

CIRCULAR DATED 11 MAY 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the contents of this Circular (as defined herein) or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Achieva Limited (the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

In-principle approval has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the dealing in, listing of and quotation for the Consideration Shares (as defined herein) on the Main Board of the SGX-ST, subject to certain conditions. The in-principle approval granted by the SGX-ST is not to be taken as an indication of the merits of the Proposed Acquisition (as defined herein), the Consideration Shares (as defined herein), the Company and/or its subsidiaries.

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

ACHIEVA

GROUP OF COMPANIES

ACHIEVA LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199307251M)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

- (A) **THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF (I) SUTL MARINA DEVELOPMENT PTE. LTD. AND (II) ONE15 LUXURY YACHTING PTE. LTD., FROM SUTL LEISURE PTE. LTD. AND SUTL INVESTMENTS PTE. LTD. RESPECTIVELY, FOR AN AGGREGATE PURCHASE CONSIDERATION OF S\$21.0 MILLION, TO BE SATISFIED IN FULL BY THE ALLOTMENT AND ISSUANCE OF 341,463,414 NEW ORDINARY SHARES IN THE ISSUED SHARE CAPITAL OF THE COMPANY (“CONSIDERATION SHARES”) AT THE ISSUE PRICE OF S\$0.0615 FOR EACH CONSIDERATION SHARE (THE “PROPOSED ACQUISITION”);**
- (B) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) TO RECEIVE A MANDATORY GENERAL OFFER FROM SUTL GLOBAL PTE. LTD. AND THE PARTIES ACTING IN CONCERT WITH IT FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THEM, AS A RESULT OF THE ALLOTMENT AND ISSUANCE OF THE 341,463,414 CONSIDERATION SHARES AT AN ISSUE PRICE OF S\$0.0615 EACH AS CONSIDERATION FOR THE PROPOSED ACQUISITION (THE “WHITEWASH RESOLUTION”); AND**
- (C) **THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM “ACHIEVA LIMITED” TO “SUTL ENTERPRISE LIMITED”.**

Financial Adviser to the Company in relation to the Proposed Acquisition



CIMB BANK BERHAD (13491-P)

Singapore Branch

(Incorporated in Malaysia)

*Independent Financial Adviser to the Independent Directors of the Company
in relation to the Proposed Acquisition and the Whitewash Resolution*



SAC Capital Private Limited

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200401542N)

IMPORTANT DATES AND TIMES

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| Last date and time for lodgment of Proxy Form | : | 3 June 2015 at 2.30 p.m. |
| Date and time of Extraordinary General Meeting | : | 5 June 2015 at 2.30 p.m. |
| Place of Extraordinary General Meeting | : | Constellation 1, ONE°15 Marina Club #01-01, 11 Cove Drive, Sentosa Cove Singapore 098497 |

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DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

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| “ACRA” | : | The Accounting and Corporate Regulatory Authority |
| “Act” | : | The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time |
| “Agreement” | : | The conditional sale and purchase agreement dated 14 August 2014 entered into between the Company, the Vendors, and SUTL Global in relation to the Proposed Acquisition |
| “Announcement” | : | The announcement made by the Company on 14 August 2014 in relation to the Proposed Acquisition |
| “Arthur Tay” | : | Mr Tay Teng Guan Arthur, the Executive Director and Chief Executive Officer of the Company |
| “Articles” | : | The articles of association of the Company, as amended from time to time |
| “ATPL” | : | Achieva Technology Pte Ltd, a subsidiary in which the Company has a shareholding interest of 51% |
| “Audit Committee” | : | The audit committee of the Company as at the date of this Circular, comprising the Independent Directors, Messrs Lew Syn Pau and Colin Ng Teck Sim, and a Non-Executive Director, Mr Chan Kum Tao |
| “CDP” | : | The Central Depository (Pte) Limited |
| “CIMB” | : | CIMB Bank Berhad, Singapore Branch |
| “Circular” | : | This circular dated 11 May 2015 in relation to the Proposed Acquisition, the Whitewash Resolution and the Proposed Change of Name |
| “Claim” | : | Any claim for breach of a Warranty |
| “Code” | : | The Singapore Code on Take-overs and Mergers |
| “Company” | : | Achieva Limited |
| “Competing Business” | : | (a) Any business carried on by any of the TargetCos as at Completion, and which is carried on within the area in which any of the TargetCos carries on business as at Completion; and (b) the business of consulting and investing in marina projects in Asia |

DEFINITIONS

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| “Completion” | : | The completion of the Proposed Acquisition, being a date falling five (5) business days, being a day (other than Saturday, Sunday or Singapore public holiday) on which banks generally are open for the transaction of normal banking business in Singapore, after the date on which the last Conditions Precedent is fulfilled or waived (or such other date as may be agreed between the Company and the Vendors) |
| “Completion Date” | : | The date on which Completion takes place |
| “Conditions Precedent” | : | The conditions precedent to be fulfilled (or waived) prior to the Completion as set out in the Agreement, details of which are set out under Section 2.3 of this Circular |
| “Consideration Shares” | : | The 341,463,414 new Shares to be allotted and issued by the Company to the Vendors or their nominees at the Issue Price in satisfaction in full of the Purchase Consideration |
| “Controlling Shareholder” | : | A person who: (a) holds directly or indirectly 15.0% or more of the total number of issued Shares excluding treasury shares in the Company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or (b) in fact exercises control over the Company |
| “Deed of Undertaking and Indemnity” | : | The deed of undertaking and indemnity dated 18 March 2015 entered into between SUTL Global and the Company in connection with the conditions imposed in the SDC Consent, details of which are set out under Section 2.4.3 of this Circular |
| “Development” | : | Lots 1765P, 1443N, 1759M and Lot 1415C (which comprise of the foreshore and seabed) all of Mukim 34 for establishing a marina clubhouse on Lots 1765P and 1443N both of Mukim 34, a marina and yacht berthing facilities on Lot 1415C of Mukim 34 and a Tennis Annexe on Lot 1759M of Mukim 34 |
| “Directors” | : | The directors of the Company as at the date of this Circular |
| “EGM” | : | The extraordinary general meeting of the Company to be held on 5 June 2015 at 2.30 p.m, the notice of which is set out on pages N-1 to N-3 of this Circular |
| “FY” | : | Financial year ended or ending (as the case may be) 31 December |
| “Group” | : | The Company and its subsidiaries |
| “IFA” | : | SAC Capital Private Limited, the independent financial adviser appointed to advise the Independent Directors in relation to the Proposed Acquisition and the Whitewash Resolution |

DEFINITIONS

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| “IFA Letter” | : | The letter dated 11 May 2015 from the IFA to the Independent Directors in relation to the Proposed Acquisition and the Whitewash Resolution, a copy of which is reproduced at Appendix A to this Circular |
| “Independent Directors” | : | The Directors who are deemed independent for the purposes of making recommendations to Shareholders in relation to the Proposed Acquisition and the Whitewash Resolution, namely Messrs Lew Syn Pau and Colin Ng Teck Sim |
| “Independent Shareholders” | : | Shareholders (other than SUTL Global and parties acting in concert with it) who are deemed independent for the purpose of the Whitewash Resolution |
| “Independent Valuation Summary Letter” | : | The independent valuation summary letter dated 24 November 2014 from the Independent Valuers in respect of the valuation of the TargetCos, which is reproduced at Appendix B to this Circular |
| “Independent Valuers” | : | KPMG Corporate Finance Pte Ltd |
| “Issue Price” | : | The issue price of S\$0.0615 for each Consideration Share |
| “IT Peripherals Business” | : | The marketing and distribution of information technology peripherals, including internal and external hard disk drives, memory chips and PC motherboards |
| “Latest Practicable Date” | : | 28 April 2015, being the latest practicable date prior to the printing of this Circular |
| “Listing Manual” | : | The listing manual of the SGX-ST, as amended or modified from time to time |
| “Long-Stop Date” | : | 14 August 2015 |
| “LPS” | : | Loss per Share |
| “Mandatory Offer” | : | The mandatory general offer for the Shares not already owned or controlled by SUTL Global and parties acting in concert with it pursuant to Rule 14 of the Code |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities |
| “Memorandum” | : | The memorandum of association of the Company, as amended from time to time |
| “NAV” | : | Net asset value |
| “NTA” | : | Net tangible assets |
| “One15 Luxury Yachting” | : | One15 Luxury Yachting Pte. Ltd., a wholly-owned subsidiary of SUTL Investments |

DEFINITIONS

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| “Peter Tay” | : | Mr Tay Teng Hock, a Non-Executive Director of the Company |
| “PRC” | : | The People’s Republic of China, excluding the Special Administrative Regions of Hong Kong and Macau and Taiwan area for the purpose of this Circular |
| “Proposed Acquisition” | : | The proposed acquisition by the Company of the Sale Shares from the Vendors at the Purchase Consideration, subject to the terms and conditions of the Agreement |
| “Proposed Change of Name” | : | The proposed change of name of the Company from “Achieva Limited” to “SUTL Enterprise Limited” |
| “Purchase Consideration” | : | The aggregate purchase consideration of S\$21.0 million |
| “Sale Shares” | : | The entire issued and paid-up share capital of the TargetCos |
| “SDC” | : | Sentosa Development Corporation |
| “SDC Consent” | : | The letter dated 3 March 2015 from SDC to SUTL Global, SUTL Leisure, SUTL Marina and the Company, pursuant to which SDC informed that it has no objections and consents to the proposed sale of the entire issued and paid-up share capital of SUTL Marina by SUTL Leisure to the Company and confirms that the same will not result in a breach of any term of the SDC Lease Documents, subject to certain terms and conditions, details of which are set out under Section 2.4.3 of this Circular |
| “SDC Lease Documents” | : | The following documents in relation to the ONE ^o 15 Marina Club located at 11 Cove Drive, Sentosa Cove, Singapore, namely, the lease (ID/126150C) dated 6 May 2013 between SUTL Marina and SDC, the building agreement dated 26 December 2004 between SUTL Marina and SDC (“ Building Agreement ”), the supplemental building agreement dated 27 August 2007 between SUTL Marina and SDC, the second supplemental building agreement dated 18 March 2011 between SUTL Marina and SDC, the conditions of tender, the development & operation guidelines and the development guidelines & planning parameters referred to in clause 1.4 of the Building Agreement and the letter dated 28 September 2004 from Sentosa Cove Pte Ltd to SUTL Leisure |
| “Securities Account” | : | A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent) |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “Shareholders” | : | Persons who are registered as holders of the Shares in the Register of Members of the Company, or where CDP is the registered holder, the term “ Shareholders ” shall in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with those Shares |

DEFINITIONS

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| “Shares” | : | Ordinary shares in the issued share capital of the Company |
| “SIC” | : | Securities Industry Council of Singapore |
| “SIC Conditions” | : | The conditions imposed by the SIC to which the Whitewash Waiver is subject, details of which are set out under Section 7.3 of this Circular |
| “Substantial Shareholder” | : | A person who has an interest or interests in voting Shares representing not less than 5.0% of all the voting Shares |
| “SUTL Corporation” | : | SUTL Corporation Pte. Ltd., a wholly-owned subsidiary of SUTL Global |
| “SUTL Global” | : | SUTL Global Pte. Ltd. |
| “SUTL Investments” | : | SUTL Investments Pte. Ltd., a wholly-owned subsidiary of SUTL Global |
| “SUTL Leisure” | : | SUTL Leisure Pte. Ltd., a wholly-owned subsidiary of SUTL Investments |
| “SUTL Marina” | : | SUTL Marina Development Pte. Ltd., a wholly-owned subsidiary of SUTL Leisure |
| “TargetCos” | : | SUTL Marina and One15 Luxury Yachting |
| “Tax Warranties” | : | The representations and warranties set out in Part C of Schedule 3 of the Agreement |
| “Vendors” | : | SUTL Investments and SUTL Leisure |
| “Vendor Group” | : | SUTL Leisure, SUTL Investments, any holding company from time to time of SUTL Leisure or SUTL Investments, and any subsidiary from time to time of SUTL Leisure or SUTL Investments, or such holding company (but excluding the TargetCos) |
| “Warranties” | : | The representations and warranties on the part of the Vendors set out under Schedule 3 of the Agreement and “ Warranty ” shall be construed accordingly |
| “Whitewash Resolution” | : | The resolution to be approved by way of a poll by the Independent Shareholders present and voting at the EGM, waiving their rights to receive the Mandatory Offer from SUTL Global and parties acting in concert with it, details of which are set out under Section 7 of this Circular. |
| “Whitewash Waiver” | : | The waiver granted by the SIC of the requirements for SUTL Global and parties acting in concert with it to make the Mandatory Offer arising from the allotment and issuance of the Consideration Shares, subject to, <i>inter alia</i> , the satisfaction of the SIC Conditions, details of which are set out under Section 7.3 of this Circular |
| “%” or “per cent.” | : | Per centum or percentage |

DEFINITIONS

“S\$” and “cents” : Singapore dollars and cents, respectively

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Act.

The term **“Subsidiary”** shall have the meaning ascribed to it in Section 5 of the Act.

The term **“acting in concert”** shall have the meaning ascribed to it in the Code.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment, the Listing Manual or the Code is a reference to that statute or enactment, the Listing Manual or the Code as for the time being amended or re-enacted. Any word defined under the Act, the Listing Manual or the Code or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Act, the Listing Manual or the Code or any statutory modification thereof, as the case may be.

Any reference to a time of day or date in this Circular is made by reference to Singapore time or date, as the case may be, unless otherwise stated.

LETTER TO SHAREHOLDERS

ACHIEVA LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 199307251M)

Board of Directors:

| | |
|----------------------|---|
| Lew Syn Pau | (Chairman (Non-Executive) and Independent Director) |
| Tay Teng Guan Arthur | (Executive Director and Chief Executive Officer) |
| Tay Teng Hock | (Non-Executive Director) |
| Chan Kum Tao | (Non-Executive Director) |
| Colin Ng Teck Sim | (Independent Director) |

Registered Office:

100J Pasir Panjang Road
#05-00 SUTL House
Singapore 118525

11 May 2015

To: The Shareholders of Achieva Limited

Dear Sir/Madam

- (A) THE PROPOSED ACQUISITION;
- (B) THE WHITEWASH RESOLUTION; AND
- (C) THE PROPOSED CHANGE OF NAME.

1. INTRODUCTION

1.1 The Proposed Acquisition

On 14 August 2014, the directors (“**Directors**”) of Achieva Limited (“**Company**”) announced that a conditional sale and purchase agreement dated 14 August 2014 (“**Agreement**”) had been entered into between the Company, SUTL Investments Pte. Ltd. (“**SUTL Investments**”), a wholly-owned subsidiary of SUTL Global Pte. Ltd. (“**SUTL Global**”), SUTL Leisure Pte. Ltd. (“**SUTL Leisure**”, and together with SUTL Investments, the “**Vendors**”), a wholly-owned subsidiary of SUTL Investments, and SUTL Global in relation to the proposed acquisition by the Company of the entire issued and paid-up share capital of SUTL Marina Development Pte. Ltd. (“**SUTL Marina**”), a wholly-owned subsidiary of SUTL Leisure and One15 Luxury Yachting Pte. Ltd. (“**One15 Luxury Yachting**”, and together with SUTL Marina, the “**TargetCos**”), a wholly-owned subsidiary of SUTL Investments (“**Sale Shares**”) from the Vendors at an aggregate purchase consideration of S\$21.0 million (“**Purchase Consideration**”), subject to the terms and conditions set out in the Agreement (“**Proposed Acquisition**”), to be satisfied in full by the allotment and issuance of the 341,463,414 new ordinary shares (“**Consideration Shares**”) in the issued share capital of the Company (“**Shares**”) to be allotted and issued by the Company to the Vendors or their nominees at the issue price of S\$0.0615 for each Consideration Share (“**Issue Price**”). Pursuant to the Agreement, SUTL Global will, *inter alia*, guarantee and indemnify the Company in respect of the Vendors’ obligations, undertakings and liabilities under the Agreement.

A copy of the announcement made by the Company on 14 August 2014 in relation to the Proposed Acquisition (“**Announcement**”) is available on the website of the SGX-ST at <http://www.sgx.com>.

The Proposed Acquisition will constitute a “major transaction” as defined under Chapter 10 of the listing manual of the SGX-ST (“**Listing Manual**”) and is subject to the approval of independent shareholders of the Company (“**Shareholders**”) at the extraordinary general meeting of the Company to be held on 5 June 2015 at 2.30 p.m. (“**EGM**”), the notice of which is set out on pages N-1 to N-3 of this Circular.

LETTER TO SHAREHOLDERS

As SUTL Global, the Controlling Shareholder (as defined in the Listing Manual), owns the entire issued and paid-up share capital of the Vendors and as the Purchase Consideration exceeds 5.0 per cent. of the latest audited net tangible assets (“**NTA**”) of the Company and its subsidiaries (“**Group**”) as at the date of the Agreement, the Proposed Acquisition also constitutes an “interested person transaction” as defined under Chapter 9 of the Listing Manual and will be subject to the approval of independent Shareholders at the EGM.

On 27 April 2015, the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) granted its in-principle approval for the dealing in, listing of and quotation for the Consideration Shares on the Main Board of the SGX-ST subject to certain conditions, details of which are set out in Section 2.4.2 of this Circular. The in-principle approval granted by the SGX-ST is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares, the Company and/or its subsidiaries.

The Company will be seeking the approval of independent Shareholders by way of an ordinary resolution (through a poll) for the Proposed Acquisition and the allotment and issuance of the Consideration Shares at the EGM.

Shareholders should note that the Proposed Acquisition is subject to and contingent upon, the passing of the Whitewash Resolution (as defined herein) (Ordinary Resolution 2).

1.2 The Whitewash Resolution

Upon the completion of the Proposed Acquisition (“**Completion**”) and the allotment and issuance of the Consideration Shares, SUTL Global’s aggregate shareholding interest (direct and indirect) in the Company will increase from approximately 25.3 per cent. to approximately 54.8 per cent. of the enlarged issued share capital of the Company. Accordingly, SUTL Global and parties acting in concert with it will be required to make a mandatory general offer (“**Mandatory Offer**”) for the Shares not already owned or controlled by SUTL Global and parties acting in concert with it pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (“**Code**”) unless the Whitewash Waiver (as defined herein) is granted by the Securities Industry Council of Singapore (“**SIC**”) and Shareholders (other than SUTL Global and parties acting in concert with it) who are deemed independent for the purpose of the Whitewash Resolution (as defined herein) (“**Independent Shareholders**”) present and voting at the EGM, approve by way of a poll the resolution to waive their rights to receive the Mandatory Offer from SUTL Global and parties acting in concert with it (“**Whitewash Resolution**”).

On 3 September 2014, the SIC granted a waiver of the requirements for SUTL Global and parties acting in concert with it to make the Mandatory Offer arising from the allotment and issuance of the Consideration Shares, subject to, *inter alia*, the satisfaction of certain conditions (“**SIC Conditions**”), details of which are set out in Section 7.3 of this Circular (“**Whitewash Waiver**”).

The Company will be seeking the approval of the Independent Shareholders by way of an ordinary resolution (through a poll) for the Whitewash Resolution at the EGM.

Independent Shareholders should note that if the Whitewash Resolution is approved but the resolution for the Proposed Acquisition (Ordinary Resolution 1) is not approved, the conditions precedent to be fulfilled (or waived) prior to the Completion as set out in the Agreement (“Conditions Precedent”), details of which are set out in Section 2.3 of this Circular, will not be fully satisfied and the Proposed Acquisition will not be completed.

1.3 Independent Financial Adviser

SAC Capital Private Limited has been appointed as the independent financial adviser (“**IFA**”) to advise the Directors who are deemed independent for the purposes of making recommendations to Shareholders in relation to the Proposed Acquisition and the Whitewash Resolution, namely Messrs Lew Syn Pau and Colin Ng Teck Sim (“**Independent Directors**”) in relation to the Proposed Acquisition and the Whitewash Resolution.

LETTER TO SHAREHOLDERS

The IFA's advice to the Independent Directors is set out in the letter dated 11 May 2015 from the IFA to the Independent Directors in relation to the Proposed Acquisition and the Whitewash Resolution, a copy of which is reproduced at **Appendix A** to this Circular ("**IFA Letter**").

1.4 The Proposed Change of Name

In line with the Proposed Acquisition, the Company proposes to change the name of the Company from "Achieva Limited" to "SUTL Enterprise Limited" ("**Proposed Change of Name**").

The Company will be seeking the approval of Shareholders by way of a special resolution (through a poll) for the Proposed Change of Name at the EGM.

Shareholders should note that the Proposed Change of Name is subject to and conditional upon, the passing of the resolution for the Proposed Acquisition (Ordinary Resolution 1) and the Whitewash Resolution (Ordinary Resolution 2).

1.5 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to (i) the Proposed Acquisition including, *inter alia*, information on the TargetCos, the rationale for the Proposed Acquisition and the proforma financial effects of the Proposed Acquisition on the Group, (ii) the Whitewash Resolution; and (iii) the Proposed Change of Name, and to seek Shareholders' approvals for the same at the EGM, the notice of which is set out on pages N-1 to N-3 of this Circular.

2. THE PROPOSED ACQUISITION

2.1 The Sale Shares

Subject to the terms and conditions of the Agreement, the Vendors shall sell to the Company the Sale Shares and the Company, relying on the representations, warranties, undertakings and indemnities of the Vendors contained in the Agreement, shall purchase the Sale Shares, free from encumbrances (which include any mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, rent-charge, title retention, claim, equity, option, pre-emption right (other than those which appear in a company's articles of association or constitutive document), right to acquire, security agreement and security interest or other right of whatever nature), and with the benefit of all rights, advantages, benefits and entitlements attaching and accruing thereto on and after Completion.

2.2 The Purchase Consideration

The Purchase Consideration shall be satisfied in full by the allotment and issuance to the Vendors or their nominees the Consideration Shares at the Issue Price per Consideration Share, such Consideration Shares to be credited as fully paid. The Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing Shares. The Issue Price is equivalent to the unaudited consolidated net asset value ("**NAV**") per Share as at 30 June 2014 (being the latest available published NAV per Share as at the date of the Agreement) and represents a premium of approximately 13.9 per cent. over the last transacted price of the Shares of S\$0.0540 on the SGX-ST on 13 August 2014, being the last day on which the SGX-ST is open for trading in securities ("**Market Day**") preceding the date of the Announcement.

The Purchase Consideration was arrived at after arm's length negotiation and on a willing-buyer and willing-seller basis after taking into consideration, *inter alia*:

- (i) the Purchase Consideration approximates the proforma NAV of the TargetCos as at 30 June 2014 of approximately S\$20.8 million;

LETTER TO SHAREHOLDERS

- (ii) the Purchase Consideration represents a discount of approximately 10.3% to the upper end of the indicative range of equity value of the TargetCos as at 30 June 2014 of between approximately S\$20.2 million to approximately S\$23.4 million as appraised by the Company's appointed independent valuers, KPMG Corporate Finance Pte Ltd ("**Independent Valuers**"); and
- (iii) the Purchase Consideration represents a price-to-earnings ratio of approximately 9.5 times to the proforma profit of the TargetCos of approximately S\$2.2 million in the financial year ended 31 December ("**FY**") 2013.

In addition, the Purchase Consideration represents a discount of approximately 5.4% to the proforma NAV of the TargetCos as at 31 December 2014 of approximately S\$22.2 million and a price-to-earnings ratio of approximately 8.2 times to the proforma profit of the TargetCos of approximately S\$2.6 million in FY2014.

2.3 Completion

- (i) Subject to the satisfaction or waiver, in accordance with the Agreement, of the Conditions Precedent, Completion shall take place at the registered office of the Company on the day falling five (5) business days, being a day (other than Saturday, Sunday or Singapore public holiday) on which banks generally are open for the transaction of normal banking business in Singapore (or on such other date as may be agreed between the Vendors and the Company) following the fulfilment (or waiver) of all the Conditions Precedent set out below:
 - (a) the completion, and satisfactory outcome, of all financial and legal due diligence investigations by the Company into the financial, contractual, tax and trading positions, and prospects, of the TargetCos and title to their assets;
 - (b) the report from the IFA appointed to advise the Independent Directors on the Proposed Acquisition being acceptable to the Independent Directors in their sole and absolute discretion;
 - (c) the Whitewash Waiver being granted to SUTL Global and parties acting in concert with it and such waiver not having been withdrawn or revoked as at the date on which Completion takes place ("**Completion Date**"), and if such approval is subject to any condition or restriction imposed by the SIC, such condition and restriction being reasonably acceptable to SUTL Global;
 - (d) the approval of the SGX-ST for the Proposed Acquisition and the dealing in and quotation of the Consideration Shares on the SGX-ST where necessary and such approval not having been withdrawn or revoked as at the Completion Date, and if such approval is subject to any condition or restriction imposed by the SGX-ST, such condition and restriction being reasonably acceptable to the Company and the Vendors;
 - (e) the approval of Shareholders for the following:
 - (aa) the Proposed Acquisition;
 - (bb) the issuance of the Consideration Shares, and
 - (cc) the Whitewash Resolution,being obtained at the EGM;
 - (f) the delivery to the Company of written consents (in terms satisfactory to the Company) from any persons with pre-emption rights or termination rights or otherwise that might arise by reason of sale and purchase of the Sale Shares, that they consent to the sale and purchase of the Sale Shares and agree not to exercise such rights;

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- (g) all necessary consents, approvals and waivers of any governmental bodies, stock exchange and other regulatory authority having jurisdiction over any of the transactions contemplated under the Agreement and all other transactions in connection therewith and incidental thereto, having been obtained, such consents, approvals and waivers not having been amended or revoked before the Completion, and to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled before the Completion, all such conditions having been duly fulfilled to the satisfaction of the Company in its sole and absolute discretion; and
- (h) all representations, warranties and undertakings of the Vendors under the Agreement being complied with, true, complete, accurate and correct in all material respects as at the Completion Date.
- (ii) Each of the Vendors and the Company undertakes to use reasonable endeavours to ensure that the respective Conditions Precedent for which it is responsible are fulfilled as soon as reasonably practicable (“**Fulfilment Obligations**”) and in any event by 14 August 2015 (“**Long Stop Date**”).
- (iii) The Company shall be entitled, in its absolute discretion, by written notice to the Vendors, to waive any or all of the Conditions Precedent in whole or in part. In exercising its discretion, the Company will however have regard to its obligations under the Listing Manual.
- (iv) If any of the Conditions Precedent has not been fulfilled or waived by the Company on or before the Long Stop Date, the Agreement (other than the clauses stipulated as surviving clauses in the Agreement) shall automatically terminate and no party shall have any claim of any nature whatsoever against the other parties under the Agreement (save in respect of any breaches by any party of Fulfilment Obligations or any rights and liabilities of the parties which have accrued prior to termination).

