4 no new laws, regulations or rules having been promulgated, published or issued and/or having taken effect on or prior to the Completion Date, nor any of the parties hereto having received on or prior to the Completion Date notice of any directive, injunction or other order, which restrains or prohibits the consummation of the transactions contemplated by the SPA or there being no action on or prior to the Completion Date seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such directive, injunction or other order or action which is threatened.

#### 4.4 Representations and Warranties

Pursuant to the SPA, the Company and the Vendors have furnished representations and warranties typical for transactions such as the Proposed Acquisition.

#### 4.5 Value of P5

The unaudited aggregate net asset value and unaudited net tangible asset value of the shares in P5 as recorded in the unaudited financial statements of P5 as at 31 March 2016 was S\$686,503.75, and S\$686,503.75 respectively.

### 5. **RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES**

5.1 Under Chapter 10 of the Catalist Rules, transactions which are classified under any of the four categories specified in Rule 1004 of the Catalist Rules will trigger certain obligations on the Company.

5.2 The relative figures computed on the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition are as follows:

| <b>Catalist Rule</b>                                                                                                                                                                                         | <b>Relative Figures</b>                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| <b>Rule 1006(a)</b><br>The net asset value of the assets to be disposed of, compared with the net asset value of the Group                                                                                   | Not applicable as the Company is not disposing any assets.           |
| <b>Rule 1006(b)</b><br>The net profits <sup>(1)</sup> attributable to the assets acquired, compared with Group's net profits                                                                                 | 3.12%                                                                |
| <b>Rule 1006(c)</b><br>The aggregate value of the consideration given, compared with the Company's market capitalisation <sup>(2)</sup> based on the total number of issued shares excluding treasury shares | 6.26%                                                                |
| <b>Rule 1006(d)</b><br>The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue                          | 6.96% <sup>(3)</sup>                                                 |
| <b>Rule 1006(e)</b><br>The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves                                              | Not applicable as the Company is not a mineral, oil and gas company. |

#### **Note:**

1. The net loss (before tax) attributable to the assets acquired, based on the profit and loss statement of P5 for the financial year ended 31 March 2016 was **S\$217,509.74**. Based on the unaudited financial statements of the Group for the financial year ended 31 March 2016, the net loss (before tax) of the Group for the year ended 31 March 2016 was **S\$6,979,000**. The relative figure is derived by dividing S\$217,509.74 by S\$6,979,000.

2. Pursuant to Rule 1002(5) of the Catalist Rules, “**market capitalisation**” is calculated by the number of shares of the Company (excluding treasury shares), amounting to 521,246,666 shares, multiplied by the volume weighted average price of the Company’s shares for trades done on the SGX-ST on 30 May 2016, being the last full market day immediately preceding the date of the SPA on which the shares in the Company were traded. The Company’s market capitalisation is approximately S\$8,861,193, derived by multiplying the issued share capital of the Company of 521,246,666 shares by the volume weighted average price of such shares transacted on 30 May 2016, of S\$0.017.
  3. Pursuant to the Proposed Acquisition, the Company will issue 36,277,777 Consideration Shares at the Issue Price. The number of equities in issue in the Company (as at the date of this Announcement) is 521,246,666 shares.
- 5.3 As some the relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a “Discloseable Transaction” under Chapter 10 of the Catalist Rules.
- 5.4 As the Consideration for the Proposed Acquisition will be satisfied partly by the allotment and issuance of the Consideration Shares for which listing is being sought, the Company is obliged to announce the Proposed Acquisition pursuant to Rule 1009 of the Catalist Rules, stating the information required under Part VI of Chapter 10 of the Catalist Rules.

## 6. SOURCES OF FUNDS

The Proposed Acquisition shall be wholly satisfied by the allotment and issuance of the Consideration Shares.

## 7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

### 7.1 Bases and Assumptions

For the purposes of illustration only, the pro forma financial effects of the Proposed Acquisition taken as a whole are set out below. The pro forma financial effects have been prepared based on the unaudited consolidated financial statements of the Group for the financial year ended 31 March 2016, being the most recently completed financial year, and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Acquisition.

### 7.2 NTA

For illustrative purposes only, the proforma financial effects of the Proposed Acquisition on the Group’s NTA per share, assuming that the Proposed Acquisition had been completed on 31 March 2016, being the end of the most recently completed financial year, are set out below:

|                             | As at 31 March 2016         |                            |
|-----------------------------|-----------------------------|----------------------------|
|                             | Before Proposed Acquisition | After Proposed Acquisition |
| NTA<br>(S\$)                | 13,846,289                  | 14,376,339                 |
| Number of Shares            | 521,246,666                 | 557,524,443                |
| NTA per Share<br>(SG cents) | 2.66                        | 2.58                       |

### 7.3 EPS

For illustrative purposes only, the proforma financial effects of the Proposed Acquisition on the consolidated earnings of the Group, assuming that the Proposed Acquisition had been completed on 1 April 2015, being the beginning of the most recently completed financial year, are set out below:

|                                                                          | For the financial year ended 31 March 2016 |                            |
|--------------------------------------------------------------------------|--------------------------------------------|----------------------------|
|                                                                          | Before Proposed Acquisition                | After Proposed Acquisition |
| Profits attributable to shareholders (after minority interests)<br>(S\$) | 7,052,507                                  | 7,296,189                  |
| Number of Shares                                                         | 521,246,666                                | 557,524,443                |
| Earnings per Share<br>(SG cents)                                         | (1.35)                                     | (1.31)                     |

### 8. **LISTING AND QUOTATION NOTICE**

Subject to completion of the SPA, the Company will be making an application to the SGX-ST, through its sponsor, RHT Capital Pte. Ltd., for the listing and quotation for the Consideration Shares on Catalist. The Company will make the necessary announcement(s) upon receipt of the LQN from the SGX-ST.

### 9. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for (a) Mr Lim Fong Yee Roland ("**Mr Roland Lim**") being a director and Chief Executive Officer of the Company and a director (representing the Company) of P5, (b) Mr Lim Kwang Joo being the Executive Chairman of the Company and an associate of Mr Roland Lim, and (c) the directors', controlling shareholders' and substantial shareholders' respective shareholding interest, if any, in the Company, none of the directors or controlling shareholders or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition.

### 10. **DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the SPA will be available for inspection during normal business hours at the Company's registered office at 1 Third Chin Bee Road, Singapore 618679 for a period of three (3) months from the date of this announcement.

### 11. **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 Proposed Acquisition, 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.

## 12. CAUTIONARY STATEMENT

The Company wishes to highlight that completion of the Proposed Acquisition is subject to conditions precedents being fulfilled and there is no certainty or assurance that the Proposed Acquisition will be completed or that no changes will be made to the terms of the SPA. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

## 13. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the Proposed Acquisition as appropriate or when there are developments on the same.

By Order of the Board

LIM FONG YEE ROLAND  
CHIEF EXECUTIVE OFFICER  
31 May 2016

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This announcement and its contents have been reviewed by the Company's sponsor, RHT Capital Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Amanda Chen, Registered Professional, RHT Capital Pte. Ltd., Six Battery Road, #10-01, Singapore 049909, telephone (65) 6381 6757.