

**PROPOSED SALE OF SHARES REPRESENTING 51% OF THE
ENTIRE ISSUED AND PAID-UP CAPITAL OF ACHIEVA TECHNOLOGY PTE. LTD.**

1. INTRODUCTION

The board of directors (“**Board**”) of SUTL Enterprise Limited (“**Company**”) wishes to announce that the Company has on 8 January 2016 entered into a sale and purchase agreement (“**SPA**”) with SCE Enterprise Pte. Ltd, (“**SCE**”) and Serial System Ltd (“**Serial**”), pursuant to which the Company has agreed to sell to SCE an aggregate of 20,400,000 ordinary shares in the share capital of Achieva Technology Pte Ltd (“**ATPL**”) (the shares, “**Sale Shares**”) on the terms and subject to the conditions contained in the SPA (the “**Proposed Sale**”). The Sale Shares represent fifty-one per cent. (51%) of the entire issued and paid-up capital of ATPL.

2. INFORMATION ON ATPL AND SERIAL

- 2.1 As at the date of the SPA, the Company owns 20,400,000 ordinary shares in the share capital of ATPL representing fifty-one per cent. (51%) of the entire issued and paid-up capital of ATPL, and ATPL is a subsidiary of the Company. As at the date of the SPA, ATPL has an issued and paid up share capital of S\$40,000,000 consisting of 40,000,000 ordinary shares, and SCE, a wholly-owned subsidiary of Serial, owns the shares of ATPL which are not owned by the Company.
- 2.2 ATPL and its subsidiaries (the “**ATPL Group**”) are in the business of the distribution of information technology and computer peripherals, parts, software and related products. The subsidiaries of ATPL are Achieva Technology Sdn Bhd (“**ATSB**”) and Achieva Technology Australia Pty Ltd (“**ATA**”).
- 2.3 As announced by the Company on 14 August 2014, the Company entered into a sale and purchase agreement with Serial, pursuant to which the Company agreed to sell to Serial an aggregate of 19,600,000 ordinary shares in the share capital of ATPL, for a consideration of S\$5,075,239, which shares represented forty-nine per cent. (49%) of the entire issued and paid-up share capital of ATPL at the completion of that sale and purchase. As announced by the Company on 30 September 2014, the sale and purchase was completed on 30 September 2014. Accordingly, 19,600,000 ordinary shares in the capital of ATPL were transferred by the Company to SCE as nominee of Serial.
- 2.4 Serial is listed on the main board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). SCE, which is a wholly-owned subsidiary of Serial, is an investment holding and trading company.

3. PRINCIPAL TERMS OF THE SPA

Consideration

- 3.1 The aggregate purchase consideration payable by SCE to the Company for the purchase of the Sale Shares is S\$2,386,800.00 (“**Purchase Consideration**”). The Purchase Consideration was arrived at on a willing-seller-willing-buyer basis, taking into account the information provided and exchanged by both parties prior to the SPA, and taking into account the consolidated net asset value of ATPL, ATSB and ATA as at 30 September 2015 as reflected in the unaudited accounts of

ATPL and its subsidiaries which were prepared in accordance with generally accepted accounting principles in Singapore (“**Unaudited Accounts**”).

- 3.2 The Purchase Consideration shall be satisfied by SCE in cash, and shall be paid by SCE to the Company in the following manner:
- (a) the sum of S\$1,386,800.00 shall be paid on Completion Date (as defined at paragraph 3.7 below); and
 - (b) the sum of S\$100,000.00 on the first business day of each calendar month commencing February 2016 until the balance sum of S\$1,000,000.00 is paid, save that SCE shall be entitled to withhold the final payment of S\$100,000 (the “**Final Payment**”) to the Company in the event the winding up of Achieva Technology Vietnam Co. Ltd (“**ATVN**”) and Achieva Service Centre Sdn Bhd (“**ASCSB**”) is not completed on the date the Final Payment is due provided the Final Payment shall be immediately due and payable by SCE to the Company (if the date the Final Payment is due has passed) upon the completion of the winding-up of ATVN and ASCSB.