As at 28 April 2015, being the latest practicable date prior to the printing of this Circular (“**Latest Practicable Date**”), the Conditions Precedent set out in Section 2.3(i)(a), (b), (c), (d), (f) and (g) of this Circular have been satisfied, to the extent that such Conditions Precedent have not been waived.

2.4 Approvals

2.4.1 SIC

On 3 September 2014, the SIC granted the Whitewash Waiver, subject to, *inter alia*, the SIC Conditions, details of which are set out under Section 7.3 of this Circular.

2.4.2 SGX-ST

On 27 April 2015, the SGX-ST granted its in-principle approval for the dealing in, listing of and quotation for the Consideration Shares on the Main Board of the SGX-ST subject to compliance with the SGX-ST’s listing requirements and Shareholders’ approval on the issuance of the Consideration Shares.

The in-principle approval granted by the SGX-ST is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares, the Company and/or its subsidiaries.

2.4.3 Sentosa Development Corporation (“**SDC**”)

Consent from SDC

Under the Proposed Acquisition, SUTL Leisure will sell the entire issued and paid-up share capital of SUTL Marina to the Company. Pursuant to certain documents in relation to the ONE°15 Marina Club located at 11 Cove Drive, Sentosa Cove, Singapore, such as the lease and the building agreement and its supplementals (“**SDC Lease Documents**”), the prior written consent of SDC will be required for the change in majority shareholders of SUTL Marina in connection with the Proposed Acquisition.

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Pursuant to the letter dated 3 March 2015 from SDC to SUTL Global, SUTL Leisure, SUTL Marina and the Company (“**SDC Consent**”), the SDC informed SUTL Global, SUTL Leisure, SUTL Marina and the Company that it has no objections and consents to the proposed sale of the entire issued and paid-up share capital of SUTL Marina by SUTL Leisure to the Company and confirms that the same will not result in a breach of any term of the SDC Lease Documents, subject to, *inter alia*, the following terms and conditions:

- (a) In respect of the Company:
- (i) the Company represents and warrants that as at the Completion Date, it shall legally and beneficially own 100% of SUTL Marina;
 - (ii) SDC agrees to accept the liability of the Company to perform the terms and obligations under the SDC Lease Documents as of the Completion Date in place of the liability of SUTL Leisure;
 - (iii) the Company agrees to perform the terms and obligations set out in any of the SDC Lease Documents and be bound by such terms in every way on or from the Completion Date as if the Company had been a party to the SDC Lease Documents in place of SUTL Leisure from the Completion Date. All interests of the Company in Lots 1765P, 1443N, 1759M and Lot 1415C (which comprise of the foreshore and seabed) all of Mukim 34 for establishing a marina clubhouse on Lots 1765P and 1443N both of Mukim 34, a marina and yacht berthing facilities on Lot 1415C of Mukim 34 and a Tennis Annexe on Lot 1759M of Mukim 34 (“**Development**”) which includes, *inter alia*, the parcels of land in which the ONE°15 Marina Club is located, are and shall be subject to the interest of SDC under or by virtue of the SDC Lease Documents; and
 - (iv) with effect from the Completion Date, the following events shall require SDC’s prior written consent so long as the SDC Lease Documents are in force:
 - (A) any change which may result in the Company holding less than 50% of the shareholding in SUTL Marina; and
 - (B) the creation of any charge or any form of legal, equitable, or security interests, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, title retention, right to acquire, security interest, hypothecation, option, right of first refusal, any preference arrangement (including title transfers and retention arrangements or otherwise) any other encumbrance or condition whatsoever or any other arrangements having similar effect (“**SDC Encumbrance**”) over the shares in SUTL Marina by the Company;
- (b) In respect of SUTL Global:
- (i) SUTL Global represents and warrants that as at the Completion Date, SUTL Global shall legally and beneficially own not less than 50% of the shareholding in the Company;
 - (ii) with effect from the Completion Date, the following events shall require SDC’s prior written consent so long as the SDC Lease Documents are in force:
 - (A) any material change in control and/or management of SUTL Global;
 - (B) any change which may reduce SUTL Global’s legal and beneficial ownership below 50% of the shareholding in the Company; and
 - (C) the creation by SUTL Global of any charge or SDC Encumbrance over the Shares held by SUTL Global; and

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- (iii) SUTL Global agrees to pay the consent fee of S\$210,000 as prescribed by SDC (“**Consent Fee**”) to SDC on behalf of SUTL Leisure in the event SUTL Leisure fails to make payment of the Consent Fee by the Completion Date;
- (c) In respect of SUTL Leisure:
 - (i) on or before the Completion Date, SUTL Leisure shall:
 - (A) where applicable, rectify any breach of any terms of the SDC Lease Documents; and
 - (B) make full payment of all sums that may be due from SUTL Leisure to SDC under the SDC Lease Documents including but not limited to all debts and monies owing or accruing or due, up to and including the Completion Date;

As at the Latest Practicable Date, there is no (i) breach of any terms of the SDC Lease Documents which needs to be rectified by SUTL Leisure or (ii) outstanding sum due from SUTL Leisure to SDC under the SDC Lease Documents;

- (ii) subject to the Company agreeing to perform the terms and obligations under the SDC Lease Documents as from the Completion Date in place of the liability of SUTL Leisure, SDC agrees that SUTL Leisure shall be released and discharged from all its obligations and liabilities under the SDC Lease Documents as from the Completion Date;
- (iii) the Consent Fee shall be paid by SUTL Leisure to SDC on or before the Completion Date; and
- (iv) SUTL Leisure agrees to bear and pay all of SDC’s costs (including but not limited to SDC’s legal costs on an indemnity basis), expenses, charges, disbursements, taxes and stamp duty (if any) in connection with the drawing up, preparation, negotiation and execution of the SDC Consent; and

- (d) In respect of the SUTL Marina:

- (i) on or before the Completion Date, SUTL Marina shall:
 - (A) where applicable, rectify any breach of any terms of the SDC Lease Documents; and
 - (B) make full payment of all sums that may be due from SUTL Marina to SDC under the SDC Lease Documents including but not limited to all debts and monies owing or accruing or due, up to and including the Completion Date;

As at the Latest Practicable Date, there is no (i) breach of any terms of the SDC Lease Documents which needs to be rectified by SUTL Marina or (ii) outstanding sum due from SUTL Marina to SDC under the SDC Lease Documents;

- (ii) with effect from the Completion Date, the following event shall require SDC’s prior written consent so long as the SDC Lease Documents are in force:
 - (A) any material change in control and/or management of SUTL Marina; and
 - (B) the creation of any charge or SDC Encumbrance over, transfer, sale or disposal of the Development, which includes, *inter alia*, the parcels of land in which the ONE°15 Marina Club is located, or any of the buildings or assets and buildings thereon and any part thereof provided that any operational changes carried out in the ordinary course of business of SUTL Marina and which is in compliance with the permitted use of the Development, which includes, *inter alia*, the ONE°15 Marina Club, under the SDC Lease Documents shall not be in breach of this clause (d)(ii)(B).

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If any of the above events should occur where SDC's prior written consent is required, SUTL Global, SUTL Leisure, SUTL Marina and the Company acknowledge and agree that SDC may impose such terms and conditions to its consent as it deems necessary or desirable including but not limited to the right to require payment of a consent fee and reimbursement of costs incurred by SDC.

In the event any of the terms and conditions as set out in the SDC Consent is breached, such breach shall be and shall qualify as an event of default under the terms of the SDC Lease Documents and SDC shall be entitled to exercise all its powers and rights under the SDC Lease Documents or the SDC Consent, including the termination of the SDC Lease Documents, provided that the abovementioned shall not take effect until a written notice has been served on the defaulting party that such a breach has occurred and the defaulting party has failed to remedy such breach within a reasonable time stipulated by SDC in writing which shall in no event be less than 30 days.

Deed of Undertaking and Indemnity from SUTL Global

In connection with the conditions imposed in the SDC Consent, a deed of undertaking and indemnity dated 18 March 2015 was entered into by SUTL Global and the Company ("**Deed of Undertaking and Indemnity**"), pursuant to which SUTL Global, *inter alia*:

- (a) irrevocably and unconditionally undertakes and covenants to the Company to:
 - (i) comply, and to procure that its shareholders, directors and officers comply with its obligations under the terms of the SDC Consent;
 - (ii) cause or procure the full compliance by SUTL Leisure with its obligations under the terms of the SDC Consent;
 - (iii) cause or procure the full compliance by SUTL Marina with its obligations under the terms of the SDC Consent, up to the Completion Date; and
 - (iv) consult and obtain the Company's prior consent with regard to any communications made by SUTL Global (or a related company of SUTL Global) to SDC in relation to the Company, the SDC Consent or the SDC Lease Documents;
- (b) irrevocably and unconditionally agrees to indemnify, defend and hold harmless the Company and its officers, directors, employees and agents from and against all claims, settlement, sums, costs, damages, losses, expenses, fees, demands, actions, liabilities, causes of action and/or proceedings asserted or instituted by SDC against the Company or SUTL Marina, arising out of or in connection with any breach:
 - (i) by SUTL Global or SUTL Leisure of their respective obligations under the terms of the SDC Consent;
 - (ii) by SUTL Marina of its obligations under the terms of the SDC Consent, up to the Completion Date; and
 - (iii) of the SDC Lease Documents prior to the Completion Date; and
- (c) irrevocably and unconditionally agrees to pay all expenses and costs (including, without limitation, legal costs on a full indemnity basis) incurred by the Company in successfully enforcing or attempting to enforce any rights with respect to the Deed of Undertaking and Indemnity and/or defending any claims or legal proceedings (including counterclaims) instituted by SDC against the Company or SUTL Marina pursuant to the terms of the SDC Consent.

2.5 Post-Completion undertakings and restriction on Vendors

The Vendors have undertaken, *inter alia*, to:

- (a) the Company; and
- (b) procure that (i) the executive directors of the TargetCos (including Mr Tay Teng Guan Arthur, the Executive Director and Chief Executive Officer of the Company (“**Arthur Tay**”) and Mr Tay Teng Hock, a Non-Executive Director of the Company (“**Peter Tay**”)); and (ii) each other member of SUTL Leisure, SUTL Investments, any holding company from time to time of SUTL Leisure or SUTL Investments, and any subsidiary from time to time of SUTL Leisure or SUTL Investments, or such holding company (but excluding the TargetCos) (“**Vendor Group**”), undertake to the Company,

to refer to the Company all enquiries relating to the TargetCos or the TargetCos’ business which the Vendor Group receives following Completion.

In addition, the Vendors have undertaken, *inter alia*, that they shall not, and shall procure that (i) the executive directors of SUTL Marina and One15 Luxury Yachting (including Mr Arthur Tay and Mr Peter Tay); and (ii) each other member of the Vendor Group shall not (whether alone or jointly with another and whether directly or indirectly), carry on or be engaged or (except as the owner for investment of securities dealt in on a stock exchange and not exceeding five per cent. (5.0%) in nominal value of the securities of that class) interested economically or otherwise in any manner whatsoever in (a) any business carried on by any of the TargetCos as at Completion, and which is carried on within the area in which any of the TargetCos carries on business as at Completion; and (b) the business of consulting and investing in marina projects in Asia (“**Competing Business**”):

- (a) for a period of three (3) years after Completion; or
- (b) for as long as SUTL Global remains as a Controlling Shareholder, or
- (c) for as long as Mr Arthur Tay and/or Mr Peter Tay remain as a Director,

whichever is the latest.

As at the Latest Practicable Date, save for the TargetCos, (i) the Vendors, (ii) the executive directors of SUTL Marina and One15 Luxury Yachting and (iii) each other member of the Vendor Group, does not carry on or is engaged or is interested economically or otherwise in any manner whatsoever in any Competing Business.

The Vendors shall not, and shall procure that (i) the executive directors of SUTL Marina and One15 Luxury Yachting (including Mr Arthur Tay and Mr Peter Tay); and (ii) each other member of the Vendor Group shall not, within a period of three (3) years after Completion, directly or indirectly, solicit or endeavour to entice away from any of the TargetCos any person who was employed by any of the TargetCos in skilled or managerial work at any time within twelve (12) months prior to Completion, or solicit the custom of any person who has been a customer of any of the TargetCos within twelve (12) months prior to Completion.

2.6 Limitations on claims

Following Completion, the Vendors shall not be liable for any claim (“**Claim**”) for breach of any of the representations and warranties on the part of the Vendors set out under Schedule 3 of the Agreement (collectively, the “**Warranties**” and each a “**Warranty**”) unless they receive from the Company written notice containing details of the Claim including the Company’s estimate (on a without prejudice basis) of the amount of such Claim:

- (a) on or before the date falling twenty-four (24) months after Completion, in the case of a Claim for breach of any of the Warranties (other than the representations and warranties set out in Part C of Schedule 3 of the Agreement (“**Tax Warranties**”)); and

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- (b) on or before the date falling sixty (60) months after Completion, in the case of a Claim for breach of any of the Tax Warranties.

The aggregate amount of the liability of the Vendors for all Claims shall not exceed S\$21,000,000.

2.7 Deed of warranty from SUTL Global

A deed of warranty dated 31 March 2015 was entered into between SUTL Global and the Company, pursuant to which SUTL Global warrants that the aggregate net amounts of account receivable trade outstanding ⁽¹⁾ as set out in the balance sheets of the TargetCos as at the Completion Date (“**Net Accounts Receivable Trade**”), shall be collected in full by 31 December 2015. In the event that the total amount collected between the Completion Date and 31 December 2015 (“**Amounts Collected**”) is less than the Net Accounts Receivable Trade, SUTL Global shall, at the written demand of the Company (“**Demand**”), make payment in full to the Company of the shortfall between the Net Accounts Receivable Trade and the Amounts Collected within 30 days of the Demand.

Note:

- (1) This refers to the gross amounts of accounts receivable trade outstanding less provisions for doubtful accounts receivable. As at 31 March 2015, the amount of Net Accounts Receivable Trade of the TargetCos was approximately S\$2.4 million.

3. INFORMATION RELATING TO THE VENDORS AND THE TARGETCOS

3.1 The Vendors

As at the Latest Practicable Date, SUTL Leisure is the legal and beneficial owner of the entire issued and paid-up share capital of SUTL Marina, and SUTL Investments is the legal and beneficial owner of the entire issued and paid-up share capital of One15 Luxury Yachting. Mr Arthur Tay, the Executive Director and Chief Executive Officer of the Company, and Mr Peter Tay, a Non-Executive Director of the Company, are directors of the Vendors. Both SUTL Leisure and SUTL Investments are investment holding companies.

The Vendors are wholly-owned by SUTL Global and are part of the SUTL group of companies, a diversified enterprise with businesses in consumer goods, leisure, and technology.

As at the Latest Practicable Date, Mr Arthur Tay is the controlling shareholder of SUTL Global, holding approximately 50.6% of the issued share capital of SUTL Global and is also the Chairman and Chief Executive Officer of SUTL Global and Mr Peter Tay is the brother of Mr Arthur Tay and owns approximately 14.8% of the issued share capital of SUTL Global. The remaining shares of SUTL Global are held by six (6) other siblings of Mr Arthur Tay and Mr Peter Tay.

3.2 SUTL Marina

SUTL Marina is a private limited company incorporated in the Republic of Singapore on 19 October 2004, which owns and operates the ONE°15 Marina Club located at Sentosa Cove, Singapore. As at the Latest Practicable Date, SUTL Marina has an issued share capital of S\$20,000,000 comprising 20,000,000 ordinary shares. Mr Arthur Tay and Mr Peter Tay are directors of SUTL Marina.

SUTL Marina is the registered proprietor of the “one 15 marina club singapore” trademarks in Singapore, which are used in the marketing and promoting of the ONE°15 Marina Club.

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3.2.1 The ONE°15 Marina Club

The ONE°15 Marina Club is located at 11 Cove Drive, Sentosa Cove, Singapore, on a piece of land of approximately 141,915 square metres (“sq m”) (which comprises dry land of approximately 18,645 sq m and submerged land of approximately 123,270 sq m) leased from SDC pursuant to the SDC Lease Documents. The tenure of the lease is for 30 years with effect from 26 December 2004 and the approved use for the land is for a marina, marina clubhouse, and tennis.

The ONE°15 Marina Club is a lifestyle club offering berthing amongst other club facilities. It is an exclusive marina club where members can enjoy a fine collection of luxurious club amenities including a modern spa, a well-equipped gymnasium, exquisite restaurants and bars, members’ and children lounges, conference/meeting rooms and deluxe hotel rooms. The club building at the ONE°15 Marina Club has three (3) levels with a total gross floor area of approximately 147,000 square feet.

The ONE°15 Marina Club membership drive was officially launched in 2005 and the club was officially opened in 2007. As at the Latest Practicable Date, the ONE°15 Marina Club has a total of 3,810 members.

(i) Yachting and marina

The ONE°15 Marina Club offers berthing services, and is among the few marinas in Asia to have full facilities to accommodate mega-yachts of up to 200 feet within the shelter of a clean, safe and natural deep water basin. It has 270 wet berths including 13 mega-yacht berths. It also has 60 dry berths.

The ONE°15 Marina Club also offers marina services. This includes yacht maintenance, marine fuel supply, ship agency, yachting, chandlery, 24-hour security, waste pump-out system, rescue and towing services, and training and certification courses for sailing and power boating.

(ii) Meetings, incentives, conventions and exhibitions

The ONE°15 Marina Club offers event facilities for, *inter alia*, weddings, conferences, seminars, meetings, exhibitions, dinners and dances, product launches, tea parties, and exclusive private events. It also offers off-site catering services for birthday parties, corporate outings, anniversary celebrations, housewarmings, office gatherings, and various events.

(iii) Food and beverage

The ONE°15 Marina Club offers food and beverage services through a number of bars and restaurants, including Crystal Jade Premium, located on-site.

(iv) Accommodation

The ONE°15 Marina Club obtained its Hotel-Keeper’s Licence in 2013 and offers accommodation services to its members and the public, with 24 deluxe rooms and two (2) suites available for stays. All rooms are equipped with a full suite of amenities including complimentary wi-fi access, DVD player, tea and coffee making facilities, PC/Fax link, personal safe, minibar, IDD phone with voicemail, individually controlled air conditioning, bathtub with 14” LCD television, and a 42” LCD television.

(v) Other facilities

Other facilities available at the ONE°15 Marina Club include a spa, tennis court, fitness centre, pools, playgrounds and playrooms. The programs and activities being offered include aquatics, bowling, tennis, table tennis, golf, fitness classes, sea sports and boating.

(vi) Clubs affiliations and reciprocal clubs

The ONE°15 Marina Club is affiliated with four (4) clubs in Singapore, namely The Chinese Swimming Club, The Laguna National Golf and Country Club, The British Club and The Tower Club, and 110 reciprocal clubs where members are entitled to enjoy the facilities of and privileges at various marinas, yacht, golf and city clubs around the world.

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3.2.2 Events hosted

The ONE°15 Marina Club has been a regular host for international and regional yachting events, details of which are set out below:

| Event | Year |
|---------------------------------------|---------------------------------|
| Singapore Yacht Show | 2011, 2012, 2013, 2014 and 2015 |
| Clipper Race | 2013/2014 |
| Asia Pacific Yachting Conference | 2014 and 2015 |
| Asia Pacific Superyacht Conference | 2012 and 2013 |
| Asia Superyacht Conference | 2009, 2010 and 2011 |
| Singapore Straits Regatta | 2012, 2013, 2014 and 2015 |
| Volvo Ocean Race (Singapore stopover) | 2008/2009 |

3.2.3 Awards, accolades and certifications

A summary of the key awards, accolades and certifications obtained by the ONE°15 Marina Club is set out below:

| Award / Accolade / Certification | Awarding body | Year |
|--|---|---------------------------|
| Best Asian Marina of the Year | Asia Boating Awards | 2009, 2012, 2013 and 2014 |
| Five Gold Anchors Award | The Yacht Harbour Association | 2007 |
| Outstanding Hospitality Award | Helm Superyacht Lifestyle Asia Pacific Magazine | 2013 |
| ISO 14001 (for environmental Management) | International Organization for Standardization | 2014 |
| ISO 9001 (for service excellence) | International Organization for Standardization | 2012 |

3.2.4 Marina consultancy and management services

Given SUTL Marina's expertise and proven track record of creating a premium waterfront destination in Singapore, SUTL Marina has ventured into the provision of marina consultancy services. Under this business segment, SUTL Marina offers a full suite of advisory services as marina consultants, providing specialist business advice and solutions with the aim to create vibrant and profitable leisure destinations with long term commercial viability. Specific services offered include marina master planning, feasibility studies and market research, business planning and optimisation, marina design and project management, hospitality development, management and operations.

In connection therewith, SUTL Marina has entered into an agreement with UEM Land Berhad (Puteri Harbour) ("**UEM Land**") to provide fee-based consulting services, including the design and review of the public and private marinas, super yacht area, fuel dock and the private clubhouse at the Puteri Harbour and the completion of a business plan. Puteri Harbour is a marina development located in Nusajaya, one of the five (5) flagship zones in Iskandar, Johor Bahru, Malaysia.

The provision of the fee-based consulting services was completed in February 2015, following which SUTL Marina and UEM Land are jointly reviewing investment opportunities in marina development that would include a long term day-to-day operations agreement for the provision of management services by SUTL Marina for all the marina related amenities and the private clubhouse at the Puteri Harbour. In the event that no investment is made by SUTL Marina and/or its related entities, SUTL Marina will engage UEM Land in that negotiations solely for the day-to-day management/operations agreement of said marinas and related amenities.

In addition, SUTL Marina had in January 2015 entered into a legally binding letter of appointment for the management of a marina, clubhouse, beach club and 100-room four star hotel to be constructed in Guishan, Zhuhai, the People's Republic of China, excluding the Special Administrative Regions of Hong Kong and Macau and Taiwan area ("**PRC**") in 2015 and 2016. As at the Latest Practicable Date, SUTL Marina has also submitted two (2) management agreement proposals and two (2) business plan consultancy proposals for the provision of management services by SUTL Marina for marina projects located in the PRC and Indonesia. The said proposals are currently being considered by the respective principals and no definitive agreements have been entered into by SUTL Marina in relation thereto.

3.3 One15 Luxury Yachting

One15 Luxury Yachting is a private limited company incorporated in the Republic of Singapore on 18 April 2007, which operates yacht chartering services at the ONE°15 Marina Club. As of the Latest Practicable Date, One15 Luxury Yachting has an issued share capital of S\$100,000 comprising 100,000 ordinary shares. Mr Arthur Tay and Mr Peter Tay are directors of One15 Luxury Yachting.

The yachts chartered from One15 Luxury Yachting cater to a wide variety of occasions including corporate VIP functions, private parties and wedding ceremonies, which can be provided *via* fully equipped fishing and diving boats to the most opulent superyachts.

As at the Latest Practicable Date, One15 Luxury Yachting has available for charter a fleet of 30 yachts, ranging from 17 metres to 40 metres. All these yachts belong to the yacht owners who are registered with One15 Luxury Yachting under its yacht charter program. As at the Latest Practicable Date, One15 Luxury Yachting does not own any yacht.

The yacht owners will enter into a yacht management agreement with the ONE°15 Marina Club to place their yachts under its yacht charter program. To qualify under the yacht charter program, yacht owners have to be certified charterers and will be responsible for the provision of a certified captain and crew for their yachts during the period of the charter. All the crew and maintenance expenses during the period of the charter are to be borne by the yacht owners.

Once the yachts are placed with One15 Luxury Yachting and made available for charter, One15 Luxury Yachting will act as the broker for the charter of these yachts and charge its customers a charter fee based on a mark-up on the fee to be paid to the yacht owners by One15 Luxury Yachting. The fees to be paid to the yacht owners for each charter of their yacht are agreed in the yacht management agreement and will be determined after taking into consideration, *inter alia*, market rates charged by other third party yacht charterers, the type of yacht and the duration and destination of the charter. Such fees will only be paid by One15 Luxury Yachting to the yacht owners each time their yachts are chartered out.

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3.4 Financial highlights and review

A summary of the proforma combined financial information of the TargetCos is set out below. The proforma combined financial information of the TargetCos has been prepared based on the audited financial statements of the respective TargetCos for FY2012 and FY2013 and the unaudited financial statements of the TargetCos for FY2014, and have been adjusted retrospectively for:

- (i) a one-time impairment of property, plant and equipment of approximately S\$31.1 million by SUTL Marina in FY2012 and the resultant impact on depreciation expenses ¹;
- (ii) the one-time sale of a motor-vehicle by SUTL Marina to SUTL Capital Pte. Ltd., a wholly-owned subsidiary of SUTL Global (“**SUTL Capital**”), prior to Completion at its net book value as at the date of the sale of approximately S\$0.9 million and the resultant impact on depreciation expenses;
- (iii) a pre-Completion dividend of S\$1.0 million to be declared and paid by SUTL Marina to SUTL Leisure; and
- (iv) eliminations arising from inter-company transactions between the TargetCos.

3.4.1 Summary proforma combined financial performance of the TargetCos

| (S\$'000) | FY2012 | FY2013 | FY2014 |
|--|----------|----------|----------|
| Revenue | 25,347 | 25,956 | 27,885 |
| Gross profit | 20,786 | 21,384 | 23,485 |
| Operating expenses ⁽¹⁾ | | | |
| - Salaries | (9,420) | (9,427) | (10,088) |
| - Marina-related expenses ⁽²⁾ | (4,469) | (4,974) | (5,994) |
| - Depreciation | (1,968) | (1,975) | (1,817) |
| - Provisions for doubtful debts | (1,841) | (278) | (546) |
| - Property tax | (828) | (817) | (817) |
| - Advertising and events | (744) | (411) | (234) |
| - Others ⁽³⁾ | (1,569) | (1,341) | (1,352) |
| | (20,839) | (19,223) | (20,848) |
| (Loss) / Profit before income tax | (53) | 2,161 | 2,637 |
| Tax credit / (expense) | 990 | 46 | (69) |
| Profit for the year | 937 | 2,207 | 2,568 |

Notes:

- (1) The TargetCos did not record any interest expense in respect of FY2012, FY2013 and FY2014.
- (2) Marina-related expenses include expenses such as cleaning, repair and maintenance, and utilities.
- (3) Other operating expenses include expenses such as bank charges, insurance, royalty and management fees and Sentosa admission fees.

¹ In FY2012, SUTL Marina had performed an impairment test of its property, plant and equipment. An impairment loss of approximately S\$31.1 million, representing the write-down of the leasehold land, leasehold building and pontoons and fixtures to the recoverable amount, was recognised. This one-time impairment loss has been excluded from the presentation of the summary proforma combined financial performance of the TargetCos.

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3.4.2 Proforma combined financial position of the TargetCos

| (S\$'000) | As at 31 December 2014 |
|---|---------------------------------------|
| Non-current assets | |
| Property, plant and equipment | 18,909 |
| Intangible assets | 179 |
| Trade and other receivables | 60 |
| | <hr/> 19,148 |
| Current assets | |
| Trade and other receivables | 3,068 |
| Inventories | 278 |
| Prepayments | 1,302 |
| Cash and cash equivalents | 6,624 |
| | <hr/> 11,272 |
| Current liabilities | |
| Trade and other payables | 4,905 |
| Other liabilities | 1,885 |
| | <hr/> 6,790 |
| Non-current liabilities | |
| Deferred tax liabilities | 1,436 |
| | <hr/> 1,436 |
| NAV | 22,194 |
| NTA | 22,015 |
| Equity attributable to owners of the company | |
| Share capital | 20,100 |
| Accumulated profits | 2,094 |
| | <hr/> 22,194 |

As at 31 December 2014, the TargetCos do not have any bank borrowings or amount due to shareholders.

In FY2013 and FY2014, the amount of bad debts written-off by the TargetCos was approximately S\$265,000 and S\$7,000 respectively. There were no bad debts written-off in FY2012.

3.4.3 Review of proforma combined financial performance

The principal source of revenue for the TargetCos include (i) subscription fees and membership entrance fees; (ii) sale of food and beverages; (iii) rental of whotel rooms; (iv) rental of berths and other marina charges such as electricity, water, waste disposal and sale of fuel; (v) income from the spa; and (vi) yacht charter fees from the charters.

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The key costs and expenses for the TargetCos include (i) cost of food and beverages (ii) labour costs; (iii) advertising expenses; (iv) depreciation expenses and (v) other operating expenses such as cleaning, property tax, repair and maintenance, royalty and management fees, Sentosa admission fees and utilities; and (vi) the fees paid to the yacht owners for the charter of their yachts.

FY2014 vs FY2013

The TargetCos' revenue increased by approximately S\$1.9 million or 7.4% from approximately S\$26.0 million in FY2013 to approximately S\$27.9 million in FY2014. The increase in revenue was mainly due to:

- (i) an increase in revenue contribution from SUTL Marina by approximately S\$1.5 million due mainly to higher berth occupancy, improved room occupancy rate for the hotel rooms at the ONE°15 Marina Club, an increase in food and beverage revenue and an increase in subscription income; and
- (ii) an increase in revenue contribution from One15 Luxury Yachting by approximately S\$0.4 million due to an increase in yacht charters.

The TargetCos' gross profit increased by approximately S\$2.1 million or 9.8% from approximately S\$21.4 million in FY2013 to approximately S\$23.5 million in FY2014 in line with the increase in revenue.

The TargetCos' operating expenses increased by approximately S\$1.6 million or 8.5% from approximately S\$19.2 million in FY2013 to approximately S\$20.8 million in FY2014. The increase was due mainly to increases in salaries, sales-related expenses such as hotel rooms amenities and commissions to online travel agents and repairs and maintenance of the ONE°15 Marina Club.

The TargetCos incurred a tax expense of approximately S\$69,000 in FY2014 compared to a tax credit of approximately S\$46,000 in FY2013 due mainly to a decrease in group tax relief received in FY2014 as compared to FY2013.

FY2013 vs FY2012

The TargetCos' revenue increased by approximately S\$0.6 million or 2.4% from approximately S\$25.3 million in FY2012 to approximately S\$26.0 million in FY2013. The increase in revenue was mainly due to:

- (i) an increase in revenue contribution from SUTL Marina by approximately S\$0.5 million due mainly to higher berth occupancy, improved occupancy for the hotel rooms at the ONE°15 Marina Club following the obtaining of its Hotel-Keeper's Licence in FY2013 and an increase in consultancy income; and
- (ii) an increase in revenue contribution from One15 Luxury Yachting by approximately S\$0.2 million due to an increase in yacht charters.

The TargetCos' gross profit increased by approximately S\$0.6 million or 2.9% from approximately S\$20.8 million in FY2012 to approximately S\$21.4 million in FY2013 in line with the increase in revenue.

The TargetCos' operating expenses decreased by approximately S\$1.6 million or 7.8% from approximately S\$20.8 million in FY2012 to approximately S\$19.2 million in FY2013. The decrease was due mainly to lesser provisions made for doubtful debts in relation to subscription fees and membership entrance fees (including any accrued interest) due from members of the ONE°15 Marina Club and a decrease in marketing expenses and magazine printing costs in FY2013 as compared to FY2012.

The TargetCos had a tax credit of approximately S\$46,000 in FY2013 as compared to a tax credit of approximately S\$1.0 million in FY2012. The tax credits in FY2013 and FY2012 were due mainly to deferred income tax.

3.5 Valuation of the TargetCos

In connection with the Proposed Acquisition, the Company has commissioned KPMG Corporate Finance Pte Ltd as the Independent Valuers to conduct an independent valuation of the TargetCos.

In arriving at the fair market value of the equity interests of the TargetCos as at 30 June 2014, the Independent Valuers have considered three (3) generally accepted approaches, namely income approach (using the discounted cash flow method), market approach (using the enterprise value-to-earnings before interest, taxes, depreciation and amortisation multiple of comparable companies) and NAV approach and their valuation is based, *inter alia*, on various assumptions with respect to the TargetCos, including their respective present and future financial conditions, business strategies and the environment in which the TargetCos will operate in the future.

Based on the valuation by the Independent Valuers, the valuation methodologies as set out in the independent valuation summary letter dated 24 November 2014 from the Independent Valuers in respect of the valuation of the TargetCos (“**Independent Valuation Summary Letter**”), and subject to the assumptions set out therein, the Independent Valuers had ascribed the indicative equity value of the TargetCos as at 30 June 2014 at between approximately S\$20.2 million to approximately S\$23.4 million.

Please refer to **Appendix B** to this Circular for the Independent Valuation Summary Letter.

3.6 Prospects and future plans

Additional berths

With Asia’s rapidly growing ranks of ultra-rich, marina developers are racing to build berths in Asia to address the problem of insufficient berths for superyachts. The shortage is most acute in Hong Kong and Singapore where space is scarce and the number of multi-millionaires is among the highest in the world. In addition, the growth prospects for yacht sales in Southeast Asia, currently among the highest in the world, are encouraging developers to make the investments.²

Such shortage is expected to underpin the demand for SUTL Marina’s services and support its financial performance. It will also provide growth opportunities for SUTL Marina’s marina consultancy and marina development and investment business segments.

To address the shortage of berths in Singapore, SUTL Marina is also currently exploring possible alternatives with the relevant authorities to increase the number of berths available for rent by the members of the ONE°15 Marina Club.

Food and beverage business

To expand its food and beverage business, SUTL Marina plans to increase the offsite catering capabilities of the ONE°15 Marina Club, including the setting up of a halal-certified kitchen, repositioning of its Chinese restaurant, and increasing the capability of its meeting and banquet facilities to handle a greater variety of corporate and family events, team building sessions, and incentive groups.

Marina development and investment

In addition, to tap the growing demand for berths and lifestyle waterfront clubs in Asia, the ONE°15 Marina Club is also exploring the development of, *inter alia*, marina resorts in countries such as Malaysia, Indonesia, Republic of Korea, the PRC, Sri Lanka and Vietnam.

² Source: Reuters article dated 28 April 2014 entitled “Berthing pains for Asia’s rich put wind in the sails of marina developers”.

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As at the Latest Practicable Date, such development plans are still at a preliminary stage and no definitive agreement has been entered into for such investments. Further announcements will be made by the Company in the event that there are any material developments regarding these investments.

3.7 Management of the TargetCos

As at the Latest Practicable Date, the TargetCos have a total of 185 full-time employees and the key management of the ONE°15 Marina Club are as follows:

| Name | Designation |
|------------------------|---------------------------------|
| Mr Brian E Werner | General Manager |
| Capt. Rudy Puystjens | Marina Manager |
| Ms Liew Siaw Chiun | Director, Finance & Admin |
| Ms Evelyn Teo | Senior Manager, Human Resources |
| Mr Christopher Spencer | Director, Operations |
| Mr Danny Koo | Director, Food & Beverage |

A brief description of the working experience and areas of responsibility of the key management of the ONE°15 Marina Club is set out below:

Mr Brian E Werner

Mr Werner is currently the General Manager of the ONE°15 Marina Club where he oversees the day to day operations of the ONE°15 Marina Club. Mr Werner has a wealth of experience within the hospitality, club, and management consultancy domain after having held senior level positions over the past 30 years, including the development and administration of resorts, hotels, clubs, golf courses, and marinas in South East Asia, the United States, Mexico, and Central America including Panama and Belize. Mr Werner holds a Bachelor's degree in Recreation Administration from the San Diego State University, California and is fluent in both English and Spanish.

Capt. Rudy Puystjens

Capt. Puystjens is currently the Marina Manager of the ONE°15 Marina Club where he is in charge of the operations of the marina department of the ONE°15 Marina Club. Capt. Puystjens has over 28 years of experience, specialising in marina management. Capt. Puystjens holds a Bachelor's degree in Human and Social Sciences, and is a Harbor Master trained by the Belgium Port Authority. Prior to this, he was a professional racer in international sailing. He also holds a Yachtsman Certificate (Belgium's highest yacht qualification) and is currently undergoing the Certified Marina Management course conducted by the Australian Marina Managers' Association.

Ms Liew Siaw Chiun

Ms Liew is currently the Director, Finance & Admin of the ONE°15 Marina Club where she is in charge of the accounting and administrative functions of the ONE°15 Marina Club and One15 Luxury Yachting. Ms Liew holds a Bachelor of Business degree in Accounting and Business Law, and is a Chartered Accountant with over 23 years of experience. She has previously worked in a major audit firm and a tertiary institution, and specialises in club operations.

Ms Evelyn Teo

Ms Teo is currently the Senior Manager, Human Resources of the ONE°15 Marina Club where she is in charge of the whole spectrum of human resource functions at the ONE°15 Marina Club and One15 Luxury Yachting. Ms Teo holds an Advanced Diploma in Human Resource Management and has over 30 years experience in human capital management at multinational corporations and clubs.

Mr Christopher R Spencer

Mr Spencer is currently the Director, Operations of the ONE°15 Marina Club where he is in charge of rooms, housekeeping, security, recreation and information technology at the ONE°15 Marina Club. Mr Spencer has over 20 years of experience in the club and hospitality industries. His work experience is augmented by a Diploma in Hospitality Management, American Hotel & Lodging Association (former AHMA), ASK Hospitality Management.

Mr Danny Koo

Mr Koo is currently the Director, Food & Beverage of the ONE°15 Marina Club where he is in charge of food and beverage sales and operations at the ONE°15 Marina Club. A graduate of Temasek Polytechnic with a Diploma in Business Studies. Mr Koo has over 15 years of experience of working as an operations manager, business development manager, group operations director, and food and beverage director for various leading food and beverage establishments.

3.8 Risk Factors

To the best of the Directors' knowledge and belief, all the risk factors that are material to Shareholders in making an informed judgement on the Proposed Acquisition have been set out below. The risk factors listed below are not intended to be exhaustive and are not presented in any particular order of importance. There may be additional risks not presently known to the Group or that the Group may currently deem immaterial, which would affect its operations after Completion. If any of the considerations and uncertainties described below develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected.

The Group's risk profile will change following the Proposed Acquisition

The Group has undertaken the Proposed Acquisition as part of its diversification strategy with a view to achieve long-term sustainable growth. This strategy exposes the Group to additional businesses and operating risks and uncertainties. Further, as the Group does not have any prior experience in operating the TargetCos' business, there is no certainty that it will be able to manage this new business effectively and successfully. Its diversification plan may also require substantial financial and management resources. In the event that the Group fails to manage its diversification strategy efficiently and effectively, its business and financial performance will be materially and adversely affected.

Upon Completion, the business of the Group will comprise the Company's existing core business, being the marketing and distribution of information technology peripherals, including internal and external hard disk drives, memory chips and PC motherboards ("**IT Peripherals Business**"), and the business of the TargetCos. There is no expected synergy between the Group's IT Peripherals Business and the operations of the TargetCos, and there is no assurance that the existing businesses of the Group and the business of the TargetCos can be successfully integrated. If the businesses of the Group and the TargetCos are not integrated successfully following Completion, or each run successfully on a standalone basis, the future prospects and growth of the Group will be adversely affected.

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The lease for the land on which the ONE°15 Marina Club sits on may be terminated or may not be renewed upon expiry and we may be affected by any increase in maintenance fees

The lease for the land at Sentosa Cove which the ONE°15 Marina Club currently sits on is leased from SDC for thirty years commencing on 26 December 2004. There is no assurance that the lease will not be terminated for whatsoever reason or be renewed on the same terms or at all upon expiry.

In addition, the SDC Consent imposes certain terms and conditions on SUTL Global, SUTL Leisure, SUTL Marina and the Company. Pursuant to the SDC Consent, in the event that any of the terms and conditions stated therein is breached and such breach has not been remedied within the reasonable time stipulated by SDC after notice has been served on the defaulting party, such breach shall be and shall qualify as an event of default under the terms of the SDC Lease Documents and the SDC shall be entitled to exercise all its powers and rights under the SDC Lease Documents which include, *inter alia*, the termination of the SDC Lease Documents.

In the event that such lease is terminated for whatsoever reason or not renewed upon expiry or if renewed, on terms unfavourable to SUTL Marina, the business, results of operations and financial condition of SUTL Marina may be adversely affected as SUTL Marina may have to seek alternative sites for the marina club, and there can be no assurance that alternative sites will be available at comparable locations or leased on comparable terms.

As at the Latest Practicable Date, the annual maintenance fees payable to SDC was approximately S\$0.2 million. SDC may at its discretion revise the annual maintenance fees. Any increase in maintenance fees would inevitably increase the operating costs, thereby affecting the financial performance of the Group.

The Deed of Undertaking and Indemnity is subject to certain limitations

SUTL Global has pursuant to the Deed of Undertaking and Indemnity, agreed to, *inter alia*, indemnify, defend and hold harmless the Company and its officers, directors, employees and agents from and against all claims, settlement, sums, costs, damages, losses, expenses, fees, demands, actions, liabilities, causes of action and/or proceedings asserted or instituted by SDC against the Company or SUTL Marina, arising out of or in connection with any breach by, *inter alia*, SUTL Global and/or SUTL Leisure of their respective obligations under the SDC Consent. There is, however, no assurance that SUTL Global will not breach the Deed of Undertaking and Indemnity or in the event of a breach, there is also no assurance that any loss suffered by the Company can be adequately addressed by the Deed of Undertaking and Indemnity which may, in turn, cause the Group's results of operations and financial position to be adversely affected.

The SDC Consent contains provisions which prohibit changes in control of the Company except with prior written consent

The SDC Consent provides, *inter alia*, that with effect from the Completion Date and so long as the SDC Lease Documents are in force, the prior consent of SDC shall be required for any change which may reduce SUTL Global's legal and beneficial ownership to below 50% of the shareholding in the Company.

Such provisions may therefore prevent, delay or deter the Company from undertaking any corporate transaction which may dilute SUTL Global's shareholding interest in the Company to below 50% in the event that such consent is denied, delayed or granted by SDC with unfavourable conditions. Further, any transfer or disposal by the Controlling Shareholder, SUTL Global, of all or part of their interests in the Company without the prior consent of SDC, may result in a breach of the SDC Consent which may result in, *inter alia*, the termination of the SDC Lease Documents. In addition, such provisions may deter potential investors from investing in the Company, thereby discouraging a takeover of the Group. This may, in turn, prevent Shareholders from realising the value of their investments through a takeover bid.

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The failure to obtain or renew licenses required for the TargetCos' business may adversely affect their business and results of operations

The TargetCos are currently subject to the laws and regulations governing their operations in Singapore, including but not limited to regulations relating to alcoholic beverage control, public health and safety, environmental hazards and food safety. Alcoholic beverage control regulations require the ONE°15 Marina Club to obtain licenses and permits to sell alcoholic beverages on the premises. In addition, the ONE°15 Marina Club is required to have a Hotel-Keeper's Licence in order to offer its accommodation facilities to the public and also the required licences and permits for the storage and dispensing of fuel to the yachts berthed at the ONE°15 Marina Club. The failure of the ONE°15 Marina Club to obtain or retain the requisite licenses and permits or comply with the applicable laws and regulations would adversely affect its operations and profitability.

The ONE°15 Marina Club is also subject to numerous other governmental regulations relating to building and zoning requirements and the use and operation of the club, including changes to building codes and fire and safety codes, which can affect its ability to obtain and maintain licenses relating to its business and assets. If the TargetCos are required to make substantial modifications at the ONE°15 Marina Club or other facilities to comply with these regulations, their business, financial condition and results of operations could be negatively impacted.

Economic recessions or downturns could negatively affect the TargetCos' business, financial condition and results of operations

A substantial portion of the TargetCos' revenue is derived from discretionary or leisure spending by members and guests at the ONE°15 Marina Club and such spending can be particularly sensitive to changes in general economic conditions. Consumer spending patterns, particularly discretionary expenditures for leisure, recreation and travel, are particularly susceptible to factors beyond the TargetCos' control that may reduce demand for their products and services, including demand for memberships, holiday and business travel and food and beverage sales. These factors include:

- low consumer confidence;
- decreased corporate budgets and spending and cancellations, deferrals or renegotiations of group business (e.g., industry conventions);
- outbreaks of pandemic or contagious diseases, such as avian or swine flu, and severe acute respiratory syndrome;
- war, terrorist activities or threats and heightened travel security measures instituted in response to these events; and
- the financial condition of the airline, automotive and other transportation-related industries and its impact on travel.

The TargetCos' businesses will also be susceptible to future economic recessions or downturns, and any significant adverse shift in general economic conditions, whether local, regional, national or global, would likely have a material adverse effect on the TargetCos' business, financial condition and results of operations. During such periods of adverse economic conditions, the TargetCos may be unable to increase membership fees or the price of the TargetCos' products and services and experience increased rates of resignations of existing members or reduced spending by the ONE°15 Marina Club's members and guests, any of which may result in, *inter alia*, decreased revenues and financial losses. In addition, during periods of adverse economic conditions, the TargetCos may have difficulty accessing financial markets or face increased funding costs, which could make it more difficult or impossible for them to obtain funding for additional investments.

The TargetCos are dependent on the ONE°15 Marina Club

The revenue of the TargetCos is currently almost entirely derived from the ONE°15 Marina Club. As such, any prolonged disruption in the operations of the ONE°15 Marina Club, whether due to technical difficulties, power failures or destruction or damage to the clubs as a result of a natural disaster, fire or any other reason, could adversely affect the results of operations and financial condition of the TargetCos.

The TargetCos' success also depends on the ability to attract and retain members at the ONE°15 Marina Club and maintain or increase usage of the club's facilities. Changes in consumer tastes and preferences, and other social and demographic trends could adversely affect its business. If the ONE°15 Marina Club cannot retain its existing members or attract new members to replacing outgoing ones, the business, financial condition and results of operations of the TargetCos could be materially affected.

As the membership at the ONE°15 Marina Club is currently full and its berths are also fully rented out, the ability to generate higher revenue at the ONE°15 Marina Club from membership would depend on the ability to increase subscription and rental rates. To generate other revenue streams, SUTL Marina has recently expanded its business operations into the provision of marina consultancy services and is exploring the developments of marina resorts in the region. There is no assurance that the TargetCos will be able to increase subscription and rental rates or such expansion plans will be commercially successful. Such expansion plans may be capital intensive and may divert its management's attention and expose its business to unforeseen liabilities or risks associated with entering new markets or new businesses.

The TargetCos are exposed to risks of operating in Sentosa, Singapore

The ONE°15 Marina Club is located at Sentosa, a popular island resort located to the south of Singapore. Sentosa is accessible from the Singapore mainland *via* a short causeway or cable car, and is home to numerous attractions, beaches and hotels. Visitorships to the ONE°15 Marina Club could be negatively affected if, *inter alia*, Sentosa loses its popularity to visitors as a recreational and leisure destination, loss of accessibility, or if Sentosa is the subject of negative publicity or the issue of travel advisories warning visitors against the risk(s) of travelling to Sentosa. In such events, the TargetCos' business and results of operations could be adversely affected.

In addition, the TargetCos' operations in Sentosa are subject to significant risk from changes in governmental regulation, policies and incentives for the island, such as changes in laws and regulations, fiscal policies and zoning ordinances, and the related costs of compliance with laws and regulations, which may be enacted, modified or varied. Any such changes would affect the viability, prospect or revenues at the ONE°15 Marina Club.

SUTL Marina may be subject to the risk of immigrants entering into or out of Singapore through the ONE°15 Marina Club illegally

The crew and passengers of the yachts berthing at the ONE°15 Marina Club are able to enter or leave Singapore, through the club. To prevent unauthorised entry into or out of Singapore *via* the ONE°15 Marina Club, the club has put in place the necessary security measures and procedures at all authorised landing/ departing points.

In the event SUTL Marina is found to be responsible for allowing immigrants entering into or out of Singapore illegally *via* the ONE°15 Marina Club or its security measures and procedures to prevent such occurrences are found by the authorities to be inadequate, SUTL Marina may be exposed to legal penalties and its business and results of operations could be adversely affected.

The ONE°15 Marina Club may not be successful in competing against its competitors

The ONE°15 Marina Club operates in a competitive industry and are subject to competition from both existing competitors and new market entrants, such as new marina developments in the Southeast Asian region. Key

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competitive factors include reputation, featured facilities, location, quality and breadth of member product offerings and price. As a result, competition for market share in the industry in which the ONE°15 Marina Club operates is significant. The ONE°15 Marina Club will need to sustain its membership base in the face of increasing recreational alternatives available to the ONE°15 Marina Club's existing and potential members.

As such, the TargetCos' results of operations could be affected by a number of additional competitive factors, including the availability of, and demand for, alternative venues for recreational pursuits. To the extent these alternatives succeed in diverting actual or potential members away from usage of the ONE°15 Marina Club's facilities or affect the ONE°15 Marina Club's memberships, the TargetCos' business and results of operations could be adversely affected.

The TargetCos' future success is dependent on the continued service of their management and employees

The prospects and future success of the TargetCos depend to a large extent on the expertise and experience of the existing management of the TargetCos. The loss of the services of the TargetCos' management could make it difficult for the Group to successfully operate the TargetCos' business and achieve its business goals.

The TargetCos' business is also highly dependent on labour. Having a team of experienced and skilled personnel is essential in maintaining the quality of services. A high turnover of such personnel without suitable and timely replacements or increased labour costs could have an adverse impact on the TargetCos' business operations and competitiveness. In addition, certain of the TargetCos' employees are foreigners. Any changes in applicable laws, regulations or policies regarding the employment of foreigners may result in labour shortages, and may increase their operating costs.

Increases in the ONE°15 Marina Club's cost of goods, rental, water, utilities and taxes could reduce its operating margins and adversely affect the business, financial condition and results of operations of the TargetCos

The TargetCos' most significant operating costs, other than labour, are the cost of goods, water, utilities, rental and property taxes for the ONE°15 Marina Club. Many, and in some cases all, of the factors affecting these costs will be beyond the TargetCos' control. Increases in operating costs due to inflation and other factors may not be directly offset by increased revenue.

The TargetCos' cost of goods such as food and beverage costs account for a significant portion of the TargetCos' total operating expense. If the TargetCos' cost of goods increases significantly and they are not able to pass along those increased costs to the ONE°15 Marina Club's members or guests in the form of higher prices or otherwise, their operating margins would suffer, which would have an adverse effect on their business, financial condition and results of operations.

In addition, significant increases in the cost of the TargetCos' utilities, or any shortages, could interrupt or curtail their operations and lower their operating margins, which could have a negative impact on their business, financial condition and results of operations.

The TargetCos are exposed to the credit risks of their customers

The TargetCos extend credit terms to certain of their customers in the ordinary course of business and this subject the TargetCos to the risks of default and/or late payment by such customers. Although the TargetCos regularly review their credit exposure to their customers, default risk may nevertheless arise from, *inter alia*, events or circumstances that may be difficult to anticipate, detect or control. Any major default on trade receivables owing to the TargetCos by their customers will have a material adverse impact on the business, financial condition and results of operations of the TargetCos. In FY2013 and FY2014, the amount of bad debts written-off by the TargetCos was approximately S\$265,000 and S\$7,000 respectively. There was no bad debt written-off in FY2012.

The TargetCos may require additional funding for their future operations and expansion plans

The TargetCos may, in the future, expand their capabilities and business through acquisitions, joint ventures, strategic partnerships and alliances with parties who can add value to their business. Under such circumstances, they may require additional equity funding or by way of borrowings to raise the required capital to finance these growth opportunities.