Conditions Precedent

- 3.3 Completion of the sale and purchase of the Sale Shares pursuant to the provisions of the SPA (“**Completion**”) shall be conditional upon certain conditions (collectively, the “**Conditions Precedent**” and each, a “**Condition Precedent**”) having been fulfilled (or waived by SCE or the Company in writing, as the case may be) on or before the Completion Date (as defined below), which include, *inter alia*, the following:
- (a) all licences, consents, permits, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with the SGX-ST, all relevant government departments, regulators, authorities, central bank (including, without limitation, the Securities Industry Council (“**SIC**”) and/or Monetary Authority of Singapore (“**MAS**”) as may be required), third party contractors, counterparties, financing or facility providers of the Company and its subsidiaries (the “**SUTL Group**”) as may be required for or in connection with the sale and purchase of the Sale Shares and all the transactions envisaged under the SPA, having been obtained, and not having been withdrawn, revoked or amended and if subject to any conditions, such conditions being mutually acceptable to the Parties and are fulfilled and complied with;
 - (b) the boards of directors and the shareholders (if required) of each of the Company and SCE approving the sale and purchase of the Sale Shares in accordance with this Agreement;
 - (c) due and complete compliance by the parties hereto in respect of all requirements prescribed by the relevant laws and regulations governing the sale and purchase of the Sale Shares and all the Transactions envisaged under the SPA, including, but not limited to, the relevant provisions under the Companies Act (Cap. 50) of Singapore, the relevant requirements prescribed under the Listing Manual of the SGX-ST (the “**Listing Manual**”), the compliance of the relevant requirements and directions of the SGX-ST (if any) and all relevant rules, regulations and laws prescribed by any relevant competent authority having jurisdiction over the respective parties and/or governing the transactions contemplated under the SPA;

- (d) the resignation of each of Chan Kum Tao, Tay Teng Guan Arthur and Tay Teng Hock as a director of the Company, ATA and ATSB;
 - (e) the full release and discharge of the SUTL Group from all guarantees provided by the SUTL Group in connection with the Company, ATA, ATSB, ATVN and/or ASCSB obtaining financing from third party financial institutions; and
 - (f) the full settlement by the Company, ATA and/or ATSB of all inter-company loans owing to the SUTL Group.
- 3.4 Unless specifically waived by the respective entitled party, if any of the Conditions Precedent is not fulfilled on or before the Completion Date (as defined below) or such later date as the parties may agree to in writing, the respective entitled party may at any time prior to the Completion Date by notice in writing to the defaulting party defer the Completion Date to such date as the entitled party shall prescribe or rescind the SPA, whereupon in the latter case, the SPA shall be deemed to be rescinded and of no further force or effect and neither party shall have any claim against the other party for costs, damages, compensation or otherwise save for such rights and remedies as shall have accrued at the date of rescission arising from any antecedent breach of the SPA.
- 3.5 The parties agree that they shall each take all actions and do all things necessary for the purpose of enabling the Conditions Precedent to be satisfied.

Completion

- 3.6 Completion shall take place as soon as practicable after the date of the SPA as the parties may mutually agree in writing, and failing agreement, shall take place on 29 January 2016 ("**Completion Date**").

Covenants and undertakings in relation to ATVN and ASCSB

- 3.7 The Company has undertaken to take all steps necessary to wind-up ATVN and ASCSB in accordance with applicable laws and the Company shall bear all the costs and/or expenses in relation thereto and each of SCE and Serial undertakes at its own costs to extend full assistance to the Company in connection with the winding up of ATVN and ASCSB. For the avoidance of doubt, the failure by the Company to wind-up ATVN and ASCSB shall not be deemed a breach of the SPA.

4. RATIONALE AND SALE PROCEEDS

- 4.1 The ATPL Group has been loss-making since 2013. The ATPL Group incurred a net loss of approximately S\$6.52 million and approximately S\$2.87 million in the financial year ended 31 December ("**FY**") 2013 and FY2014 (based on the audited accounts of ATPL and its subsidiaries for these years).

Based on the unaudited consolidated accounts of the Company for the period ended 30 September 2015 and taking into consideration the acquisition of SUTL Marina Development Pte. Ltd. ("**SUTL Marina Development**") and One15 Luxury Yachting Pte Ltd ("**One15 Luxury Yachting**"), the ATPL Group incurred a net loss of approximately S\$2.89 million and the SUTL Group incurred a net loss of approximately S\$0.18 million. Excluding the losses incurred by ATPL and its subsidiaries, the SUTL Group would have reported net profits of S\$2,713,689 for the period ended 30 September 2015.

Earlier, in view of the slowdown in the IT peripherals markets and the intense competition faced in this industry as a result of the glut of inventory in the hard disk market, the Company expected the

demand in the IT peripherals market for FY2015 to remain weak and to result in downward pressures on the SUTL 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 SCE as nominee of Serial.

The Company expects the market conditions in which ATPL and its subsidiaries operate to remain challenging.

It would be to the benefit of the Company to dispose of its shareholding interest in ATPL, so that its financial performance does not get adversely affected further. Other than the business undertaken by ATPL and its subsidiaries, the business of the SUTL Group also comprises the marina division as undertaken by SUTL Marina Development and One15 Luxury Yachting.

- 4.2 The net asset value of the Sale Shares, based on fifty-one per cent. (51%) of the consolidated net asset value of ATPL and its subsidiaries as at 30 September 2015 as reflected in the management accounts of the Company and its subsidiaries was approximately S\$2.77 million .