In the event the Group or the TargetCos obtain new borrowings to raise the required capital, the ability to make scheduled payments or to refinance such debt obligations depends on the financial and operating performance of the TargetCos. The TargetCos may not be able to maintain a level of cash flows from operating activities sufficient to pay the principal, if any, and interest on their indebtedness. If the TargetCos' cash flows and capital resources are insufficient to fund the debt service obligations, they may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance their indebtedness. In the absence of the requisite operating results and resources, the TargetCos could face substantial liquidity problems and might be required to dispose of material assets or operations to meet their debt service and other obligations. In addition, the TargetCos financial performance will also be negatively affected by an increase in interest rates on their bank borrowings.

Timing, budgeting and other risks could delay efforts to develop, redevelop or renovate the ONE°15 Marina Club, or make these activities more expensive, which could reduce the TargetCos' profits or impair their ability to compete effectively

SUTL Marina must regularly expend capital to maintain and renovate the ONE°15 Marina Club in order to remain competitive, pursue its business strategies, maintain and build the value and brand standards of its business and comply with applicable laws and regulations. In addition, it must periodically upgrade or replace the furniture, fixtures and equipment necessary to operate the ONE°15 Marina Club. These efforts are subject to a number of risks, including:

- obtaining required permits or authorisations;
- governmental restrictions on the size or kind of development;
- design defects that could increase costs; and
- environmental concerns which may create delays or increase costs.

These projects create an ongoing need for cash, which if not generated by operations or otherwise obtained is subject to the availability of credit in the capital markets. The ability to spend the money necessary to maintain the quality of the ONE°15 Marina Club's facilities is significantly impacted by the cost and availability of capital.

The timing of capital improvements can affect business performance, particularly if there is a need to close a significant number of facilities, such as ballrooms, meeting spaces or dining areas. Moreover, the investments that are made may fail to improve the performance of the ONE°15 Marina Club in the manner expected.

If the ONE°15 Marina Club is not able to begin operating its facilities as scheduled, or if investments harm or fail to improve its performance, the ability to compete effectively would be diminished and the TargetCos' business and results of operations could be adversely affected.

The TargetCos' insurance policies may not provide adequate levels of coverage against all claims and may incur losses that are not covered by insurance

The TargetCos maintain insurance of the type and in amounts that the Vendors believe is commercially reasonable and that is available to businesses in the TargetCos' industry. Nevertheless, market forces beyond the TargetCos' control could limit the scope of the insurance coverage that they can obtain in the future

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or restrict their ability to buy insurance coverage at reasonable rates. The TargetCos cannot predict the level of the premiums that they may be required to pay for subsequent insurance coverage, the level of any deductible and/or self-insurance retention applicable thereto, the level of aggregate coverage available or the availability of coverage for specific risks. In the event of a substantial loss, the current insurance coverage of the TargetCos may not be sufficient to pay the full value of the financial obligations or the replacement cost of any lost investment. As a result, the TargetCos could lose some or all of the capital the TargetCos have invested in an asset, as well as the anticipated future revenues from the asset. If the insurance carried does not sufficiently cover damages or other losses, the business, financial condition and results of operations of the TargetCos could be adversely affected.

Accidents or injuries at the ONE°15 Marina Club or in connection with the TargetCos' operations may subject them to liability, and accidents or injuries could negatively impact the ONE°15 Marina Club's reputation, which would adversely affect the TargetCos' business, financial condition and results of operations

There are inherent risks of accidents or injuries at the ONE°15 Marina Club's facilities or in connection with its operations, including injuries from premises liabilities such as slips, trips and falls. If accidents or injuries occur at the ONE°15 Marina Club or its facilities, the TargetCos may be held liable for costs related to the injuries. The TargetCos maintain insurance of the type and in the amounts that they believe are commercially reasonable and that are available to businesses in their industry, but there can be no assurance that the insurance coverage will be adequate or available at all times and in all circumstances. There can also be no assurance that the insurance coverage the TargetCos carried in the past was adequate or available to cover any liability related to previous incidents. The TargetCos' business, financial condition and results of operations could be adversely affected to the extent claims and associated expenses resulting from accidents or injuries exceed their insurance recoveries.

Adverse litigation judgments or settlements could impair the financial condition and results of operations of the TargetCos or limit the ability to operate their business

From time to time, the TargetCos may be a party to legal proceedings, including matters involving personal injury and other proceedings arising from their operations. These proceedings involve risks and outcome of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely to the TargetCos or a settlement involving a payment of a material sum of money were to occur, there could be a material adverse effect on their financial condition and results of operations. Additionally, the TargetCos could become the subject of future claims by third parties, including current or former members and guests who use the ONE°15 Marina Club's facilities, the TargetCos' employees or regulators. Any significant adverse litigation judgments or settlements could limit the TargetCos' ability to operate their business and negatively impact their financial condition and results of operations.

The TargetCos are sensitive to the regulatory, economic, social, political, environmental and competitive conditions and changes in the areas that they operate in

The TargetCos' operations are currently located only in Singapore. This concentration makes them particularly sensitive to regulatory, social, political, economic, environmental and competitive conditions and changes in Singapore. Any material change in the current government systems or policies, regulatory, economic, environmental or competitive conditions in Singapore may have a disproportionate and material adverse effect on our business, financial position, results of operations and prospects.

The ONE°15 Marina Club's operations are subject to environmental laws

The ONE°15 Marina Club's operations are subject to a number of environmental laws. As a result, the TargetCos may be required to incur costs to comply with the requirements of these laws, such as those relating to water resources, discharges to air, water and land; the handling and disposal of solid and hazardous waste; and the cleanup of properties affected by regulated materials. Under these and other environmental requirements, the TargetCos may be required to investigate and clean up hazardous or toxic substances or chemical releases

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from current or formerly owned or operated facilities. The ONE°15 Marina Club's facilities is also subject to risks associated with mould, asbestos and other indoor building contaminants. The costs of investigation, remediation or removal of regulated materials may be substantial, and the presence of those substances, or the failure to remediate an asset properly, may impair the TargetCos' ability to use, transfer or obtain financing regarding the ONE°15 Marina Club. The TargetCos did not incur any fines for breach of environmental laws in FY2012, FY2013 and FY2014.

Failure to comply with privacy regulations or maintain the integrity of internal or customer data could result in faulty business decisions or adversely affect the ONE°15 Marina Club's reputation or subject it to costs, fines or lawsuits

The ONE°15 Marina Club collects and maintains information relating to its club members and guests, including personally identifiable information, for various business purposes, including maintaining records of members' preferences to enhance customer service and for billing, marketing and promotional purposes. The TargetCos also maintain personally identifiable information about its employees. The integrity and protection of such customer, employee and company data is critical to the TargetCos' business. The ONE°15 Marina Club members expect that the TargetCos will adequately protect their personal information, and the regulations applicable to security and privacy are increasingly demanding. Compliance with applicable privacy regulations may increase the TargetCos' operating costs or adversely impact their ability to service their members and guests and market the ONE°15 Marina Club and services to its members and guests. Any theft, loss, fraudulent or unlawful use of customer, employee or company data, including cyber attacks, could harm the TargetCos' reputation or result in remedial and other costs, fines or lawsuits. In addition, non-compliance with applicable privacy regulations by the TargetCos (or in some circumstances non-compliance by third parties engaged by the TargetCos) could result in fines or restrictions on our use or transfer of data. Any of these matters could adversely affect the TargetCos' business, financial condition or results of operations.

The operations of the ONE°15 Marina Club relies on technology, and operational risks may disrupt the TargetCos' business, result in losses or limit their growth

The ONE°15 Marina Club invests in and licenses technology and systems for club management, procurement, membership records and specialty programs. The Vendors believe that they have designed, purchased and installed appropriate information systems to support the ONE°15 Marina Club's operations. There can be no assurance, however, that the ONE°15 Marina Club's information systems and technology will continue to be able to accommodate its requirements and growth, or that the cost of maintaining such systems will not increase from its current level. Such a failure to accommodate the requirements and growth, or an increase in costs related to maintaining and developing such information systems, including associated labour costs, could have a material adverse effect on the TargetCos. Further, there can be no assurance that as various systems and technologies become outdated or new technology is required that the TargetCos will be able to replace or introduce them as quickly as the ONE°15 Marina Club's competitors or within budgeted costs and timeframes. In addition, the ONE°15 Marina Club relies on third-party service providers for certain aspects of its business. Additionally, while the TargetCos has cyber security procedures in place, a security breach could disrupt the ONE°15 Marina Club's business and have a material adverse effect on them. Any interruption or deterioration in the performance of their information systems could impair the quality of their operations and could impact their reputation and hence adversely affect their business and limit their ability to grow.

SUTL Marina may be subject to imitation or infringement of its intellectual property rights

SUTL Marina's "one 15 marina club singapore" trademarks are used in the marketing and promoting of the TargetCos' products and services. SUTL Marina has registered the "one 15 marina club singapore" trademarks to protect its intellectual property rights in Singapore. Further, there is no assurance that SUTL Marina's trademarks, other intellectual property rights or pending applications may be adequate to protect its rights. In the event that its trademarks or other intellectual property rights are imitated or otherwise infringed, the TargetCos' reputation, business operations, financial performance, and financial condition may be adversely affected as a result. There can be no assurance that the TargetCos' trademarks or other intellectual property rights will not be susceptible to imitation or other infringement. In the event that SUTL Marina initiates legal or

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other proceedings to enforce its intellectual property rights, there can be no assurance that it will succeed in such proceedings or be able to obtain favourable outcomes at a reasonable cost or at all.

The One15 Luxury Yachting's yacht chartering business will expose it to certain risks

The One15 Luxury Yachting's yacht chartering business entails a yacht management agreement whereby yacht owners place their yachts under the yacht chartering program of One15 Luxury Yachting. The terms of the yacht management agreement, including the charter rates to be paid to the yacht owners, are negotiated with the yacht owners after taking into consideration, *inter alia*, market rates charged by other third party yacht charterers and the type of yacht. In the event the charter rates offered by One15 Luxury Yachting are not competitive enough or that One15 Luxury Yachting is not able to secure sufficient yachts under its yacht chartering program, its business, financial condition, results of operations and prospects may be adversely affected.

Customers consider safety and reliability a primary concern in selecting a yacht charter provider. Yacht charter may present a number of safety risks, including catastrophic disaster, adverse weather and marine conditions, mechanical failure and collision. Additionally, any safety issue encountered during a yacht charter may result in claims against One15 Luxury Yachting as well as negative publicity. These events could have a material adverse effect on its competitive position and financial performance.

The yacht charter business is also highly fragmented, consisting primarily of local operators and franchisees. Competition among charter operators is based on location, the type and size of yachts offered, charter rates, destinations serviced and attention to customer service. Yacht charters also face competition from other travel and leisure options, including, but not limited to, cruises, hotels, resorts, theme parks, organised tours, land-based casino operators and vacation ownership properties. In the event that One15 Luxury Yachting is not able to compete against such competition, its business, financial condition, results of operations and prospects may be adversely affected.

4. RATIONALE FOR THE PROPOSED ACQUISITION

Following the disposal of the Group's electronic components business in 2008, the Group's only core business has been the IT Peripherals Business undertaken by Achieva Technology Pte Ltd, a subsidiary in which the Company has a shareholding interest of 51% ("**ATPL**"), and its subsidiaries, which had incurred a net loss of approximately S\$7.7 million and approximately S\$6.3 million in FY2013 and FY2014 respectively. In view of the slowdown in the IT peripherals market and the intense competition faced in this industry as a result of the glut of inventory in the hard disk market, the Company expects the demand in the IT peripherals market for FY2015 to remain weak and to result in downward pressures on the Group's profit margins. Against this backdrop, the Company had on 30 September 2014, effected the disposal of the Company's 49% shareholding interest in ATPL to a strategic partner, namely Serial System Ltd, with the aim of expanding and improving the business and financial performance of ATPL. The Group will continue to closely monitor the performance of its IT Peripherals Business and where necessary, take further actions with regards to the operations of and/or the Group's investment in this business segment which are in the best interests of the Company and the Shareholders.

After taking into consideration, *inter alia*, the historical financial performance and prospects of the TargetCos, the Company is of the view that the TargetCos have a profitable business with strong operating track record that can contribute positively to the Group's revenue and profits. In particular, the Company notes that the TargetCos had recorded proforma profits of approximately S\$0.9 million, approximately S\$2.2 million and approximately S\$2.6 million in FY2012, FY2013 and FY2014 respectively. In addition, the shortage of berths for superyachts, particularly in Hong Kong and Singapore, together with the growth prospects of yacht sales in Southeast Asia, is expected to underpin the demand for SUTL Marina's services and support its financial performance. Please refer to Section 3.6 of this Circular for further details on the prospects and future plans for the TargetCos.

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The Company believes that the Proposed Acquisition will enable the Group to diversify into the marina and yacht chartering business as a new viable core business and improve the Group's overall financial performance and prospects going forward.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

5.1 Bases and Assumptions

The financial effects of the Proposed Acquisition on the Group as set out below are based on the audited consolidated financial statements of the Group and the unaudited financial statements of SUTL Marina and One15 Luxury Yachting for FY2014 and the following bases and assumptions:

- (i) the financial effects are purely for illustrative purposes only and do not represent any projection of the actual future financial performance or financial position of the Group after the Proposed Acquisition;
- (ii) in relation to balance sheet items, the Proposed Acquisition had been completed on 31 December 2014;
- (iii) in relation to profit and loss items, the Proposed Acquisition had been completed on 1 January 2014;
- (iv) the fair value adjustments on the net assets of the Group and positive or negative goodwill arising from the Proposed Acquisition, if any, have not been considered, and will be determined on the Completion Date when SUTL Global has effectively obtained control of the Company. As the final goodwill can only be determined at Completion, the actual goodwill could be materially different from the aforementioned assumption. Any goodwill arising thereon from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company; and
- (v) the financial effects have been adjusted for (a) eliminations arising from inter-company transactions between the TargetCos; (b) the depreciation expenses relating to the motor vehicle to be sold by SUTL Marina to SUTL Capital prior to Completion at its net book value as at the date of the sale of approximately S\$0.9 million; and (c) the pre-Completion dividend of S\$1.0 million to be declared and paid by SUTL Marina to SUTL Leisure.

5.2 Share capital

| | Before the Proposed Acquisition | | After the Proposed Acquisition | |
|---|---------------------------------|-----------------------|--------------------------------|-----------------------|
| | No. of Shares | S\$'000 | No. of Shares | S\$'000 |
| Issued share capital as at 31 December 2014 | 523,142,696 ⁽¹⁾ | 23,395 ⁽²⁾ | 864,606,110 ⁽¹⁾ | 44,395 ⁽²⁾ |

Notes:

- (1) The issued share capital of the Company as at 31 December 2014 had increased from 523,142,696 Shares before the Proposed Acquisition to 864,606,110 Shares after the Proposed Acquisition due to the issuance of the 341,463,414 Consideration Shares.
- (2) The issued share capital of the Company as at 31 December 2014 had increased from approximately S\$23.395 million before the Proposed Acquisition to approximately S\$44.395 million after the Proposed Acquisition due to the issuance of the 341,463,414 Consideration Shares at the Issue Price of S\$0.0615 per Consideration Share, equivalent to S\$21.0 million in aggregate.

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5.3 NTA

| | Before the Proposed Acquisition | After the Proposed Acquisition |
|--|---------------------------------------|--------------------------------------|
| NTA as at 31 December 2014 (S\$'million) | 27.65 ⁽¹⁾ | 49.66 ⁽¹⁾ |
| Number of issued Shares | 523,142,696 | 864,606,110 |
| NTA per Share as at 31 December 2014 (cents) | 5.28 | 5.74 |

Note:

- (1) The NTA of the Group as at 31 December 2014 had increased from approximately S\$27.65 million before the Proposed Acquisition to approximately S\$49.66 million after the Proposed Acquisition due to the inclusion of the proforma NTA of the TargetCos as at 31 December 2014 of approximately S\$22.01 million.

5.4 LPS

| | Before the Proposed Acquisition | After the Proposed Acquisition |
|--|---------------------------------------|--------------------------------------|
| Loss attributable to Shareholders for FY2014 (S\$'million) | 6.34 ⁽¹⁾ | 3.77 ⁽¹⁾ |
| Weighted average number of issued Shares | 523,142,696 | 864,606,110 |
| LPS for FY2014 (cents) | 1.21 | 0.44 |

Note:

- (1) The loss attributable to Shareholder for FY2014 had decreased from approximately S\$6.34 million before the Proposed Acquisition to approximately S\$3.77 million after the Proposed Acquisition due to the inclusion of the proforma profits of the TargetCos for FY2014 of approximately S\$2.57 million.

6. REQUIREMENTS UNDER THE LISTING MANUAL

6.1 Major Transaction under Chapter 10 of the Listing Manual

The relative figures in relation to the Proposed Acquisition computed on the bases set out under Rule 1006 of the Listing Manual are as follows:

| Rule 1006 | Bases | Relative Figures (%) |
|-----------|--|-------------------------------|
| (a) | The NAV of the assets to be disposed of, compared with the Group's NAV | Not applicable ⁽¹⁾ |
| (b) | The net profits attributable to the TargetCos, compared with the Group's net profits | (39.6) ⁽²⁾ |

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| Rule 1006 | Bases | Relative Figures (%) |
|-----------|---|-------------------------------|
| (c) | The Purchase Consideration compared to the Company's market capitalisation | 72.3 ⁽³⁾ |
| (d) | The number of Consideration Shares issued by the Company as consideration for the Proposed Acquisition, compared with the number of Shares in issue | 65.3 ⁽⁴⁾ |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves | Not applicable ⁽⁵⁾ |

Notes:

- (1) This basis is not applicable as the Company will not be disposing of any assets pursuant to the Proposed Acquisition.
- (2) Computed by dividing the aggregate proforma profit before income tax of the TargetCos for FY2013 of approximately S\$2.161 million by the loss before income tax of the Group for FY2013 of approximately S\$5.451 million.
- (3) Computed by dividing the Purchase Consideration of S\$21.0 million by the Company's market capitalisation of approximately S\$29.03 million (determined by multiplying 523,142,696 Shares in issue as at the date of the Announcement by the volume weighted average price of the Shares on 13 August 2014 (being the last Market Day preceding the date of the Agreement) of S\$0.0555).
- (4) Computed by dividing the 341,463,414 Consideration Shares by the number of 523,142,696 Shares in issue as at the date of the Announcement.
- (5) This basis is not applicable as the Proposed Acquisition does not relate to a disposal of mineral, oil or gas assets and the Company is not a mineral, oil and gas company.

As the relative figures computed under Rules 1006 (c) and (d) of the Listing Manual exceed 20 per cent. but are less than 100 per cent., the Proposed Acquisition constitutes a "major transaction" as defined under Chapter 10 of the Listing Manual. Accordingly, the Proposed Acquisition is subject to the approval of the Shareholders at the EGM.

6.2 Interested Person Transaction under Chapter 9 of the Listing Manual

As at the Latest Practicable Date, SUTL Global is interested in an aggregate of 132,313,009 Shares (comprising direct interest of 122,974,009 Shares and deemed interest of 9,339,000 Shares held through SUTL Corporation Pte. Ltd., a wholly-owned subsidiary of SUTL Global ("**SUTL Corporation**")), representing approximately 25.3% of the total issued Shares and also owns the entire issued and paid-up share capital of the Vendors. Accordingly, SUTL Global is considered an "interested person" of the Company and the Proposed Acquisition constitutes an "interested person transaction" as defined under Chapter 9 of the Listing Manual.

In addition, SUTL Global is an associate of the Executive Director and Chief Executive Officer of the Company, Mr Arthur Tay. As at the latest Practicable Date, Mr Arthur Tay is the controlling shareholder of SUTL Global, holding approximately 50.6% of the issued share capital of SUTL Global and is also the Chairman and Chief Executive Officer of SUTL Global and Mr Peter Tay is the brother of Mr Arthur Tay and owns approximately 14.8% of the issued share capital of SUTL Global. The remaining shares of SUTL Global are held by six (6) other siblings of Mr Arthur Tay and Mr Peter Tay. None of the shareholders of SUTL Global holds a direct shareholding interest in the Company.

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The Purchase Consideration expressed as a percentage of the Group's latest audited consolidated NTA as at the date of the Agreement is as follows:

| | |
|---|-----------------|
| Audited consolidated NTA of the Group as at 31 December 2013 (being the latest available audited consolidated NTA of the Group as at the date of the Agreement) | S\$33.8 million |
| Purchase Consideration | S\$21.0 million |
| Relative percentage | 62.0% |

As the Purchase Consideration exceeds the threshold prescribed under Rule 906(1)(a) of the Listing Manual, being 5.0% of the latest audited consolidated NTA of the Group, the Proposed Acquisition is therefore subject to the approval of the Shareholders at the EGM.

Save for the Proposed Acquisition, the Group does not have any other interested person transaction between 1 January 2014 and up to the Latest Practicable Date. As such, the current total of all transactions between the Group and SUTL Global and/or its associates (including the Proposed Acquisition and excluding transactions less than S\$100,000) in respect of the period from 1 January 2014 and up to the Latest Practicable Date amounts to approximately S\$21.0 million. This also represents the aggregate value of all interested person transactions of the Group (including the Proposed Acquisition and excluding transactions less than S\$100,000) in respect of the period from 1 January 2014 and up to the Latest Practicable Date.

6.3 Advice of the IFA to the Independent Directors

Pursuant to Chapter 9 of the Listing Manual, SAC Capital Private Limited has been appointed as the IFA to advise the Independent Directors on whether or not the Proposed Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and the independent Shareholders. A copy of the IFA Letter, setting out the IFA's opinions and advice in full, is reproduced at **Appendix A** to this Circular.

Based on the key considerations set out in the IFA Letter at **Appendix A** to this Circular, SAC Capital Private Limited is of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the independent Shareholders. Accordingly, the IFA has advised the Independent Directors to recommend the independent Shareholders to vote in favour of the Proposed Acquisition.

7. THE WHITEWASH RESOLUTION

7.1 Mandatory Offer requirement under the Code

Under Rule 14.1(a) of the Code, any person who 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 30.0 per cent. or more of the voting rights in a company, is required to make a mandatory general offer for all shares in the company concerned which he does not already own or control.

Upon Completion and the allotment and issuance of the Consideration Shares, SUTL Global's aggregate shareholding interest (direct and indirect) in the Company will increase from approximately 25.3 per cent. to approximately 54.8 per cent. of the enlarged issued share capital of the Company.

Accordingly, SUTL Global and parties acting in concert with it will be required to make the Mandatory Offer pursuant to Rule 14 of the Code, unless the Whitewash Waiver has been granted by the SIC to SUTL Global and parties acting in concert with it of their obligation to make the Mandatory Offer and the Whitewash Resolution is approved by the Independent Shareholders at the EGM.

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As at the Latest Practicable Date, SUTL Global and parties acting in concert with it do not hold any instruments convertible into, rights to subscribe for and options in respect of Shares.

Under the Agreement, it is a Condition Precedent that the Whitewash Waiver is granted by the SIC and that the Independent Shareholders approve at the EGM the Whitewash Resolution for the waiver of the rights of the Shareholders to receive the Mandatory Offer from SUTL Global and parties acting in concert with it.

Accordingly, an application was made to the SIC for the Whitewash Waiver as a result of the allotment and issuance of the Consideration Shares. On 3 September 2014, the SIC granted the Whitewash Waiver subject to the satisfaction of the SIC Conditions set out in Section 7.3 of this Circular.

Shareholders should note that, upon Completion and the allotment and issuance of the Consideration Shares, SUTL Global and parties acting in concert with it would carry more than 49% of the voting rights of the Company. As such, SUTL Global and parties acting in concert with it would be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer.

7.2 Dilution

Following the allotment and issuance of the Consideration Shares, the collective shareholding interests of the Independent Shareholders in the Company will be diluted as follows:

| | Before the Proposed Acquisition | | After the Proposed Acquisition | |
|---------------------------------|------------------------------------|--|-----------------------------------|--|
| | Number of Shares held | % of issued share capital (%) ⁽¹⁾ | Number of Shares held | % of issued share capital (%) ⁽²⁾ |
| SUTL Global ^{(3) (4)} | 122,974,009 | 23.50 | 464,437,423 | 53.72 |
| SUTL Corporation ⁽⁴⁾ | 9,339,000 | 1.79 | 9,339,000 | 1.08 |
| Independent Shareholders | 390,829,687 | 74.71 | 390,829,687 | 45.20 |
| Total | 523,142,696 | 100.00 | 864,606,110 | 100.00 |

Notes:

- (1) Based on 523,142,696 Shares in issue as at the Latest Practicable Date.
- (2) Based on the enlarged issued share capital of the Company of 864,606,110 Shares immediately after Completion and issuance of the Consideration Shares.
- (3) Assuming that the Consideration Shares are issued to SUTL Global.
- (4) SUTL Global is deemed interested in the 9,339,000 Shares held by its wholly-owned subsidiary, SUTL Corporation.

7.3 Whitewash Waiver

An application for the Whitewash Waiver was made to the SIC and the SIC had on 3 September 2014 granted the Whitewash Waiver, subject to the following SIC Conditions:

- (a) a majority of the holders of voting rights of the Company approve at the EGM, before the issue of the Consideration Shares, the Whitewash Resolution by way of a poll to waive their rights to receive the Mandatory Offer from SUTL Global and parties acting in concert with it;

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- (b) the Whitewash Resolution is separate from other resolutions to be considered at the EGM;
- (c) SUTL Global, parties acting in concert with it and parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) SUTL Global and parties acting in concert with it did not acquire and are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in this Circular):
 - (i) during the period between the date of the Announcement and the date Shareholders' approval is obtained for the Whitewash Resolution; and
 - (ii) in the six (6) months prior to the date of the Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Proposed Acquisition;
- (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in this Circular:
 - (i) the details of the Proposed Acquisition and the proposed issue of the Consideration Shares to the Vendors or their nominees;
 - (ii) the dilution effects to existing holders of voting rights in the Company upon the issue of the Consideration Shares;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by SUTL Global and parties acting in concert with it as at the Latest Practicable Date;
 - (iv) the number and percentage of voting rights to be acquired by SUTL Global and parties acting in concert with it upon the issue of the Consideration Shares;
 - (v) specific and prominent reference to the fact that the issue of the Consideration Shares will result in SUTL Global and parties acting in concert with it holding Shares carrying over 49% of the voting rights of the Company based on its enlarged issued share capital, and the fact that SUTL Global and parties acting in concert with it will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer for the Company; and
 - (vi) that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from SUTL Global and parties acting in concert with it at the highest price paid by SUTL Global and parties acting in concert with it in the six (6) months preceding the commencement of the Proposed Acquisition;
- (g) this Circular stating that the waiver granted by SIC to SUTL Global and parties acting in concert with it from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at sub-paragraphs (a) to (f) above;
- (h) the Company obtaining SIC's approval in advance for those parts of this Circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, the acquisition of the Consideration Shares by SUTL Global and parties acting in concert with it under the Proposed Acquisition must be completed within three (3) months of the approval of the Whitewash Resolution.

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SUTL Global has confirmed that it and parties acting in concert with it did not acquire, directly or indirectly, any Shares or instruments convertible into and options in respect of Shares in the last six (6) months prior to the Announcement. In connection with the Whitewash Resolution, SUTL Global and parties acting in concert with it will also not acquire, directly or indirectly, any Shares or instruments convertible into and options in respect of Shares between the date of the Announcement and the date of the EGM.

As at the Latest Practicable Date, save for the SIC Conditions set out in sub-paragraphs (a), (c) and (i) above, all the other SIC Conditions set out above have been satisfied.

7.4 Whitewash Resolution

Independent Shareholders are requested to vote by way of a poll, on the Whitewash Resolution set out in the Notice of EGM on pages N-1 to N-3 of this Circular, waiving their rights to receive the Mandatory Offer from SUTL Global and parties acting in concert with it.

7.5 Advice to Independent Shareholders

Independent Shareholders should note that:

- (i) **by voting in favour of the Whitewash Resolution, they will be waiving their rights to receive the Mandatory Offer from SUTL Global and parties acting in concert with it, at the highest price paid or agreed to be paid by SUTL Global and parties acting in concert with it in the six (6) months preceding the commencement of the Proposed Acquisition which they would have otherwise been obliged to make for the Shares in accordance with Rule 14 of the Code;**
- (ii) **the Proposed Acquisition is conditional upon them voting in favour of the Whitewash Resolution. In view of this, in the event the Whitewash Resolution is not passed by the Independent Shareholders, the Proposed Acquisition will not take place; and**
- (iii) **Independent Shareholders are to further note that, as highlighted in Section 7.1 of this Circular, Completion and the allotment and issuance of the Consideration Shares to SUTL Global and parties acting in concert with it will result in SUTL Global and parties acting in concert with it obtaining over 49% of the voting rights of the Company based on its enlarged issued capital and that SUTL Global and parties acting in concert with it would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer.**

7.6 Advice from the IFA to Independent Directors

SAC Capital Private Limited has been appointed as the IFA to advise the Independent Directors on whether the Whitewash Resolution is prejudicial to the interests of the Independent Shareholders. A copy of the IFA Letter, setting out the IFA's advice in full, is reproduced at **Appendix A** to this Circular.

Based on the key considerations set out in the IFA Letter at **Appendix A** to this Circular, SAC Capital Private Limited is of the opinion that the Whitewash Resolution, in the context of the Proposed Acquisition (which terms are fair and reasonable), is not prejudicial to the interests of the Independent Shareholders. Accordingly, the IFA has advised the Independent Directors to recommend the Independent Shareholders to vote in favour of the Whitewash Resolution.

Shareholders are advised to read the IFA Letter as set out at **Appendix A** to this Circular in full and consider carefully the recommendations of the Independent Directors for the Whitewash Resolution set out in Section 13.2 of this Circular.

8. THE PROPOSED CHANGE OF NAME

8.1 Rationale

In connection with the Proposed Acquisition, the Company is seeking the approval of Shareholders to change the name of the Company from “Achieva Limited” to “SUTL Enterprise Limited” as the Company will become a subsidiary of SUTL Global following Completion. SUTL Global, which together with its subsidiaries, is a diversified enterprise with businesses in consumer goods, leisure and technology. The change of name of the Company will only take effect on Completion.

8.2 Approvals

The Proposed Change of Name is subject to approval of Shareholders by way of a special resolution at the EGM. The Accounting and Corporate Regulatory Authority (“ACRA”) had approved the reservation of the proposed name “SUTL Enterprise Limited” and such reservation is valid until 29 July 2015 and will be renewed prior to the expiry of the reservation, if the need arises.

Shareholders should note that the Proposed Change of Name is subject to and conditional upon, the passing of the resolution for the Proposed Acquisition (Ordinary Resolution 1) and the Whitewash Resolution (Ordinary Resolution 2).

8.3 Administrative procedures

Subject to the approval of Shareholders at the EGM for, *inter alia*, the Proposed Change of Name and the registration of the new name of the Company by ACRA, the Company shall change its name to “SUTL Enterprise Limited” and the name “SUTL Enterprise Limited” shall be substituted for “Achieva Limited” wherever the latter name appears in the memorandum of association of the Company (“**Memorandum**”) and the articles of association of the Company (“**Articles**”). The Company will make an announcement *via* SGXNET once the Proposed Change of Name has taken effect.

Shareholders should note that the Proposed Change of Name does not affect the legal status of the Company.

Shareholders should note that notwithstanding the change of the Company’s name, the Company will not recall existing share certificates which will continue to be prima facie evidence of legal title. **No further action is required on the part of the Shareholders.**

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

9.1 Mr Chan Kum Tao, a Non-Executive Director of the Company, is the chief financial officer of the SUTL group of companies.

9.2 As at the Latest Practicable Date, all the Directors, namely Messrs Lew Syn Pau, Arthur Tay, Peter Tay, Chan Kum Tao and Colin Ng Teck Sim, are members of the ONE°15 Marina Club. The member’s subscriptions paid by Messrs Lew Syn Pau, Arthur Tay, Peter Tay, Chan Kum Tao and Colin Ng Teck Sim are at the same rate as that charged by the ONE°15 Marina Club to its other third-party members.

In addition, as at the Latest Practicable Date, Messrs Lew Syn Pau rents a berth from the ONE°15 Marina Club and has been charged for rental and use of the berth at the same rates and terms as that charged by the ONE°15 Marina Club to other third-party members of berths owning similar size of yachts.

As at the Latest Practicable Date, SUTL Pleasure Yacht Pte. Ltd. (“**SUTL PY**”), a wholly-owned subsidiary of SUTL Global, rents a berth from the ONE°15 Marina Club and has in the past, not been charged any rental by the ONE°15 Marina Club. SUTL PY and the ONE°15 Marina Club had on 25 January 2015 entered into an agreement whereby, with effect from the Completion Date, SUTL PY will be charged for the rental and use of

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the berth at the same rates and terms as that charged by the ONE°15 Marina Club to other third-party renters of berths owning similar size of yachts.

In addition, SUTL PY maintains a yacht owned by it under the One15 Luxury Yachting's yacht charter program which is chartered out from time to time by One15 Luxury Yachting to third parties. The fees paid to SUTL PY by One15 Luxury Yachting for the charter of its yacht are on an arm's length basis and in line with market rates charged by other third party yacht charterers for similar category of yachts.

Besides the above, from time to time, the SUTL group of companies and the TargetCos also enter into transactions relating to the purchase or sale of products and provision of services, including, *inter alia*, the sale of alcohol and liquor products to the TargetCos, and the purchase of food and beverage products at the ONE°15 Marina Club and the use of its facilities, by the SUTL group of companies. Such transactions are in the ordinary course of business and have been on an arm's length basis being transacted at the same rate as that charged to other third parties.

Following Completion, the abovementioned transactions will be subject to the review by the Company's internal auditors and also the periodic review of the audit committee of the Company ("**Audit Committee**") to ensure that such transactions are conducted on an arm's length basis and not prejudicial to the interests of the Company and its minority Shareholders.

- 9.3 Save as disclosed in Sections 3.1, 6.2, 7.1, 9.1, 9.2 and 10 of this Circular, none of the Directors or persons who have an interest or interests in voting Shares representing not less than 5.0% of all the voting Shares ("**Substantial Shareholders**") has any interest, direct or indirect, in the Proposed Acquisition, the Whitewash Resolution and the Proposed Change of Name.
- 9.4 No person is proposed to be appointed as a Director as a result of the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. DISCLOSURE OF SHAREHOLDINGS

The interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

| | Direct Interest | | Indirect Interest | | Total Interest | |
|--|-----------------|-------|----------------------------|-------|----------------|-------|
| | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Directors | | | | | | |
| Lew Syn Pau | – | – | 1,440,000 ⁽¹⁾ | 0.19 | 1,440,000 | 0.27 |
| Arthur Tay | – | – | 132,313,009 ⁽²⁾ | 25.29 | 132,313,009 | 25.29 |
| Peter Tay | – | – | – | – | – | – |
| Chan Kum Tao | – | – | – | – | – | – |
| Colin Ng Teck Sim | – | – | – | – | – | – |
| Substantial Shareholders (other than Directors) | | | | | | |
| SUTL Global | 122,974,009 | 23.50 | 9,339,000 ⁽³⁾ | 1.79 | 132,313,009 | 25.29 |

LETTER TO SHAREHOLDERS

Notes:

- (1) Mr Lew Syn Pau is deemed, under Section 7 of the Companies Act, Chapter 50 of Singapore (“Act”), to have an interest in an aggregate of 1,440,000 Shares held on his behalf by two (2) financial institutions which are acting as his nominees.
- (2) By virtue of his direct interest in SUTL Global, Mr Arthur Tay is deemed, under Section 7 of the Act, to have an interest in all the Shares held by SUTL Global and SUTL Corporation.
- (3) SUTL Global is deemed, under Section 7 of the Act, to have an interest in all the Shares held by SUTL Corporation.

11. MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or any facts likely to give rise to any litigation, claims or proceedings which, in the opinion of the Directors, might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

12. AUDIT COMMITTEE’S STATEMENT

- 12.1 The Audit Committee as at the date of this Circular, comprising the Independent Directors, Messrs Lew Syn Pau and Colin Ng Teck Sim, and a Non-Executive Director, Mr Chan Kum Tao. The Chairman of the Audit Committee is Mr Lew Syn Pau.
- 12.2 Mr Chan Kum Tao, who is the chief financial officer of the SUTL group of companies, has abstained from making a recommendation as a member of the Audit Committee.
- 12.3 The Independent Directors do not have any interests in the Proposed Acquisition and are accordingly deemed to be independent for the purposes of the Proposed Acquisition.
- 12.4 The Audit Committee (excluding Mr Chan Kum Tao), having reviewed and considered, *inter alia*, the terms and conditions of, the proforma financial effects of, and the rationale for, the Proposed Acquisition as well as the advice of the IFA set out in the IFA Letter at **Appendix A** to this Circular, is of the view that the Proposed Acquisition is on normal commercial terms and not prejudicial to the interests of the Company and the independent Shareholders.

13. DIRECTORS’ RECOMMENDATION

In view of their interests as disclosed in Sections 3.1, 6.2, 7.1, 9.1, 9.2 and 10 of this Circular, Messrs Arthur Tay, Peter Tay and Chan Kum Tao have abstained from making any recommendation to the Shareholders in respect of the Proposed Acquisition and the Whitewash Resolution. They shall also not accept nomination as proxy or otherwise vote at the EGM in respect of the ordinary resolutions on the Proposed Acquisition and the Whitewash Resolution unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be cast for the ordinary resolutions on the Proposed Acquisition and the Whitewash Resolution.

13.1 The Proposed Acquisition

Having considered, *inter alia*, the terms and conditions of, the proforma financial effects of, and the rationale for, the Proposed Acquisition and the advice of the IFA, the Independent Directors are of the opinion that the Proposed Acquisition is on normal commercial terms and not prejudicial to the interests of the Company and the independent Shareholders and recommend that the independent Shareholders vote in favour of the ordinary resolution in relation to the Proposed Acquisition at the EGM.

LETTER TO SHAREHOLDERS

13.2 The Whitewash Resolution

Having considered, *inter alia*, the terms and conditions of, the proforma financial effects of and rationale for, the Proposed Acquisition and the advice of the IFA, the Independent Directors are of the opinion that the Whitewash Resolution, in the context of the Proposed Acquisition, is not prejudicial to the interest of the Independent Shareholders and recommend that Independent Shareholders vote in favour of the ordinary resolution in relation to the Whitewash Resolution at the EGM.

13.3 The Proposed Change of Name

Having considered, *inter alia*, the rationale for the Proposed Change of Name, the Directors are of the opinion that the Proposed Change of Name is in the interests of the Company and recommend that Shareholders vote in favour of the special resolution in relation to the Proposed Change of Name at the EGM.

13.4 Note to Shareholders

Shareholders, in deciding whether to vote in favour of the resolutions, should read carefully the terms and conditions, rationale for, and proforma financial effects of, the Proposed Acquisition and consider carefully the advice of the IFA. In giving the above recommendations, the Independent Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

14. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at Constellation 1, ONE°15 Marina Club, #01-01, 11 Cove Drive, Sentosa Cove, Singapore 098497 at 2.30 p.m. on 5 June 2015 for the purpose of considering and, if thought fit, passing with or without any modification, the resolutions relating to the Proposed Acquisition, the Whitewash Resolution and the Proposed Change of Name.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

15.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 100J Pasir Panjang Road, #05-00 SUTL House, Singapore 118525 not less than 48 hours before the time appointed for the EGM.

The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

15.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

16. ABSTENTION FROM VOTING

16.1 The Proposed Acquisition

Pursuant to Rule 919 of the Listing Manual, SUTL Global and SUTL Corporation will (i) abstain from and procure that their respective associates abstain from voting in respect of their holding of Shares on the ordinary resolution relating to the Proposed Acquisition at the EGM; and (ii) not accept nomination, and procure that their respective associates do not accept nomination, as proxy or otherwise vote at the EGM in respect of the aforesaid ordinary resolution, unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be cast.

16.2 The Whitewash Resolution

Pursuant to the SIC Conditions, SUTL Global and parties acting in concert with it as well as parties not independent of them will abstain from voting in respect of their holding of Shares on the Whitewash Resolution at the EGM and shall not accept nomination, as proxy or otherwise vote at the EGM in respect of the Whitewash Resolution, unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be cast.

17. RESPONSIBILITY STATEMENTS

17.1 Directors

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Whitewash Resolution, the Proposed Change of Name, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

17.2 CIMB Bank Berhad, Singapore Branch

CIMB Bank Berhad, Singapore Branch (“**CIMB**”), being the financial adviser to the Company in relation to the Proposed Acquisition, confirms that to the best of its knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and CIMB is not aware of any facts the omission of which would make any statement in the document misleading.

18. CONSENTS

18.1 Financial Adviser

CIMB, being the financial adviser to the Company in relation to the Proposed Acquisition, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to its name in the form and context in which they appear in this Circular.

18.2 IFA

SAC Capital Private Limited, being the IFA to the Independent Directors in relation to the Proposed Acquisition and the Whitewash Resolution, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter dated 11 May 2015 and all references to its name in the form and context in which they appear in this Circular.

LETTER TO SHAREHOLDERS

18.3 Independent Valuers

KPMG Corporate Finance Pte Ltd, being the Independent Valuers, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Independent Valuation Summary Letter dated 24 November 2014 and all references to its name in the form and context in which they appear in this Circular.

19. ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out at **Appendix A** and **Appendix B** to this Circular.

20. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 100J Pasir Panjang Road, #05-00 SUTL House, Singapore 118525 during normal office hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and the Articles;
- (b) the annual report of the Company for FY2014;
- (c) the Agreement;
- (d) the Independent Valuation Summary Letter;
- (e) the IFA Letter; and
- (f) the letters of consent referred to in Section 18 of this Circular.

Yours faithfully
For and on behalf of
the Board of Directors of
ACHIEVA LIMITED

Lew Syn Pau
Chairman (Non-Executive) and Independent Director

**APPENDIX A - LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE INDEPENDENT DIRECTORS OF
ACHIEVA LIMITED IN RELATION TO THE PROPOSED ACQUISITION AND THE WHITEWASH RESOLUTION**

SAC CAPITAL PRIVATE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200401542N)

1 Robinson Road #21-02 AIA Tower
Singapore 048542

11 May 2015

To: The Independent Directors of Achieva Limited
(in relation to the Proposed Acquisition and the Whitewash Resolution)

Lew Syn Pau
Colin Ng Teck Sim

Dear Sirs

- (I) **THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SUTL MARINA DEVELOPMENT PTE. LTD. AND ONE15 LUXURY YACHTING PTE. LTD. AS AN INTERESTED PERSON TRANSACTION**
- (II) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF INDEPENDENT SHAREHOLDERS TO RECEIVE A MANDATORY GENERAL OFFER FROM SUTL GLOBAL PTE. LTD. AND PARTIES ACTING IN CONCERT WITH IT FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY IN CONNECTION WITH THE PROPOSED ACQUISITION**

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings herein.

1. INTRODUCTION

On 14 August 2014 (the “**Announcement Date**”), the directors (the “**Directors**”) of Achieva Limited (the “**Company**”) announced (the “**Announcement**”) that it had entered into a sale and purchase agreement dated 14 August 2014 (the “**Sale and Purchase Agreement**”) with (i) SUTL Investments Pte. Ltd. (“**SUTL Investments**”), a wholly-owned subsidiary of SUTL Global Pte. Ltd. (“**SUTL Global**”), and SUTL Leisure Pte. Ltd. (“**SUTL Leisure**”, and together with SUTL Investments, the “**Vendors**”), a wholly-owned subsidiary of SUTL Investments, and (ii) SUTL Global, in relation to the proposed acquisition by the Company (the “**Proposed Acquisition**”) of the entire issued and paid-up share capital (the “**Sale Shares**”) of SUTL Marina Development Pte. Ltd. (“**SUTL Marina**”), a wholly-owned subsidiary of SUTL Leisure, and One15 Luxury Yachting Pte. Ltd. (“**One15 Luxury Yachting**”, and together with SUTL Marina, the “**Target Companies**”), a wholly-owned subsidiary of SUTL Investments, from the Vendors at an aggregate purchase consideration of S\$21.0 million (the “**Purchase Consideration**”), subject to the terms and conditions set out in the Sale and Purchase Agreement, to be satisfied in full by the allotment and issuance of an aggregate of 341,463,414 new ordinary shares (the “**Consideration Shares**”) in the issued share capital of the Company (the “**Shares**”) to be allotted and issued by the Company to the Vendors or their nominees at the issue price of S\$0.0615 for each Consideration Share (the “**Issue Price**”). Pursuant to the Sale and Purchase Agreement, SUTL Global will, *inter alia*, guarantee and indemnify the Company in respect of the Vendors’ obligations, undertakings and liabilities under the Sale and Purchase Agreement.

As SUTL Global, the controlling shareholder of the Company, owns the entire issued and paid-up share capital of the Vendors, SUTL Global is an interested person of the Company within the meaning of Chapter 9

APPENDIX A - LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE INDEPENDENT DIRECTORS OF ACHIEVA LIMITED IN RELATION TO THE PROPOSED ACQUISITION AND THE WHITEWASH RESOLUTION

of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the Proposed Acquisition will constitute an interested person transaction.

Pursuant to Rule 906(1)(a) of the Listing Manual, the Company is required to obtain the approval of the shareholders of the Company (the “**Shareholders**”) for any interested person transaction of a value equal to or more than 5% of the latest audited net tangible assets (“**NTA**”) of the Company and its subsidiaries (collectively, the “**Group**”). As the value of the Proposed Acquisition exceeds 5% of the Group’s latest audited NTA as at the date of the Sale and Purchase Agreement, the Company will be seeking the approval of the Shareholders who are independent for the purposes of the Proposed Acquisition (the “**Independent Shareholders**”) at an extraordinary general meeting to be convened (the “**EGM**”).

Upon completion of the Proposed Acquisition and the allotment and issuance of the Consideration Shares, SUTL Global’s aggregate shareholding interests (direct and indirect) in the Company will increase from approximately 25.29% to approximately 54.80% of the enlarged issued share capital of the Company.

The Singapore Code on Take-overs and Mergers (the “**Code**”) states that 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 the company, or (b) any person who, together with all parties acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or persons 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 make a mandatory general offer for all the shares which he does not already own or control in accordance with Rule 14 of the Code, unless such obligation to make a mandatory general offer is waived by the Securities Industry Council (the “**SIC**”).

Pursuant to Rule 14.1 of the Code, SUTL Global and parties acting in concert with it (collectively, the “**Concert Party Group**”) would be required to make a mandatory general offer for all the remaining Shares in issue not already owned, controlled or agreed to be acquired by them following the allotment and issuance of the Consideration Shares to the Vendors. An application was made to the SIC to grant a waiver of the requirement for the Concert Party Group to make a mandatory general offer under Rule 14.1 of the Code (the “**Whitewash Waiver**”). The SIC had on 3 September 2014 granted the Concert Party Group a waiver from the requirement to make the mandatory general offer for the Company subject to, *inter alia*, a majority of the Independent Shareholders approving a separate resolution at the EGM, by way of a poll, to waive their rights to receive the mandatory general offer from the Concert Party Group (the “**Whitewash Resolution**”) and the appointment of an independent financial adviser (the “**IFA**”) in relation to the Whitewash Resolution.

The Company has appointed us as the IFA to advise the Directors who are independent for the purposes of the Proposed Acquisition and the Whitewash Resolution (the “**Independent Directors**”) on (a) whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders; and (b) whether the Whitewash Resolution is prejudicial to the interests of the Independent Shareholders.

This letter, which sets out our opinions and advice, from a financial point of view, has been prepared for the use of the Independent Directors in connection with their consideration of the Proposed Acquisition and the Whitewash Resolution and their recommendation(s) to the Independent Shareholders arising thereof.

2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Independent Directors in relation to the Proposed Acquisition and the Whitewash Resolution.

We are not and were not involved in any aspect of the negotiations entered into by the Group in connection with the Proposed Acquisition or in the deliberations leading up to the decision by the Directors to undertake the Proposed Acquisition and the Whitewash Resolution. Accordingly, we do not, by this letter, warrant the merits of the Proposed Acquisition and the Whitewash Resolution, other than to express opinions on (a) whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders; and (b) whether the Whitewash Resolution is prejudicial to the interests of the Independent Shareholders.

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We have not conducted a comprehensive review of the business, operations or financial condition of the Company, the Group or the Target Companies. We have also not evaluated the strategic or commercial merits or risks of the Proposed Acquisition or the future growth prospects or earnings potential of the Group after the completion of the Proposed Acquisition. Accordingly, we do not express any view as to the prices at which the Shares may trade upon completion of the Proposed Acquisition or on the future financial performance of the Group after the completion of the Proposed Acquisition.

In the course of our evaluation, we have held discussions with the Directors and the management of the Company (the “**Management**”) and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management. The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the Proposed Acquisition and the Whitewash Resolution has been disclosed in the Circular; (b) such information is true and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified such information or representations and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of these information or representations. We have, however, made reasonable enquiries and exercised our judgment (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

Save as disclosed, all information relating to the Group and the Target Companies that we have relied upon in arriving at our opinions and advice has been obtained from the Circular, publicly available information, the Directors and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group and the Target Companies at any time or as at 28 April 2015 (the “**Latest Practicable Date**”). We have also not made any independent evaluation or appraisal of the assets and liabilities of the Group and/or the Target Companies and have not been furnished with any such evaluation or appraisal, except for the valuation report (the “**Valuation Report**”) prepared by KPMG Corporate Finance Pte. Ltd. (the “**Independent Valuer**”), being the independent valuer appointed by the Company to perform an independent valuation of the fair market value of the Target Companies as at 30 June 2014. A summary of the information contained in the Valuation Report (the “**Independent Valuation Summary Letter**”) is set out in Appendix B to the Circular. As we are not experts in the evaluation or appraisal of the assets set out in the Independent Valuation Summary Letter, we have placed sole reliance on the Valuation Report in relation to the valuation of the aforementioned assets.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position and earnings potential of the Group or the Target Companies. We have not been provided with, nor do we have access to, any business plan or financial projections of the future performance of the Group or the Target Companies and we did not conduct any discussions with the directors and the management of the Company or the Target Companies on any such business plan or financial projections of the Group or the Target Companies.

Our opinions and advice, as set out in this letter, are based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as of, the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinions and advice in the light of any subsequent development after the Latest Practicable Date that may affect our opinions and advice contained herein.

In arriving at our opinions and advice, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require

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specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinions and advice in relation to the Proposed Acquisition and the Whitewash Resolution should be considered in the context of the entirety of this letter and the Circular.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

3. THE PROPOSED ACQUISITION

3.1. Background

The Company had on 14 August 2014 announced that it had entered into the Sale and Purchase Agreement with the Vendors and SUTL Global for the acquisition of the entire issued and paid-up share capital of the Target Companies, on the terms contained therein, for an aggregate purchase consideration of S\$21.0 million, which shall be satisfied in full by the allotment and issuance of an aggregate of 341,463,414 Consideration Shares at the Issue Price.

3.2. Rationale for the Proposed Acquisition

The rationale for the Proposed Acquisition is set out in section 4 of the “Letter to Shareholders” in the Circular, and Shareholders are advised to read the information carefully.

3.3. Information on the Vendors and Target Companies

3.3.1. The Vendors

As at the Latest Practicable Date, SUTL Leisure is the legal and beneficial owner of the entire issued and paid-up share capital of SUTL Marina, and SUTL Investments is the legal and beneficial owner of the entire issued and paid-up share capital of One15 Luxury Yachting. Mr Tay Teng Guan Arthur (“**Mr Arthur Tay**”), the Executive Director and Chief Executive Officer of the Company, and Mr Peter Tay Teng Hock (“**Mr Peter Tay**”), a Non-Executive Director of the Company, are directors of the Vendors. Both SUTL Leisure and SUTL Investments are investment holding companies.

The Vendors are wholly-owned by SUTL Global and are part of the SUTL group of companies, a diversified enterprise with businesses in consumer goods, leisure, and technology.

As at the latest Practicable Date, Mr Arthur Tay is the controlling shareholder of SUTL Global, holding approximately 50.6% of the issued share capital of SUTL Global and is also the Chairman and Chief Executive Officer of SUTL Global and Mr Peter Tay is the brother of Mr Arthur Tay and owns approximately 14.8% of the issued share capital of SUTL Global. The remaining shares of SUTL Global are held by 6 other siblings of Mr Arthur Tay and Mr Peter Tay.

As at the Latest Practicable Date, SUTL Global is interested in an aggregate of 132,313,009 Shares (comprising direct interest of 122,974,009 Shares and deemed interest of 9,339,000 Shares held through SUTL Corporation Pte. Ltd. (“**SUTL Corporation**”), a wholly-owned subsidiary of SUTL Global), representing approximately 25.29% of the total issued Shares and also owns the entire issued and paid-up share capital of the Vendors. In addition, SUTL Global is an associate of the Executive Director and Chief Executive Officer of the Company, Mr Arthur Tay. Accordingly, SUTL Global is considered an “interested person” of the Company and the Proposed Acquisition constitutes an “interested person transaction” as defined under Chapter 9 of the Listing Manual.

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3.3.2. SUTL Marina

SUTL Marina is a private limited company incorporated in the Republic of Singapore on 19 October 2004, which owns and operates the ONE°15 Marina Club located at Sentosa Cove, Singapore. As at the Latest Practicable Date, SUTL Marina has an issued share capital of S\$20,000,000 comprising 20,000,000 ordinary shares. Mr Arthur Tay and Mr Peter Tay are directors of SUTL Marina.

The ONE°15 Marina Club is located at 11 Cove Drive, Sentosa Cove, Singapore, on a piece of land of approximately 142,253 square metres leased from Sentosa Development Corporation (“SDC”). The tenure of the lease is for 30 years with effect from 26 December 2004 and the approved use for the land is for a marina, marina clubhouse, and tennis.

The ONE°15 Marina Club is a lifestyle club offering berthing services amongst other club facilities. It is an exclusive marina club where members can enjoy a fine collection of luxurious club amenities including a modern spa, a well-equipped gymnasium, exquisite restaurants and bars, members’ and children lounges, conference/meeting rooms and deluxe hotel rooms. The club building of the ONE°15 Marina Club has 3 levels with a total gross floor area of approximately 147,000 square feet.

The ONE°15 Marina Club membership drive was officially launched in 2005 and the club was officially opened in 2007. As at the Latest Practicable Date, the ONE°15 Marina Club has a total of 3,810 members.

Given SUTL Marina’s expertise and proven track record of creating a premium waterfront destination in Singapore, SUTL Marina has ventured into the provision of marina consultancy services, which include marina master planning, feasibility studies and market research, business planning and optimisation, marina design and project management, hospitality development, management and operations. In connection therewith, SUTL Marina has entered into an agreement with UEM Land Berhad (Puteri Harbour) (“**UEM Land**”) to provide fee-based consulting services, including the design and review of the public and private marinas, super yacht area, fuel dock and the private clubhouse at the Puteri Harbour and the completion of a business plan. Puteri Harbour is a marina development located in Nusajaya, one of the 5 flagship zones in Iskandar, Johor Bahru, Malaysia.

The provision of the fee-based consulting services was completed in February 2015, following which SUTL Marina and UEM Land are jointly reviewing investment opportunities in marina development that would include a long term day-to-day operations agreement for the provision of management services by SUTL Marina for all the marina related amenities and the private clubhouse at the Puteri Harbour. In the event that no investment is made by SUTL Marina and/or its related entities, SUTL Marina will engage UEM Land in negotiations solely for the day-to-day management / operations agreement of said marinas and related amenities.

In addition, SUTL Marina had in January 2015 entered into a legally binding letter of appointment for the management of a marina, clubhouse, beach club and 100-room four star hotel to be constructed in Guishan, Zhuhai, People’s Republic of China in 2015 and 2016. As at the Latest Practicable Date, SUTL Marina has also submitted 2 management agreement proposals and 2 business plan consultancy proposals for the provision of management services by SUTL Marina for marina projects located in the People’s Republic of China and Indonesia. The said proposals are currently being considered by the respective principals and no definitive agreements have been entered into by SUTL Marina in relation thereto.

Further details of SUTL Marina are set out in section 3.2 of the “Letter to Shareholders” in the Circular, and Shareholders are advised to read the information carefully.

3.3.3. One15 Luxury Yachting

One15 Luxury Yachting is a private limited company incorporated in the Republic of Singapore on 18 April 2007, which operates yacht chartering services at the ONE°15 Marina Club. As of the Latest Practicable Date, One15 Luxury Yachting has an issued share capital of S\$100,000 comprising 100,000 ordinary shares. Mr

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Arthur Tay and Mr Peter Tay are directors of One15 Luxury Yachting.

As at the Latest Practicable Date, One15 Luxury Yachting has available for charter a fleet of 30 yachts, ranging from 17 metres to 40 metres. All these yachts belong to the yacht owners who are registered with One15 Luxury Yachting under its yacht charter program. As at the Latest Practicable Date, One15 Luxury Yachting does not own any yacht.

Further details of One15 Luxury Yachting are set out in section 3.3 of the “Letter to Shareholders” in the Circular, and Shareholders are advised to read the information carefully.

3.3.4. Other information

Further information on the Target Companies, including their financial highlights and review, prospects and future plans, management and risk factors are set out in sections 3.4, 3.6, 3.7 and 3.8 of the “Letter to Shareholders” in the Circular respectively, and Shareholders are advised to read the information carefully.

3.4. **Purchase Consideration for the Proposed Acquisition**

The Purchase Consideration shall be satisfied in full by the allotment and issuance to the Vendors or their nominees of an aggregate of 341,463,414 Consideration Shares at the Issue Price per Consideration Share, such Consideration Shares to be credited as fully paid. The Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing Shares. The Issue Price is equivalent to the unaudited consolidated net asset value (“NAV”) per Share as at 30 June 2014 (being the latest available published NAV per Share as at the date of the Sale and Purchase Agreement) and represents a premium of approximately 13.9% over the last transacted price of the Shares of S\$0.0540 on the SGX-ST on 13 August 2014, being the last Market Day preceding the date of the Announcement.

The Purchase Consideration was arrived at after arm’s length negotiations and on a willing-buyer and willing-seller basis after taking into consideration, *inter alia*:

- (i) the Purchase Consideration approximates the proforma NAV of the Target Companies as at 30 June 2014 of approximately S\$20.8 million;
- (ii) the Purchase Consideration represents a discount of approximately 10.3% to the upper end of the indicative range of equity value of the Target Companies as at 30 June 2014 of between approximately S\$20.2 million to approximately S\$23.4 million as appraised by the Company’s appointed Independent Valuer; and
- (iii) the Purchase Consideration represents a price-to-earnings ratio of approximately 9.5 times to the proforma profit of the Target Companies of approximately S\$2.2 million in the financial year ended 31 December 2013.

In addition, the Purchase Consideration represents a discount of approximately 5.4% to the proforma NAV of the Target Companies as at 31 December 2014 of approximately S\$22.2 million and a price-to-earnings ratio of approximately 8.2 times to the proforma profit of the Target Companies of approximately S\$2.6 million in FY2014.

3.5. **Independent Valuation**

In connection with the Proposed Acquisition, the Company has commissioned the Independent Valuer to conduct an independent valuation of the Target Companies.

In arriving at the fair market value of the equity interests of the Target Companies as at 30 June 2014, the Independent Valuer has considered three (3) generally accepted approaches, namely income approach (using the discounted cash flow method), market approach (using the enterprise value-to-earnings before interest, taxes, depreciation and amortisation multiple of comparable companies) and NAV approach and its

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valuation is based, *inter alia*, on various assumptions with respect to the Target Companies, including their respective present and future financial conditions, business strategies and the environment in which the Target Companies will operate in the future.

Based on the valuation by the Independent Valuer, the valuation methodologies as set out in the Independent Valuation Summary Letter, and subject to the assumptions set out therein, the Independent Valuer had ascribed the indicative equity value of the Target Companies as at 30 June 2014 at between approximately S\$20.2 million and approximately S\$23.4 million.

The Independent Valuation Summary Letter is set out in Appendix B to the Circular and Shareholders are advised to read the information carefully.

3.6. Deed of Warranty from SUTL Global

A deed of warranty dated 31 March 2015 was entered into between SUTL Global and the Company, pursuant to which SUTL Global warrants that the aggregate net amounts of account receivable trade outstanding⁽¹⁾ as set out in the balance sheets of the Target Companies as at the Completion Date (“**Net Accounts Receivable Trade**”), shall be collected in full by 31 December 2015. In the event that the total amount collected between the Completion Date and 31 December 2015 (“**Amounts Collected**”) is less than the Net Accounts Receivable Trade, SUTL Global shall, at the written demand of the Company (“**Demand**”), make payment in full to the Company of the shortfall between the Net Accounts Receivable Trade and the Amounts Collected within 30 days of the Demand.

Note:

- (1) This refers to the gross amounts of accounts receivable trade outstanding less provisions for doubtful accounts receivable. As at 31 March 2015, the amount of Net Accounts Receivable Trade of the Target Companies was approximately S\$2.4 million.

3.7. Other Information

Completion of the Proposed Acquisition is conditional upon the fulfillment (or waiver) of certain conditions precedent which include, *inter alia*, (a) the Whitewash Waiver being granted to the Concert Party Group and such waiver not having been withdrawn or revoked as at the Completion Date, and (b) the approval of the Shareholders for the Proposed Acquisition, the allotment and issuance of the Consideration Shares and the Whitewash Resolution being obtained at the EGM.

In relation to the proposed change in majority shareholder of SUTL Marina from SUTL Leisure to the Company, the SDC has granted its consent (the “**SDC Consent**”) subject to certain terms and conditions, and SUTL Global has also provided a deed of undertaking and indemnity dated 18 March 2015 (the “**Deed of Undertaking and Indemnity**”) in this regard.

In addition, post-Completion, there are certain undertakings by the Vendors and certain restrictions on the Vendors, as well as certain limitations on claims against the Vendors.

Further information on the conditions precedent relating to the Proposed Acquisition, the terms and conditions of the SDC Consent and the Deed of Undertaking and Indemnity, the undertakings by and restrictions on the Vendors, and the limitations on claims against the Vendors are set out in sections 2.3, 2.4.3, 2.5 and 2.6 of the “Letter to Shareholders” in the Circular respectively, and Shareholders are advised to read the information carefully.

4. THE PROPOSED WHITEWASH RESOLUTION

As at the Latest Practicable Date, the Concert Party Group is interested in an aggregate of 132,313,009 Shares (comprising direct interest of 122,974,009 Shares and deemed interest of 9,339,000 Shares held through SUTL Corporation Pte. Ltd., a wholly-owned subsidiary of SUTL Global), representing approximately 25.29% of the total issued Shares. Following the completion of the Proposed Acquisition and the allotment and issuance of the Consideration Shares, the Concert Party Group will hold 473,776,423 Shares, representing approximately 54.80% of the enlarged issued share capital of the Company.

Pursuant to Rule 14.1 of the Code, the Concert Party Group would then be required to make a mandatory general offer for all the remaining Shares in issue not already owned, controlled or agreed to be acquired by the Concert Party Group. Under the Sale and Purchase Agreement, it is a condition precedent that the Whitewash Waiver is granted by the SIC and that the Independent Shareholders approve at an EGM the Whitewash Resolution for the waiver of the rights of the Shareholders to receive a mandatory offer from SUTL Global and parties acting in concert with it.

The SIC had on 3 September 2014 granted the Concert Party Group a waiver of the requirement to make the mandatory general offer as a result of the Concert Party Group increasing its shareholding in the Company to more than 30% based on the enlarged issued share capital of the Company as a result of the Proposed Acquisition, subject to, *inter alia*, a majority of the holders of voting rights of the Company present and voting at a general meeting approve, by way of a poll, the Whitewash Resolution to waive their rights to receive a mandatory general offer from the Concert Party Group. Further details of the SIC Conditions in relation to the Whitewash Waiver are set out in section 7.3 of the "Letter to Shareholders" in the Circular, and Shareholders are advised to read the information carefully.

Shareholders should note that the Proposed Acquisition is conditional upon the approval of the Whitewash Resolution by the Independent Shareholders. If the Whitewash Resolution is not passed by the Independent Shareholders, the Proposed Acquisition will not take place.

Independent Shareholders should also note that:

- (a) by voting in favour of the Whitewash Resolution, they will be waiving their rights to receive a mandatory general offer from the Concert Party Group for all the remaining Shares in issue not already owned, controlled or agreed to be acquired by the Concert Party Group at the highest price paid or agreed to be paid by the Concert Party Group for the Shares in the 6 months preceding the commencement of the Proposed Acquisition which the Concert Party Group would have otherwise been obliged to make for the Shares in accordance with Rule 14.1 of the Code; and**
- (b) pursuant to obtaining the Independent Shareholders' approval for the Whitewash Resolution, the Concert Party Group would hold Shares carrying more than 49.0% of the voting rights of the Company based on its enlarged issued share capital after the allotment and issuance of the Consideration Shares to the Concert Party Group and, in such event, the Concert Party Group will thereafter be free to acquire further Shares without incurring any obligation under Rule 14.1 of the Code to make a general offer for the Company.**

5. EVALUATION OF THE PROPOSED ACQUISITION AND THE WHITEWASH RESOLUTION

In the course of our evaluation of the Proposed Acquisition and the Whitewash Resolution, we have examined the following factors which have a significant bearing on our assessment:

- (a) the rationale for the Proposed Acquisition;
- (b) the financial performance and condition of the Target Companies;

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- (c) the historical financial performance and condition of the Group;
- (d) the reasonableness of the Purchase Consideration;
- (e) the reasonableness of the Issue Price;
- (f) the financial effects of the Proposed Acquisition; and
- (g) other relevant considerations.

5.1. Rationale for the Proposed Acquisition

The rationale for the Proposed Acquisition, as set out in section 4 of the “Letter to Shareholders” in the Circular, is reproduced in italics below:

“Following the disposal of the Group’s electronic components business in 2008, the Group’s only core business has been the IT Peripherals Business undertaken by Achieva Technology Pte Ltd, a subsidiary in which the Company has a shareholding interest of 51% (“ATPL”), and its subsidiaries, which had incurred a net loss of approximately S\$7.7 million and S\$6.3 million in FY2013 and FY2014 respectively. In view of the slowdown in the IT peripherals market and the intense competition faced in this industry as a result of the glut of inventory in the hard disk market, the Company expects the demand in the IT peripherals market for FY2015 to remain weak and to result in downward pressures on the Group’s profit margins. Against this backdrop, the Company had on 30 September 2014, effected the disposal of the Company’s 49% shareholding interest in ATPL to a strategic partner, namely Serial System Ltd, with the aim of expanding and improving the business and financial performance of ATPL. The Group will continue to closely monitor the performance of its IT Peripherals Business and where necessary, take further actions with regards to the operations of and/or the Group’s investment in this business segment which are in the best interests of the Company and the Shareholders.

After taking into consideration, inter alia, the historical financial performance and prospects of the TargetCos, the Company is of the view that the TargetCos have a profitable business with strong operating track record that can contribute positively to the Group’s revenue and profits. In particular, the Company notes that the TargetCos had recorded proforma profits of approximately S\$0.9 million, approximately S\$2.2 million and approximately S\$2.6 million in FY2012, FY2013 and FY2014 respectively. In addition, the shortage of berths for superyachts, particularly in Hong Kong and Singapore, together with the growth prospects of yacht sales in Southeast Asia, is expected to underpin the demand for SUTL Marina’s services and support its financial performance. Please refer to Section 3.6 of this Circular for further details on the prospects and future plans for the TargetCos.

The Company believes that the Proposed Acquisition will enable the Group to diversify into the marina and yacht chartering business as a new viable core business and improve the Group’s overall financial performance and prospects going forward.”

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5.2. Financial Performance and Condition of the Target Companies

A summary of the proforma combined financial information of the Target Companies for the last 3 financial years ended 31 December 2012, 2013 and 2014 (“FY2012”, “FY2013” and “FY2014” respectively) is set out below:

| Income Statement (S\$'000) | FY2012 | FY2013 | FY2014 |
|--|---------------|---------------|---------------------------------------|
| Revenue | 25,347 | 25,956 | 27,885 |
| Gross profit | 20,786 | 21,384 | 23,485 |
| (Loss)/Profit before income tax | (53) | 2,161 | 2,637 |
| Profit for the year | 937 | 2,207 | 2,568 |
| | | | As at 31 December 2014 |
| Balance Sheet (S\$'000) | | | |
| Non-current assets | | | 19,148 |
| Non-current liabilities | | | 1,436 |
| Current assets | | | 11,272 |
| Current liabilities | | | 6,790 |
| Working capital | | | 4,482 |
| Equity attributable to owners of the company | | | 22,194 |

Source: *Summary proforma combined financial information of the Target Companies as set out in section 3.4 of the “Letter to Shareholders” in the Circular*

Based on the proforma combined financial information, we note the following:

- (a) the principal source of revenue for the Target Companies include (i) subscription fees and membership entrance fees; (ii) sale of food and beverages; (iii) rental of hotel rooms; (iv) rental of berths and other marina charges such as electricity, water, waste disposal and sale of fuel; (v) income from the spa; and (vi) yacht charter fees from the charters;
- (b) the Target Companies’ revenue ranged between S\$25.3 million and S\$27.9 million for the last 3 financial years ended 31 December 2014;
- (c) the Target Companies recorded an improved performance from a pre-tax loss of S\$53,000 in FY2012 to pre-tax profits of S\$2.2 million and S\$2.6 million in FY2013 and FY2014 respectively;

The increase in net profit/(loss) before tax in FY2013 was mainly due to:

- (i) an increase in revenue by approximately S\$0.6 million arising from (aa) an increase in revenue contribution from SUTL Marina by approximately S\$0.5 million due mainly to higher berth occupancy, improved occupancy for the hotel rooms at the ONE^o15 Marina Club following the obtaining of its Hotel-Keeper’s Licence in FY2013 and an increase in consultancy income, and (bb) an increase in revenue contribution from One15 Luxury Yachting by approximately S\$0.2 million due to an increase in yacht charters; and

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- (ii) a decrease in operating expenses by approximately S\$1.6 million due mainly to lesser provisions made for doubtful debts in relation to subscription fees and membership entrance fees (including any accrued interest) due from members of the ONE°15 Marina Club and a decrease in marketing expenses and magazine printing cost in FY2013 as compared to FY2012.

The increase in net profit/(loss) before tax in FY2014 was mainly due to:

- (i) an increase in revenue by approximately S\$1.9 million arising from (aa) an increase in revenue from SUTL Marina by approximately S\$1.5 million due mainly to higher berth occupancy, improved occupancy rate for the hotel rooms at the ONE°15 Marina Club, an increase in food and beverage revenue and an increase in subscription income, and (bb) an increase in revenue contribution from One15 Luxury Yachting by approximately S\$0.4 million due to an increase in yacht charters; and
- (ii) offset by an increase in operating expenses by approximately S\$1.6 million due mainly to increase in salaries, sales-related expenses such as hotel rooms amenities, commissions to online travel agents, and repairs and maintenance expenses for the ONE°15 Marina Club.
- (d) as at 31 December 2014, non-current assets (comprising property, plant and equipment of S\$18.9 million, intangible assets of S\$0.2 million and non-current trade and other receivables of S\$60,000) constituted 62.9% of the Target Companies' total assets, and current assets (comprising trade and other receivables of S\$3.1 million, inventories of S\$0.3 million, prepayments of S\$1.3 million and cash and cash equivalents of S\$6.6 million) constituted 37.1% of the Target Companies' total assets;
- (e) as at 31 December 2014, non-current liabilities (comprising deferred tax liabilities of S\$1.4 million) constituted 17.5% of the Target Companies' total liabilities, and current liabilities (comprising trade and other payables of S\$4.9 million and other liabilities of S\$1.9 million) constituted 82.5% of the Target Companies' total liabilities;
- (f) as at 31 December 2014, the Target Companies had positive working capital of S\$4.5 million and cash and cash equivalents of S\$6.6 million. As at 31 December 2014, the Target Companies do not have any bank borrowings; and
- (g) as at 31 December 2014, the Target Companies had equity attributable to owners of the Company of S\$22.2 million.

5.3. Historical Financial Performance and Condition of the Group

The salient historical financial information of the Group for FY2012, FY2013 and FY2014 is set out below:

| Consolidated Statement of Comprehensive Income (S\$'000) | <----- Audited -----> | | |
|---|------------------------------------|---------------|---------------|
| | FY2012 | FY2013 | FY2014 |
| Revenue | 110,416 | 83,318 | 84,322 |
| Gross profit | 7,742 | 3,318 | 3,686 |
| Profit/(Loss) before income tax from continuing operations | 444 | (4,635) | (1,948) |
| Profit/(Loss) after income tax from continuing operations | 357 | (5,347) | (1,952) |
| Profit/(Loss) from discontinued operations | 292 | (2,328) | (4,551) |
| Profit/(Loss) attributable to owners of the Company | 649 | (7,675) | (6,335) |

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| Statements of Financial Position (S\$'000) | <----- Audited -----> | | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 December 2012 | As at 31 December 2013 | As at 31 December 2014 |
| Current assets | 60,316 | 48,506 | 42,255 |
| Current liabilities | 19,015 | 14,986 | 10,308 |
| Working capital | 41,301 | 33,520 | 31,947 |
| Equity attributed to owners of the Company | 43,128 | 33,920 | 27,687 |

| Consolidated Statement of Cash Flows (S\$'000) | <----- Audited -----> | | |
|---|------------------------------------|---------------|---------------|
| | FY2012 | FY2013 | FY2014 |
| Net cash flows used in operating activities | (279) | (1,871) | (2,769) |
| Net cash flows generated from/(used in) investing activities | 850 | (590) | 5,076 |
| Net cash flows used in financing activities | (1,270) | (66) | (6,964) |
| Net decrease in cash and cash equivalents | (699) | (2,527) | (4,657) |
| Cash and cash equivalents at the end of financial year | 31,063 | 28,137 | 23,457 |

Source: *Annual report of the Company for FY2013 and FY2014*

We note the following:

- (a) the Group's revenue had decreased from S\$110.4 million in FY2012 to S\$84.3 million in FY2014. This was mainly due to turbulent market conditions, the competitive industry environment and reduced demand for information technology ("IT") and computer peripherals, which resulted in demand for goods and services in the IT and computer peripherals industry to continue to be sluggish. In addition, the Group ceased its operations in the Philippines and Vietnam in FY2013, and its operations in Indonesia in FY2014;
- (b) the Group's gross profit margin decreased from 7.0% in FY2012 to 4.0% and 4.4% in FY2013 and FY2014 respectively mainly due to price erosion in the very competitive environment within the IT and computer peripherals industry;
- (c) save for a profit before income tax from continuing operations of S\$0.4 million in FY2012 (which was mainly due to (i) write-back of doubtful trade receivables and allowance for inventory obsolescence in FY2012 of S\$0.6 million and S\$0.6 million respectively; and (ii) a gain on disposal of investment property of S\$0.7 million, which offset the losses from its operations), the Group had recorded losses before income tax from continuing operations of S\$4.6 million and S\$1.9 million in FY2013 and FY2014 respectively;
- (d) in its latest full financial year in FY2014, the Group recorded a lower loss after income tax from continuing operations of S\$2.0 million as compared to FY2013, which was mainly due to (i) a slight increase in revenue of S\$1.0 million, as a result of expansion of customer base; and (ii) discontinuing its operations in Indonesia, which resulted in the Group posting a net loss from discontinued operations of S\$4.6 million;

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- (e) the Group's working capital had gradually declined from S\$41.3 million as at 31 December 2012 to S\$31.9 million as at 31 December 2014;
- (f) the Group's total equity attributable to owners of the Company decreased from S\$43.1 million as at 31 December 2012 to S\$27.7 million as at 31 December 2014 mainly due to the accumulated losses over the years;
- (g) the Group's net cash flows used in operating activities had deteriorated from S\$0.3 million in FY2012 to S\$1.9 million and S\$2.8 million in FY2013 and FY2014 respectively; and
- (h) the Group recorded a decrease in cash and cash equivalents from S\$31.1 million as at 31 December 2012 to S\$23.5 million as at 31 December 2014 mainly due to repayment of bank borrowings from FY2012 to FY2014 (net of proceeds from bank borrowings during the period) of S\$8.3 million and cash used in operating activities.

As announced by the Company on 14 August 2014 and 30 September 2014 respectively, the Company had on 14 August 2014 entered into a formal sale and purchase agreement in relation to its disposal of 49% of the issued share capital of Achieva Technology Pte Ltd, and such disposal was completed on 30 September 2014.

We also note the following commentary as set out in the Group's results announcement for FY2014 in relation to factors or events that may affect the Group in the next reporting period and the next 12 months:

"The market conditions remain challenging, and the keen competition in the markets that the Group operates in will continue to impact revenue and margin in FY 2015.

The Group has announced on 14 August 2014 a proposed acquisition of SUTL Marina Development Pte Ltd and ONE15 Luxury Yachting Pte Ltd."

5.4. Reasonableness of the Purchase Consideration

5.4.1. Independent valuation

The Company has engaged the Independent Valuer to perform an independent valuation of the fair market value (the "**Fair Market Value**") of the Target Companies as at 30 June 2014 (the "**Valuation Date**").

As set out in the Independent Valuation Summary Letter, the Independent Valuer has prepared its valuation on the basis of Fair Market Value defined as "the amount at which an asset could be exchanged between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting in an arm's length transaction, in an open and unrestricted market."

In arriving at the Fair Market Value for the equity interest of the Target Companies, the Independent Valuer had considered 3 generally accepted approaches, namely, income approach, market approach and net asset value approach and the Fair Market Value of the Target Companies was assessed on a stand-alone basis as of the Valuation Date. The Independent Valuer had used the discounted cash flow method under the income approach for SUTL Marina, and the discounted cash flow method under the income approach and the comparable companies method under the market approach for One15 Luxury Yachting. Under the income approach, the projected free cash flows of the Target Companies were discounted with appropriate discount rates having considered the relevant risk factors. Under the market approach, a list of comparable companies were identified and the valuation of One15 Luxury Yachting was estimated based on the enterprise value-to-earnings before interest, taxes, depreciation and amortisation ("**EV/EBITDA**") multiple of these comparable companies as of the Valuation Date. The Independent Valuer had not included any synergies or costs incurred as a result of the Proposed Acquisition in its valuation.

Details on the bases for the independent valuation of the Target Companies, as set out in the Independent

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Valuation Summary Letter, involve certain assumptions, limitations and disclaimers stated in the Independent Valuation Summary Letter. Shareholders are advised to read the above in conjunction with the Independent Valuation Summary Letter in its entirety as set out in Appendix B to the Circular.

Based on the Independent Valuation Summary Letter, the Fair Market Value ascribed to the Target Companies as at 30 June 2014 is in the range of S\$20.2 million to S\$23.4 million. We note that the Purchase Consideration of S\$21.0 million is within the range of the Fair Market Value, and represents a premium of 4.0% over the lower range of S\$20.2 million and a discount of 10.3% to the upper range of S\$23.4 million.

5.4.2. Comparison with the proforma NTA of the Target Companies

Based on the unaudited proforma combined financial information of the Target Companies for FY2014, the aggregate NTA of the Target Companies is approximately S\$22.0 million.

We note that the Purchase Consideration of S\$21.0 million represents a discount of 4.5% to the aggregate NTA of the Target Companies of S\$22.0 million.

5.4.3. Comparison with the valuation statistics of companies broadly comparable to the Target Companies

In considering what may be regarded as a reasonable range of valuation for the purposes of assessing the financial terms of the Proposed Acquisition, we have referred to selected companies listed and traded on regional stock exchanges which business operations are broadly comparable with those of the Target Companies to give an indication of the current market expectations with regard to the perceived valuation of these businesses. Based on our research and in consultation with the Management, we have used the following listed companies which principal business is in the operation of membership-based luxury, leisure, recreational and/or sports clubs that provide facilities and services to their members (collectively, the “**Comparable Companies**”):

- (a) Central Sports Co., Ltd. (“**Central Sports**”) / Japan
- (b) City Sports and Recreation Public Company Limited (“**City Sports**”) / Thailand
- (c) Emerson Pacific Inc. (“**Emerson**”) / South Korea
- (d) Megalos Co., Ltd. (“**Megalos**”) / Japan
- (e) Renaissance, Incorporated (“**Renaissance**”) / Japan
- (f) Resort Solution Co. Ltd. (“**Resort Solution**”) / Japan

Shareholders should note that there is no company or group listed on any relevant stock exchange which may be considered identical to the Target Companies in terms of business activities, size and scale of operations, risk profile, geographical spread, operating and financial leverage, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the principal businesses of the Target Companies. As such, any comparison merely serves as an illustrative guide to Shareholders.

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Details on the Comparable Companies, including their business descriptions and selected key financial and valuation statistics, are set out in the annex to this letter.

In assessing the financial terms of the Proposed Acquisition, we have used the following valuation parameters in our analysis:

| Valuation parameter | Description |
|---|--|
| Price-earnings ratio (“ PER ”) | <p>The historical PER, which illustrates the ratio of the market price of a company’s shares relative to its historical consolidated earnings per share, is commonly used for the purpose of illustrating the profitability, and hence valuation, of a company.</p> <p>We have considered the historical PERs of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest full-year net earnings per share <i>vis-à-vis</i> the corresponding PER of the Target Companies based on the Purchase Consideration and the proforma combined profit after tax of the Target Companies for FY2014.</p> |
| Price-to-book NTA ratio | <p>An NTA-based approach is useful to illustrate the extent that the value of each share is backed by tangible assets, and would be more relevant in the case where the company were to change the nature of its business or realise or convert the use of all or most of its assets. The NTA based valuation approach may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NTA, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.</p> <p>We have considered the historical price-to-book NTA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest available NTA value per share <i>vis-à-vis</i> the corresponding price-to-book NTA ratio of the Target Companies based on the Purchase Consideration and the proforma combined NTA of the Target Companies as at 31 December 2014.</p> |
| Enterprise value to earnings before interest, tax, depreciation and amortisation (“ EV/EBITDA ”) ratio | <p>The EV/EBITDA ratio illustrates the ratio of the market value of a company’s business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance. “EV” is the sum of a company’s market capitalisation, preferred equity, minority interests, short- and long-term debts less cash and cash equivalents, and represents the actual cost to acquire the entire company. “EBITDA” refers to historical consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting decisions.</p> <p>We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date, latest available balance-sheet values and latest full year EBITDA <i>vis-à-vis</i> the corresponding EV/EBITDA ratio of the Target Companies based on the Purchase Consideration and the proforma combined financial information of the Target Companies for FY2014.</p> |

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The following table sets out the comparative valuation statistics of the Comparable Companies *vis-à-vis* the Target Companies as implied by the Purchase Consideration:

| Comparable Companies | Share price as at Latest Practicable Date | Market capitalisation (million) | Historical PER (times) | Historical Price-to-book NTA (times) | Historical EV/EBITDA (times) |
|---------------------------------------|--|--|-------------------------------|---|-------------------------------------|
| Central Sports | JPY2,240 | JPY25,683.6 | 21.27 | 1.61 | 8.22 |
| City Sports | THB58.5 | THB1,199.3 | 16.81 | 0.78 | 13.51 |
| Emerson | KRW28,500 | KRW312,816.3 | 105.90 | 6.75 | 47.77 |
| Megalos | JPY1,621 | JPY6,329.8 | 100.85 | 1.30 | 10.69 |
| Renaissance | JPY1,248 | JPY26,680.5 | 26.13 | 2.47 | 9.29 |
| Resort Solution | JPY258 | JPY14,333.4 | 71.41 | 1.85 | 13.80 |
| High | | | 105.90 | 6.75 | 47.77 |
| Mean | | | 21.40⁽¹⁾ | 1.60⁽²⁾ | 11.10⁽²⁾ |
| Median | | | 21.27⁽¹⁾ | 1.61⁽²⁾ | 10.69⁽²⁾ |
| Low | | | 16.81 | 0.78 | 8.22 |
| Target Companies⁽³⁾ | | S\$21.0 | 8.18 | 0.95 | 3.23 |

Source: *Bloomberg, annual reports and/or announcements of the respective companies*

Notes:

- (1) Excludes Emerson, Megalos and Resort Solution as they are statistical outliers.
- (2) Excludes Emerson as it is a statistical outlier.
- (3) Based on the Purchase Consideration.

PER comparison

We note that the PER of 8.18 times of the Target Companies as implied by the Purchase Consideration is:

- (a) below the range of historical PERs of the Comparable Companies of between 16.81 times and 105.90 times; and
- (b) at a significant discount of 61.8% and 61.5% to the mean and median historical PERs of the Comparable Companies of 21.40 times and 21.27 times respectively.

Price-to-book NTA comparison

We note that the price-to-book NTA ratio of 0.95 times of the Target Companies as implied by the Purchase Consideration is:

- (a) within the range of historical price-to-book NTA ratios of the Comparable Companies of between 0.78 times and 6.75 times; and
- (b) at a significant discount of 40.6% and 41.0% to the mean and median historical price-to-book NTA ratios of the Comparable Companies of 1.60 times and 1.61 times respectively.

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EV/EBITDA comparison

We note that the EV/EBITDA ratio of 3.23 times of the Target Companies as implied by the Purchase Consideration is:

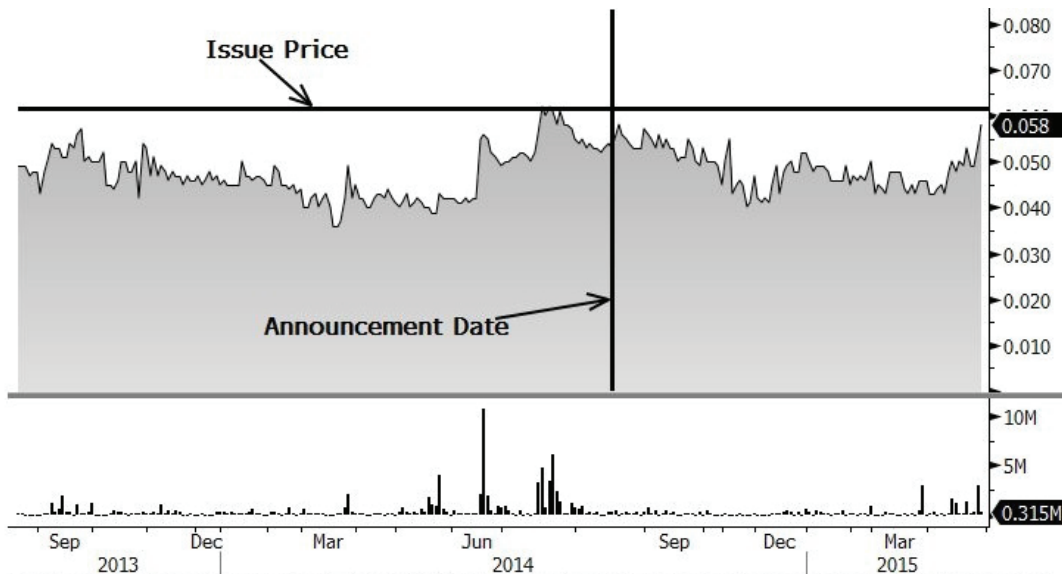
- (a) below the range of historical EV/EBITDA ratios of the Comparable Companies of between 8.22 times and 47.77 times; and
- (b) at a significant discount of 70.9% and 69.8% to the mean and median historical EV/EBITDA ratios of the Comparable Companies of 11.10 times and 10.69 times respectively.

5.5. Reasonableness of the Issue Price

In evaluating whether the Issue Price of S\$0.0615 for each Consideration Share is reasonable, we have considered the following factors:

5.5.1. Market quotation and trading liquidity of the Shares

The trend of the daily closing prices of the Shares for the period commencing 12 months prior to the Announcement and ending on the Latest Practicable Date is set out in the chart below:



Source: Bloomberg

The trading statistics of the Shares during the 12-month period prior to the date of the Announcement and up to the Latest Practicable Date are set out below:

| | Lowest closing price (S\$) | Highest closing price (S\$) | Volume-weighted average price ("VWAP") (S\$) | Premium of Issue Price to VWAP (%) | Average daily trading volume ('000) | Average daily trading volume as percentage of free float ⁽¹⁾ (%) |
|--------------------------------------|----------------------------|-----------------------------|--|------------------------------------|-------------------------------------|---|
| Periods prior to Announcement | | | | | | |
| Last 12 months | 0.0360 | 0.0620 | 0.0523 | 17.6 | 332 | 0.09 |
| Last 6 months | 0.0360 | 0.0620 | 0.0532 | 15.6 | 531 | 0.14 |
| Last 3 months | 0.0390 | 0.0620 | 0.0548 | 12.2 | 900 | 0.23 |

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| | Lowest closing price (S\$) | Highest closing price (S\$) | Volume-weighted average price ("VWAP") (S\$) | Premium of Issue Price to VWAP (%) | Average daily trading volume ('000) | Average daily trading volume as percentage of free float⁽¹⁾ (%) |
|--|-----------------------------------|------------------------------------|---|---|--|---|
| Last one month | 0.0520 | 0.0620 | 0.0599 | 2.7 | 1,243 | 0.32 |
| Last Market Day prior to Announcement | 0.0530 | 0.0530 | 0.0530 ⁽²⁾ | 16.0 | 240 | 0.06 |
| Period after Announcement and up to Latest Practicable Date | | | | | | |
| After Announcement and up to Latest Practicable Date | 0.0400 | 0.0580 | 0.0493 | 24.7 | 145 | 0.04 |
| Latest Practicable Date | 0.0540 | 0.0540 | 0.0540 ⁽³⁾ | 13.9 ⁽³⁾ | 2,971 | 0.76 |

Source: *Bloomberg*

Notes:

- (1) Free float refers to 389,389,687 Shares, being the issued Shares other than those held by the Company's directors, substantial shareholders and their associates.
- (2) This refers to the closing price on 14 August 2014, being the Market Day on which the Shares were last traded prior to the Announcement which was released on the SGXNET at 8.43 p.m. on 14 August 2014.
- (3) Based the closing price on the Latest Practicable Date.

We note the following with regard to the periods prior to the Announcement:

- (a) during the 12-month period prior to the Announcement, the closing prices of the Shares ranged between a low of S\$0.0360 and a high of S\$0.0620. The Issue Price represents a significant premium of 70.8% over the lowest closing price of the Shares of S\$0.0360 and a marginal discount of 0.8% to the highest closing price of S\$0.0620 over the 12-month period prior to the Announcement;
- (b) the Issue Price represents a premium of 17.6%, 15.6%, 12.2% and 2.7% over the VWAP of the Shares for the 12-, 6-, 3- and one-month periods prior to the Announcement respectively;
- (c) the Issue Price represents a premium of 16.0% over the closing price of the Shares of S\$0.0530 on 14 August 2014, being the last Market Day prior to the Announcement; and
- (d) the Shares were thinly traded during the 12-month period prior to the Announcement, with the average daily trading volume of the Shares as a percentage of the free float ranging between 0.06% and 0.32% in the 12-, 6-, 3- and one-month periods prior to the Announcement.

We note the following with regard to the period after the Announcement and up to the Latest Practicable Date:

- (a) the Issue Price represents a premium of 24.7% over the VWAP of the Shares of S\$0.0493 for the period after the Announcement and up to the Latest Practicable Date;

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- (b) the Issue Price represents a premium of 13.9% over the last transacted price of the Shares of S\$0.0540 as at the Latest Practicable Date; and
- (c) after the Announcement and up to the Latest Practicable Date, the average daily trading volume of the Shares as a percentage of the free float was approximately 0.04%.

5.5.2. NTA of the Group

Based on the unaudited financial statements of the Group for the 6-month financial period ended 30 June 2014 (“**HY2014**”), being the latest available unaudited financial information prior to the signing of the Sale and Purchase Agreement, the unaudited NTA attributable to owners of the Company as at 30 June 2014 amounted to S\$32.1 million, or S\$0.0614 per Share based on 523,142,696 issued Shares. Accordingly, the Issue Price represents a marginal premium of 0.2% over the unaudited NTA per Share of S\$0.0614 per Share as at 30 June 2014.

Based on the audited financial statements of the Group for FY2014, being the latest available audited financial information as at the Latest Practicable Date, the audited NTA attributable to owners of the Company as at 31 December 2014 amounted to S\$27.6 million, or S\$0.0528 per Share based on 523,142,696 issued Shares. Accordingly, the Issue Price represents a premium of 16.5% over the audited NTA per Share of S\$0.0528 as at 31 December 2014.

The Directors have confirmed that, to the best of their knowledge and belief, (a) they are not aware of any circumstances which may cause the NTA of the Group as at the Latest Practicable Date to be materially different from that as at 31 December 2014; and (b) there are no contingent liabilities, bad or doubtful debts or impairment losses as at the Latest Practicable Date which are likely to have a material impact on the audited NTA of the Group as at 31 December 2014.

5.6. Financial Effects of the Proposed Acquisition

The financial effects of the Proposed Acquisition on the Group have been set out in section 5 of the “Letter to Shareholders” in the Circular and are based on the audited consolidated financial statements of the Group and the unaudited financial statements of SUTL Marina and One15 Luxury Yachting for FY2014 and the following bases and assumptions as detailed in section 5.1 of the “Letter to Shareholders” in the Circular:

- (a) the financial effects are purely for illustrative purposes only and do not represent any projection of the actual future financial performance or financial position of the Group after the Proposed Acquisition;
- (b) in relation to balance sheet items, the Proposed Acquisition had been completed on 31 December 2014;
- (c) in relation to profit and loss items, the Proposed Acquisition had been completed on 1 January 2014;
- (d) the fair value adjustments on the net assets of the Group and positive or negative goodwill arising from the Proposed Acquisition, if any, have not been considered, and will be determined on the Completion Date when SUTL Global has effectively obtained control of the Company. As the final goodwill can only be determined following the completion of the sale and purchase of the Sale Shares (“**Completion**”), the actual goodwill could be materially different from the aforementioned assumption. Any goodwill arising thereon from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company; and
- (e) the financial effects have been adjusted for (i) eliminations arising from inter-company transactions between the Target Companies; (ii) the depreciation expenses relating to the motor vehicle to be sold by SUTL Marina to SUTL Capital Pte. Ltd., a wholly-owned subsidiary of SUTL Global, prior to Completion at its net book value as at the date of the sale of approximately S\$0.9 million; and (iii) the pre-Completion dividend of S\$1.0 million to be declared and paid by SUTL Marina to SUTL Leisure.

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We note the following:

- (a) the issued and paid-up share capital of the Group would increase from S\$23.4 million comprising 523,142,696 Shares as at 31 December 2014 to S\$44.4 million comprising 864,606,110 Shares upon completion of the Proposed Acquisition;
- (b) the NTA per Share of the Group would increase from 5.28 cents as at 31 December 2014 to 5.74 cents upon completion of the Proposed Acquisition; and
- (c) the LPS of the Group would improve from a loss of 1.21 cents in FY2014 to 0.44 cents upon completion of the Proposed Acquisition.

5.7. Other Relevant Considerations

5.7.1. Inter-conditionality of the Proposed Acquisition and the Whitewash Resolution

We note that the Proposed Acquisition is conditional upon, *inter alia*, the approval of the Whitewash Resolution by the Independent Shareholders. Accordingly, if the Proposed Whitewash Resolution is not passed by the Independent Shareholders, the Proposed Acquisition will not take place.

5.7.2. Dilutive effect on the Independent Shareholders

The change in shareholdings pursuant to the Proposed Acquisition, as set out in section 7.2 of the “Letter to Shareholders” in the Circular, is reproduced in italics below:

“Following the allotment and issuance of the Consideration Shares, the collective shareholding interests of the Independent Shareholders in the Company will be diluted as follows:

| | <i>Before the Proposed Acquisition</i> | | <i>After the Proposed Acquisition</i> | |
|---------------------------------------|---|---|--|---|
| | <i>Number of Shares held</i> | <i>% of issued share capital (%)⁽¹⁾</i> | <i>Number of Shares held</i> | <i>% of issued share capital (%)⁽²⁾</i> |
| <i>SUTL Global^{(3) (4)}</i> | <i>122,974,009</i> | <i>23.50</i> | <i>464,437,423</i> | <i>53.72</i> |
| <i>SUTL Corporation⁽⁴⁾</i> | <i>9,339,000</i> | <i>1.79</i> | <i>9,339,000</i> | <i>1.08</i> |
| <i>Independent Shareholders</i> | <i>390,829,687</i> | <i>74.71</i> | <i>390,829,687</i> | <i>45.20</i> |
| Total | 523,142,696 | 100.00 | 864,606,110 | 100.00 |

Notes:

(1) *Based on 523,142,696 Shares in issue as at the Latest Practicable Date.*

(2) *Based on the enlarged issued share capital of the Company of 864,606,110 Shares immediately after Completion and issuance of the Consideration Shares.*

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(3) *Assuming that the Consideration Shares are issued to SUTL Global.*

(4) *SUTL Global is deemed interested in the 9,339,000 Shares held by its wholly-owned subsidiary, SUTL Corporation.”*

The aggregate shareholding interest of the Concert Party Group in the Company will increase from 25.29% as at the Latest Practicable Date to 54.80% after the completion of the Proposed Acquisition. Correspondingly, the aggregate shareholding interest of the Independent Shareholders will be diluted from 74.71% as at the Latest Practicable Date to 45.20% after the completion of the Proposed Acquisition.

We note that the Concert Party Group will continue to be the single largest shareholding block in the Company after the completion of the Proposed Acquisition. However, as its aggregate shareholding interest in the Company will exceed 50% after the Proposed Acquisition, the Concert Party Group will be in a position to exercise statutory control of the Company. Statutory control will put the Concert Party Group in a position to be able to pass all ordinary matters in which the Concert Party Group does not have an interest and which are tabled for Shareholders' approval at a general meeting.

Having regard to the controlling stake in the Company held by the Concert Party Group after the Proposed Acquisition, the Company may be in a relatively less favourable position in the context of interest from potential parties seeking control of the Company or who may have intentions to acquire a significant or controlling interest in the Company.

5.7.3. Implications of the Whitewash Resolution

By voting in favour of the Whitewash Resolution, the Independent Shareholders will be waiving their rights to receive a mandatory general offer for all their Shares from the Concert Party Group at the highest price paid or agreed to be paid by the Concert Party Group for the Shares in the 6 months preceding the commencement of the Proposed Acquisition which the Concert Party Group would have otherwise been obliged to make for the Shares in accordance with Rule 14 of the Code.

In addition, as the Concert Party Group will own more than 49% of the voting rights of the enlarged issued share capital of the Company as a result of the allotment and issuance of the Consideration Shares, the Concert Party Group will thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer for the Company.

5.7.4. Risk factors relating to the Proposed Acquisition

The risk factors relating to the Proposed Acquisition are set out in section 3.8 of the “Letter to Shareholders” in the Circular, and Shareholders are advised to read the information carefully.

5.7.5. No assurance of future profitability

Shareholders may wish to note the prospects and future plans of the Target Companies as detailed in section 3.6 of the “Letter to Shareholders” in the Circular, as well as the developments in the marina consultancy and management services as detailed in section 3.2.4 of the “Letter to Shareholders” in the Circular for potential growth areas of the Target Companies in the future. There is, however, no assurance that the pursuit and/or implementation of such future plans and/or developments will yield positive results. In addition, the Group may be exposed to additional risks when pursuing these plans.

Shareholders should note that there is no assurance that the Group (which would include the Target Companies) will be profitable and/or pay dividends after the completion of the Proposed Acquisition. The past performance of the Target Companies should in no way be taken as a guarantee of future results.

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5.7.6. Consent from Sentosa Development Corporation (“SDC”)

As set out in section 2.4.3 of the “Letter to Shareholders” in the Circular, pursuant to certain documents in relation to the ONE°15 Marina Club located at 11 Cove Drive, Sentosa Cove, Singapore, such as the lease and the building agreement and its supplementals (the “**SDC Lease Documents**”), the prior written consent of SDC will be required for the change in majority shareholders of SUTL Marina in connection with the Proposed Acquisition.

Pursuant to the letter dated 3 March 2015 from SDC to SUTL Global, SUTL Leisure, SUTL Marina and the Company (the “**SDC Consent**”), the SDC informed SUTL Global, SUTL Leisure, SUTL Marina and the Company that it has no objections and consents to the proposed sale of the entire issued and paid-up share capital of SUTL Marina by SUTL Leisure to the Company and confirms the same will not result in a breach of any term of the SDC Lease Documents subject to certain terms and conditions.

In connection with the conditions imposed in the SDC Consent, a deed of undertaking and indemnity dated 18 March 2015 was entered into by SUTL Global and the Company (the “**Deed of Undertaking and Indemnity**”), pursuant to which SUTL Global, *inter alia*,:

- (a) irrevocably and unconditionally undertakes and covenants to the Company to:
 - (i) comply, and to procure that its shareholders, directors and officers comply with its obligations under the terms of the SDC Consent;
 - (ii) cause or procure the full compliance by SUTL Leisure with its obligations under the terms of the SDC Consent;
 - (iii) cause or procure the full compliance by SUTL Marina with its obligations under the terms of the SDC Consent, up to the Completion Date; and
 - (iv) consult and obtain the Company’s prior consent with regard to any communications made by SUTL Global (or a related company of SUTL Global) to SDC in relation to the Company, the SDC Consent or the SDC Lease Documents;
- (b) irrevocably and unconditionally agrees to indemnify, defend and hold harmless the Company and its officers, directors, employees and agents from and against all claims, settlement, sums, costs, damages, losses, expenses, fees, demands, actions, liabilities, causes of action and/or proceedings asserted or instituted by SDC against the Company or SUTL Marina, arising out of or in connection with any breach:
 - (i) by SUTL Global or SUTL Leisure of their respective obligations under the terms of the SDC Consent;
 - (ii) by SUTL Marina of its obligations under the terms of the SDC Consent, up to the Completion Date; and
 - (iii) of the SDC Lease Documents prior to the Completion Date; and
- (c) irrevocably and unconditionally agrees to pay all expenses and costs (including, without limitation, legal costs on a full indemnity basis) incurred by the Company in successfully enforcing or attempting to enforce any rights with respect to the Deed of Undertaking and Indemnity and/or defending any claims or legal proceedings (including counterclaims) instituted by SDC against the Company or SUTL Marina pursuant to the terms of the SDC Consent.

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Further information on the SDC Consent and the Deed of Undertaking and Indemnity, including the terms and conditions that the SDC Consent are subject to, are set out in section 2.4.3 of the “Letter to Shareholders” in the Circular, and Shareholders are advised to read the information carefully.

5.7.7 Non-compete restrictions on the Vendors

We note that, pursuant to the Sale and Purchase Agreement, the Vendors have undertaken, *inter alia*, to (a) the Company; and (b) procure that (i) the executive directors of the Target Companies (including Mr Arthur Tay and Mr Peter Tay), and (ii) each other member of SUTL Leisure, SUTL Investments, any holding company from time to time of SUTL Leisure or SUTL Investments, and any subsidiary from time to time of SUTL Leisure or SUTL Investments, or such holding company (but excluding the Target Companies) (the “**Vendor Group**”), undertake to the Company, to refer to the Company all enquiries relating to the Target Companies or the Target Companies’ business which the Vendor Group receives following Completion.

In addition, the Vendors have undertaken, *inter alia*, that they shall not, and shall procure that (i) the executive directors of SUTL Marina and One15 Luxury Yachting (including Mr Arthur Tay and Mr Peter Tay); and (ii) each other member of the Vendor Group shall not (whether alone or jointly with another and whether directly or indirectly), carry on or be engaged or (except as the owner for investment of securities dealt in on a stock exchange and not exceeding 5% in nominal value of the securities of that class) interested economically or otherwise in any manner whatsoever in (a) any business carried on by any of the Target Companies as at Completion, and which is carried on within the area in which the Target Companies carries on business as at Completion; and (b) the business of consulting and investing in marina projects in Asia:

- (a) for a period of 3 years after Completion; or
- (b) for so long as SUTL Global remains as a controlling shareholder of the Company; or
- (c) for so long as Mr Arthur Tay and/or Mr Peter Tay remain as a director of the Company,

whichever is the latest.

Further information on the post-completion undertakings and restriction on the Vendors is set out in section 2.5 of the “Letter to Shareholders” in the Circular, and Shareholders are advised to read the information carefully.

5.7.8. Indemnity from the Vendors to the Company

We note that the Vendors have provided certain representation and warranties to the Company pursuant to the Sale and Purchase Agreement and has undertaken to indemnify the Company for an amount up to S\$21,000,000, which is equivalent to the Purchase Consideration, against any claim for breach of the representations and warranties set out in Schedule 3 of the Sale and Purchase Agreement, subject to certain conditions as detailed in section 2.6 of the “Letter to Shareholders” in the Circular. Further details of such conditions are set out in section 2.6 of the “Letter to Shareholders” in the Circular, and Shareholders are advised to read the information carefully.

5.7.9. Abstention from voting

As set out in section 16 of the “Letter to Shareholders” in the Circular, SUTL Global and SUTL Corporation will abstain from, and have undertaken to procure that their respective associates abstain from, voting in respect of their holding of Shares on the ordinary resolution relating to the Proposed Acquisition at the EGM. The Concert Party Group as well as parties not independent of them will abstain from voting in respect of their holding of Shares on the Whitewash Resolution at the EGM.

Accordingly, the Proposed Acquisition would proceed only if a majority of the Independent Shareholders were to vote in favour of the Proposed Acquisition and the Whitewash Resolution.

6. OUR OPINIONS AND ADVICE

In arriving at our opinions in respect of the Proposed Acquisition and the Whitewash Resolution, we have taken into account the following key considerations:

- (a) the rationale for the Proposed Acquisition, namely, that (i) the Group's IT peripherals business having incurred a net loss for FY2013 and FY2014, and the Company expecting demand in the IT peripherals market to remain weak in FY2015 and to exert downward pressure on the Group's profit margins; and (ii) the Company being of the view that the Target Companies have a profitable business with strong operating track record that can contribute positively to the Group's revenue and profits, thus improving the Group's overall financial performance and prospects going forward;
- (b) the financial performance and condition of the Target Companies, as set out in paragraph 5.2 of this letter;
- (c) the historical financial performance, condition and outlook of the Group, as set out in paragraph 5.3 of this letter;
- (d) the reasonableness of the Purchase Consideration as follows:
 - (i) the Purchase Consideration of S\$21.0 million being within the range of the Fair Market Value as determined by the Independent Valuer, and representing a premium of 4.0% over the lower range of the Fair Market Value of S\$20.2 million and a discount of 10.3% to the upper range of the Fair Market Value of S\$23.4 million;
 - (ii) a comparison to the aggregate NTA of the Target Companies, namely, the Purchase Consideration representing a discount of 4.5% to the aggregate proforma NTA of the Target Companies of S\$22.0 million as at 31 December 2014;
 - (iii) a comparison with the valuation statistics of companies broadly comparable to the Target Companies as follows:
 - (aa) the PER of 8.18 times of the Target Companies as implied by the Purchase Consideration being (1) below the range of historical PERs of the Comparable Companies of between 16.81 times and 105.90 times, and (2) at a significant discount of 61.8% and 61.5% to the mean and median historical PERs of the Comparable Companies of 21.40 times and 21.27 times respectively;
 - (bb) the price-to-book NTA ratio of 0.95 times of the Target Companies as implied by the Purchase Consideration being (1) within the range of historical price-to-book NTA ratios of the Comparable Companies of between 0.78 times and 6.75 times, and (2) at a significant discount of 40.6% and 41.0% to the mean and median historical price-to-book NTA ratios of the Comparable Companies of 1.60 times and 1.61 times respectively; and
 - (cc) the EV/EBITDA ratio of 3.23 times of the Target Companies as implied by the Purchase Consideration being (1) below the range of historical EV/EBITDA ratios of the Comparable Companies of between 8.22 times and 47.77 times, and (2) at a significant discount of 70.9% and 69.8% to the mean and median historical EV/EBITDA ratios of the Comparable Companies of 11.10 times and 10.69 times respectively;
- (e) the reasonableness of the Issue Price as follows:
 - (i) an assessment of the market quotation and liquidity of the Shares as follows:

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- (aa) the Issue Price representing a significant premium of 70.8% over the lowest closing price of the Shares of S\$0.0360 and a marginal discount of 0.8% to the highest closing price of S\$0.062 over the 12-month period prior to the Announcement;
 - (bb) the Issue Price representing a premium of 17.6%, 15.6%, 12.2% and 2.7% over the VWAP of the Shares for the 12-, 6-, 3- and one-month periods prior to the Announcement respectively;
 - (cc) the Issue Price representing a premium of 16.0% over the closing price of the Shares of S\$0.0530 on 14 August 2014, being the last Market Day prior to the Announcement;
 - (dd) the average daily trading volume of the Shares as a percentage of the free float ranging between 0.06% and 0.32% in the 12-, 6-, 3- and one-month periods prior to the Announcement;
 - (ee) the Issue Price representing a premium of 24.7% over the VWAP of the Shares of S\$0.0493 for the period after the Announcement and up to the Latest Practicable Date;
 - (ff) the Issue Price representing a significant premium of 13.9% over the last transacted price of the Shares of S\$0.0540 as at the Latest Practicable Date;
 - (gg) the average daily trading volume of the Shares representing 0.04% of the free float in the period after the Announcement and up to the Latest Practicable Date; and
- (ii) a comparison to the NTA of the Group, namely, the Issue Price representing a premium of 16.5% over the audited NTA per Share of S\$0.0528 as at 31 December 2014;
- (f) the financial effects of the Proposed Acquisition on the Group, particularly the increase in NTA per Share and the significant improvement in loss per Share as detailed in paragraph 5.6 of this letter; and
- (g) other relevant considerations as follows:
- (i) the Proposed Acquisition being conditional on the Whitewash Resolution;
 - (ii) the dilutive effect on the Independent Shareholders, as set out in paragraph 5.7.2 of this letter;
 - (iii) the implications of the approval of the Whitewash Resolution, as set out in paragraph 5.7.3 of this letter;
 - (iv) the risk factors relating to the Proposed Acquisition;
 - (v) there being no assurance of the profitability of the Group (including the Target Companies) after the completion of the Proposed Acquisition;

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- (vi) the consent from SDC for the Proposed Acquisition and the Deed of Undertaking and Indemnity provided by SUTL Global, as set out in paragraph 5.7.6 of this letter;
- (vii) the non-compete restrictions on the Vendors, as set out in paragraph 5.7.7 of this letter;
- (viii) the provision of the indemnity by the Vendors to the Company for an amount up to the Purchase Consideration as set out in paragraph 5.7.8 of this letter; and
- (ix) the Vendors and their associates abstaining from voting on the Proposed Acquisition and the Whitewash Resolution at the EGM.

Based on the above considerations, we are of the opinion that:

- (a) the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders; and
- (b) the Whitewash Resolution, in the context of the Proposed Acquisition (which terms are fair and reasonable), is not prejudicial to the interests of the Independent Shareholders.

Accordingly, we advise the Independent Directors to recommend the Independent Shareholders to vote in favour of the Proposed Acquisition and the Whitewash Resolution.

Our opinions and advice are addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Proposed Acquisition and the Whitewash Resolution. The recommendation to be made by them to the Independent Shareholders shall remain the responsibility of the Independent Directors. Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the forthcoming EGM and for the purposes of the Proposed Acquisition and the Whitewash Resolution.

Our opinions and advice are governed by, and construed in accordance with, the laws of Singapore. Our opinions and advice are strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully
For and on behalf of

SAC CAPITAL PRIVATE LIMITED

Huong Wei Beng
Executive Director

Chow You Yah
Manager

**APPENDIX A - LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE INDEPENDENT DIRECTORS OF
ACHIEVA LIMITED IN RELATION TO THE PROPOSED ACQUISITION AND THE WHITEWASH RESOLUTION**

---- Latest full financial year ----

| Company | Business description (as extracted from Bloomberg) | Financial year-end | Revenue (million) | Net profit/(loss) after tax attributable to shareholders (million) |
|---|---|-----------------------|----------------------|---|
| Central Sports Co., Ltd. | Central Sports Co., Ltd. is a Japan-based company mainly engaged in the sports club and related business. The Company operates membership-based gyms under the names Central Swim Club, Central Sports Club, Central Fitness Club and Central Wellness Club. The Company is also engaged in the operation of golf clubs through its subsidiaries in Colorado, the United States. The Company generates its revenue mainly from membership fees of gyms with machines, studios, pools and spa facilities, as well as sports schools for children and adults, such as swimming schools and gymnastics schools. The Company also sells various types of sports products through its specialty retail stores and vending machines in its clubs. Other activities include the travel business, such as the sale of travel products, and the facility leasing business. | 31 March | JPY48,328.4 | JPY1,207.7 |
| City Sports and Recreation Public Company Limited | City Sports and Recreation Public Company Limited operates a golf course and associated club house on 160 acres of land Northeast of Bangkok. The Company also operates a restaurant. | 31 December | THB155.5 | THB71.3 |
| Emerson Pacific Inc. | Emerson Pacific Inc. operates golf courses. The Company also processes lambskin and cowhide into leather used in footwear, upholstery, and fancy goods manufacturing. | 31 December | KRW47,198.6 | KRW2,953.8 |
| Megalos Co., Ltd. | Megalos Co., Ltd. operates fitness clubs mainly in the Tokyo metropolitan area and retails sporting goods in stores as well as over the Internet. The Company also offers instruction in swimming, tennis, golf, and karate. | 31 March | JPY14,639.8 | JPY62.7 |
| Renaissance, Incorporated | Renaissance, Incorporated mainly operates sports clubs including fitness clubs, swimming, and tennis schools. The Company also offers a various kinds of sports lessons such as golf, squash, and soccer for children. | 31 March | JPY40,660.9 | JPY1,020.9 |
| Resort Solution Co. Ltd. | Resort Solution Co. Ltd. manages resort and leisure facilities, such as amusement parks, hotels, cottages and golf clubs. | 31 March | JPY19,238.7 | JPY200.7 |



Our ref VS/ KA/OSC
Contact Vishal Sharma
DID: (65) 6213-2845

The Board of Directors
Achieva Limited
100J Pasir Panjang Road
#05-00 SUTL House
Singapore 118525

24 November 2014

Dear Sirs

Independent Valuation Summary Letter

1. Introduction

KPMG Corporate Finance Pte Ltd (“**KPMG Corporate Finance**” or “**we**”) has been appointed by the Board of Directors (the “**Directors**”) of Achieva Limited (“**Achieva**” or the “**Company**”) in relation to its acquisition of SUTL Marina Development Pte Ltd (“**SUTL Marina**”) and One15 Luxury Yachting Pte Ltd (“**One15 Luxury Yachting**”) (collectively the “**Targets**”) from SUTL Leisure Pte Ltd and SUTL Investments Pte Ltd (collectively, the “**Vendors**” and each, a “**Vendor**”) (the “**Acquisition**”). On 14 August 2014, the Company announced that it has signed a conditional sale and purchase agreement to acquire the entire issued and paid-up share capital of the Targets for an aggregate purchase consideration of S\$21 million. SUTL Global Pte Ltd (“**SUTL Global**”), which owns the entire issued and paid-up share capital of the Vendors, will guarantee and indemnify the Company in respect to the Vendors’ obligations, undertakings, and liabilities under the agreement.

As of the date of the announcement, SUTL Global owned an aggregate of 132,313,009 shares, representing approximately 25.3% of the total issued shares of Achieva and also owns the entire issued and paid-up share capital of the Vendors. Accordingly, SUTL Global is considered an “interested person” and the Acquisition constitutes an “interested person transaction” as defined under Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual. Since the value of the Acquisition is more than 5% of the Company’s latest audited net tangible assets, the Acquisition will require the approval of the shareholders of the Company (“**Shareholders**”). Accordingly, we have been engaged by the Directors to undertake independent valuations (“**Independent Valuations**”) of the Targets.

Unless otherwise stated, words and expressions defined in the circular in connection with the Acquisition (the “**Circular**”) have the same meaning in this letter.



Achieva Limited
Independent valuation summary letter

This letter has been prepared for the Directors for the purpose of incorporation as an appendix to the Circular and is a summary of the information contained in our Independent Valuation Report dated December 2014 (the “**Report**”). Accordingly, this letter should be read in conjunction with the full text of the Report.

2. Terms of Reference

Scope

The objective of this letter is to provide an independent view of the fair market value of the future operating cash flows of the Targets assessed as of 30 June 2014 (the “**Valuation Date**”) on a stand-alone basis.

Fair market value is defined as the amount at which an asset could be exchanged between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting in an arm's length transaction, in an open and unrestricted market.

We are not expressing an opinion on the commercial merits and structure of the Acquisition, and accordingly this letter and the Report do not purport to contain all the information that may be necessary or desirable to fully evaluate the commercial or investment merits of the Acquisition. Our work is not addressed to and should not be construed as investment advice to the current and prospective investors of Achieva.

We have not conducted a comprehensive review of the operational or financial condition of the Targets, and accordingly this letter and our Report do not make any representation or warranty, express or implied, in this regard.

The scope of our engagement does not require us to express, and we do not express, a view on the future prospects of Achieva and the Targets. We are therefore not expressing any views on the future trading price of the shares of Achieva or the financial condition or performance of the Company and the Targets.

Our opinion is based on prevailing market, economic, regulatory, industry and other conditions as of the Valuation Date. Such conditions can change over relatively short periods of time. Any subsequent changes in these conditions may have an impact upon the value, either positively or negatively. Neither KPMG Corporate Finance nor any of our affiliates worldwide are responsible for updating our conclusions set out in this letter or the Report because of events or transactions occurring subsequent to the date of this letter and the Report.

Our terms of reference do not require us to provide advice on legal, regulatory, accounting, property or taxation matters and where specialist advice has been obtained by Achieva and made available to us, we have considered and relied upon such advice where appropriate.

Our work is not of the same nature as an audit, and does not constitute an audit. We are not therefore issuing an audit opinion and no assurance is expressed.

The Directors have been separately advised by their own legal advisers in the preparation of the Circular other than this letter and the Report. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this letter and the Report. Accordingly, we assume no responsibility for, and express no views, whether express or implied, on the contents of the Circular except for this letter and the Report.



Use of our letter and the Report

This letter and the Report are addressed to, and for the use and benefit of the Directors for the purpose as set out above, and accordingly neither this letter nor the Report may be used or relied upon, nor confer any benefit to, any other person (including without limitation, the current and prospective investors of Achieva). While a copy of this letter may be incorporated in the Circular, we assume no responsibility for and do not consent to the reproduction or dissemination of all or any part thereof for any other purpose. Any recommendations made by the Directors to the current and prospective investors shall remain the responsibility of the Directors.

Reliance on information and representation

In preparing this letter and the Report, we have relied on information and representations made to us by the management of the Company and Targets as well as their professional advisors, and other publicly available information. We do not accept any responsibility for such information and have not independently verified any of the information or representations provided to us. Accordingly, we do not make any representation, or warranty, expressed or implied, as to the accuracy, reasonableness or completeness of such information or representation.

We have satisfied ourselves, so far as possible, that the information presented in the letter and the Report is consistent with other information which was made available to us in the course of our work in accordance with the terms of reference. We have not, however, sought to establish the reliability of the sources by reference to other evidence and do not assume any responsibility to do so.

The Directors have confirmed, upon making all necessary enquiries and to the best of their respective knowledge and belief, that the information provided to us is correct and is in all material respects accurate and complete, fair in the manner of its portrayal, and forms a reliable basis for our Independent Valuations. In addition, the Directors confirmed that there are no other matters or information, the omission of which would cause any information disclosed to us to be inaccurate or misleading in any material respect.

In no circumstances shall KPMG Corporate Finance be liable, other than in the event of our bad faith or wilful default, for any loss or damage of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by the Directors, employees, or agents or any person of whom we may have made inquiries of during the course of our work.

3. Valuation Methodology

In arriving at fair market value for the equity interest of the Targets, we have considered three generally accepted approaches, namely, income approach, market approach and net asset value approach. We have assessed the fair market value of the Targets on a stand-alone basis as of the Valuation Date. We have used the discounted cash flow method under the income approach for SUTL Marina and have used the discounted cash flow method under the income approach, and comparable companies method under the market approach for One15 Luxury Yachting. Under the income approach, we have discounted the projected free cash flows of the Targets with appropriate discount rates having considered the relevant risk factors. Under the market approach, we have identified a list of comparable companies (“**Comparables**”) and estimated the valuation of the One15



Achieva Limited
Independent valuation summary letter

Luxury Yachting based on the enterprise value-to-earnings before interest, taxes, depreciation and amortisation (“EV/EBITDA”) multiple of these Comparables as of the Valuation Date. As the scope of our engagement is to assess the fair market value of the Targets, we have not included any synergies or costs incurred as a result of the Acquisition.

Our valuation is based, *inter alia*, on various assumptions with respect to the Targets, including their respective present and future financial conditions, business strategies and the environment in which the Targets will operate in the future. These assumptions are based on the information that we have been provided, and our discussions with or on behalf of the Directors as well as with the management of the Targets, and reflect current expectations and views regarding future events, and therefore necessarily involve known and unknown risks and uncertainties.

We have set out the key assumptions used in our Independent Valuations in the Report.

4. Conclusion

In summary and as detailed in the Report, which should be read in conjunction with this letter to the Directors, KPMG Corporate Finance has adopted the fair market value as the standard of value. Based on the valuation methodologies and assumptions noted above as well as in the Report, the indicative equity value of the Targets, as of 30 June 2014, is in the range from S\$20.2 million to S\$23.4 million.

Yours faithfully,
For and on behalf of
KPMG Corporate Finance Pte Ltd

A handwritten signature in black ink, appearing to read 'Vishal Sharma', written over a horizontal line.

Vishal Sharma
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

ACHIEVA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199307251M)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Achieva Limited (the “**Company**”) will be held at Constellation 1, ONE°15 Marina Club, #01-01, 11 Cove Drive, Sentosa Cove, Singapore 098497 on 5 June 2015 at 2.30 p.m. for the purpose of considering and, if thought fit, passing, with or without amendment, the following resolutions:

ORDINARY RESOLUTION 1

Approval for the Proposed Acquisition

That, subject to and contingent upon the passing of Ordinary Resolution 2 below:

- (a) the proposed acquisition by the Company (the “**Proposed Acquisition**”) of the entire issued and paid-up share capital of (I) SUTL Marina Development Pte. Ltd. and (II) One15 Luxury Yachting Pte. Ltd., (collectively, the “**TargetCos**”) from SUTL Leisure Pte Ltd and SUTL Investments Pte. Ltd. respectively (collectively, the “**Vendors**”), for an aggregate consideration of S\$21,000,000 (“**Purchase Consideration**”), on the terms and conditions set out in the conditional sale and purchase agreement dated 14 August 2014 (the “**Agreement**”), entered into between the Company, the Vendors, and SUTL Global Pte. Ltd. (“**SUTL Global**”) and the transactions contemplated under the Agreement be and are hereby approved;
- (b) the independent directors of the Company (“**Independent Directors**”) be and are hereby authorised to allot and issue 341,463,414 new ordinary shares in the issued share capital of the Company (“**Consideration Shares**”) to the Vendors or their nominees in full satisfaction of the Purchase Consideration in accordance with the terms of the Agreement;
- (c) the diversification by the Company and its subsidiaries into the business of the TargetCos be and is hereby approved; and
- (d) the Independent Directors be and are hereby authorised to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the Proposed Acquisition and/or the transactions contemplated under the Agreement and/or this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alteration or modification to any document (including the Agreement) and affix the Common Seal of the Company to any such documents, if required.

ORDINARY RESOLUTION 2

Approval for the Whitewash Resolution

THAT subject to and contingent upon the passing of Ordinary Resolution 1 above and the conditions in the letter from the Securities Industry Council of Singapore dated 3 September 2014 being fulfilled, the shareholders of the Company (other than (i) SUTL Global and the parties acting in concert with it; and (ii) parties not independent of the parties in (i)), do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a general offer from SUTL Global and the parties acting in concert with it in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers, for all the shares in the issued share capital of the Company not already owned by SUTL Global and the parties acting in concert with it, as a result of the allotment and issuance of the Consideration Shares to the Vendors or their nominees pursuant to the Proposed Acquisition.

NOTICE OF EXTRAORDINARY GENERAL MEETING

SPECIAL RESOLUTION 3

Approval for the Proposed Change of Name

That, subject to and contingent upon the passing of Ordinary Resolution 1 and Ordinary Resolution 2 above and the completion of the Proposed Acquisition (“**Completion**”):

- (a) approval be and is hereby given for the proposed change of name of the Company, with effect from Completion, from “Achieva Limited” to “SUTL Enterprise Limited” (the “**Proposed Change of Name**”) and that the name “SUTL Enterprise Limited” be substituted for “Achieva Limited” wherever the latter appears in the Company’s Memorandum and Articles of Association; and
- (b) the Directors and/or each of them and/or the Company Secretary of the Company be and are hereby authorised to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the Proposed Change of Name and/or this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alteration or modification to any document and affix the Common Seal of the Company to any such documents, if required.

BY ORDER OF THE BOARD
ACHIEVA LIMITED

Lew Syn Pau
Chairman (Non-Executive) and Independent Director
11 May 2015

Notes:

1. The Chairman of the extraordinary general meeting (“**EGM**”) will be exercising his right under Article 79(a) of the Articles of Association of the Company (“**Articles**”) to demand a poll in respect of the resolutions to be put to the vote of members at the EGM and at any adjournment thereof. Accordingly, such resolutions at the EGM will be voted on by way of poll.²²
2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Notwithstanding the above but subject otherwise to the Articles, a member who is a Depository Agent shall be entitled to appoint any Sub-Account Holder as proxy to attend and vote at the EGM in respect of such number of shares as are held by each Sub-Account Holder in an account maintained with that Depository Agent.

If the Depositor is a Depository Agent, the instrument of proxy is to be accompanied by a confirmation in writing in the common form, signed by, or on behalf of, the Depository Agent confirming that such Sub-Account Holder is the holder of an account maintained with that Depository Agent in respect of the number of shares specified in the proxy form.

4. The instrument or form appointing a proxy or proxies in the case of an individual shall be signed by the appointor or his/her attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
5. A Member which is a body corporate may also appoint an authorised representative or representatives in accordance with Section 179 of the Companies Act, Cap. 50, to attend and vote for and on behalf of such body corporate.
6. The instrument or form appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 100J Pasir Panjang Road, #05-00 SUTL House, Singapore 118525 not less than 48 hours before the time appointed for the EGM in order for the proxy to be entitled to attend and vote at the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A Depositor's name must appear on the Depository's Register maintained by The Central Depository (Pte) Limited 48 hours before the time appointed for the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ACHIEVA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199307251M)

PROXY FORM**IMPORTANT**

1. For investors who have used their CPF monies to buy the Company's shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Extraordinary General Meeting and vote, must submit their voting instructions to their CPF Approved Nominees so that their CPF Nominees may register, within the specified time frame, with the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data terms set out in the Notice of Extraordinary General Meeting dated 11 May 2015.

I/We _____ (NRIC / Passport No./ Company Registration) _____ of

_____ (Address)

being a member/members of Achieva Limited ("**Company**"), hereby appoint:-

| Name | Address | NRIC/ Passport Number | Proportion of Shareholdings to be represented by Proxy | |
|--------------------------------|---------|-----------------------------|--|---|
| | | | Number of shares | % |
| | | | | |
| And/or (delete as appropriate) | | | | |
| | | | | |

or failing him/her/them, the Chairman of the Extraordinary General Meeting ("**EGM**") of the Company, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the EGM of the Company to be held at Constellation 1, ONE°15 Marina Club, #01-01, 11 Cove Drive, Sentosa Cove, Singapore 098497 on 5 June 2015 at 2.30 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the ordinary resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any matter arising at the EGM and at any adjournment thereof.

| | *NO. OF VOTES FOR | *NO. OF VOTES AGAINST |
|---|----------------------|--------------------------|
| Ordinary Resolution 1 To approve the Proposed Acquisition | | |
| Ordinary Resolution 2 To approve the Whitewash Resolution | | |
| Special Resolution 3 To approve the Proposed Change of Name | | |

* If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2015.

Signature(s) of member(s)/Common Seal of corporate member

| Total number of shares in: | No. of shares |
|----------------------------|---------------|
| (a) CDP Register | |
| (b) Register of Members | |
| Total | |

IMPORTANT

PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



Notes:-

1. A member should insert the total number of ordinary shares in the capital of the Company (“**Shares**”) held. If the member has Shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members, he should insert that number of Shares. If a member has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members, he should insert the aggregate number of Shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all Shares held by the member.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member of the Company appoints more than one proxy, he shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. Notwithstanding the above but subject otherwise to the Articles of Association of the Company, a member who is a Depository Agent shall be entitled to appoint any Sub-Account Holder as proxy to attend and vote at the Extraordinary General Meeting of the Company in respect of such number of Shares as are held by each Sub-Account Holder in an account maintained with that Depository Agent.

If the Depositor is a Depository Agent, the instrument of proxy is to be accompanied by a confirmation in writing in the common form, signed by, or on behalf of, the Depository Agent confirming that such Sub-Account Holder is the holder of an account maintained with that Depository Agent in respect of the number of shares specified in the proxy form.

5. This instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 100J Pasir Panjang Road, #05-00 SUTL House, Singapore 118525 not less than 48 hours before the time appointed for the Extraordinary General Meeting.
6. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member of the Company from attending and voting at the Extraordinary General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member of the Company attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Extraordinary General Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
9. A corporation which is a member of the Company may, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

The Company shall also be entitled to reject any instrument of proxy lodged by the Depositor Agent appointing any Sub-Account Holder as proxy unless the instrument of proxy is accompanied by a confirmation in writing in the common form signed by, or on behalf, the Depository Agent.
11. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member of the Company, being the appointor, is not shown to have Shares entered against his/her names in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.