Based on the audited accounts of ATPL, for the financial year ended 31 December 2014 ("FY2014"), the net loss attributable to the Sale Shares was approximately S\$1.46 million being the loss recorded by ATPL, ATSB and ATA, after certain adjustments. The net loss on disposal, is approximately S\$2.50 million to the Company.

The net proceeds from the Proposed Sale, after deducting the estimated costs and expenses to be incurred in connection with the Proposed Sale, is approximately S\$2.38 million. It is the current intention that the net proceeds from the Proposed Sale will be used for working capital purposes of the Company and for any new business or acquisition opportunities that may be available from time to time, as may be approved by the Board.

5. FINANCIAL EFFECTS OF THE SALE

The financial effects of the Proposed Sale as set out below were prepared based on the audited consolidated accounts of the SUTL Group for FY2014 and subject to the following main assumptions:-

- (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 SUTL Group after the Proposed Sale. The financial effects of the Proposed Sale are prepared based on the audited consolidated financial statements of the SUTL Group for FY2014 however, the number of shares for the financial effects relating to the net tangible asset value ("NTA") and the consolidated earnings per share ("EPS") of the Company is based on the number of issued Shares (excluding treasury shares) as at the date of this Announcement being 86,460,602 ordinary shares.;
- (b) for the purpose of computing the consolidated earnings and consolidated EPS of the Company after the Proposed Sale, it is assumed that the Proposed Sale was effected on 1 January 2014;
- (c) for the purpose of calculating the consolidated NTA per share of the Company after the Proposed Sale, it is assumed that the Proposed Sale was completed on 31 December 2014; and
- (d) the completion of the acquisition of the entire issued and paid-up share capital of SUTL Marina Development Pte. Ltd. and One15 Luxury Yachting Pte. Ltd. from SUTL Leisure Pte. Ltd. and SUTL Investments Pte. Ltd. ("**SUTL Acquisition**") having taken place on 1 January 2014.

(i) **Loss Per Share**

	Before the completion of the SUTL Acquisition⁽¹⁾, the Share Consolidation⁽²⁾ and the Proposed Sale	After the completion of the SUTL Acquisition and the Proposed Share Consolidation but before the completion of the Proposed Sale	After the completion of the SUTL Acquisition, the Proposed Share Consolidation and the Proposed Sale
Loss attributable to shareholders (\$,000)	6,335	3,768	2,302
Weighted average number of Shares	523,142,696	86,460,602	86,460,602
Loss per Share (cents)	1.21	4.36	2.66

Note:-

- (1) The Company announced on 10 June 2015, that on the completion of the SUTL Acquisition, the Company issued 341,463,414 Shares to SUTL Global Pte. Ltd.
- (2) The Company announced on 2 November 2015, that the share consolidation of every ten (10) existing ordinary shares in the capital of the Company into one (1) ordinary share had been completed.

(ii) **NTA per Share**

	Before the completion of the SUTL Acquisition⁽¹⁾, the Share Consolidation⁽²⁾ and the Proposed Sale	After the completion of the SUTL Acquisition and the Proposed Share Consolidation but before the completion of the Proposed Sale	After the completion of the SUTL Acquisition, the Proposed Share Consolidation and the Proposed Sale
NTA (\$'000)	27,645	49,661	47,160
Number of Shares	523,142,696	86,460,602	86,460,602
NTA per Share (cents)	5.28	57.44	54.55

Note:-

- (1) The Company announced on 10 June 2015, that on the completion of the SUTL Acquisition, the Company issued 341,463,414 Shares to SUTL Global Pte. Ltd.
- (2) The Company announced on 2 November 2015, that the share consolidation of every ten (10) existing ordinary shares in the capital of the Company into one (1) ordinary share had been completed.

6. CHAPTER 10 OF THE LISTING MANUAL

Relative Figures

6.1 The relative figures for the proposed sale using the applicable bases of comparison under Rule 1006 of the Listing Manual based on the unaudited consolidated accounts of the Company for the period ended 30 September 2015 are as follows:

Rule 1006(a)	The NAV of the Sale Shares being the assets to be disposed of, compared with the SUTL Group's NAV	5.3%
Rule 1006(b)	The net profits attributable to the Sale Shares, compared with the SUTL Group's net profits.	830.9 ¹ %
Rule 1006(c)	The aggregate value of the Purchase Consideration, compared with the Company's market capitalization.	6.9%
Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the SUTL Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Waiver from compliance with Rule 1014(2) of the Listing Manual

6.2 The proposed sale of the shares will constitute a "major transaction" within the meaning of Chapter 10 of the SGX-ST Listing Manual, as computed on the above bases, for which shareholders' approval would ordinarily be required to be obtained at an extraordinary general meeting ("**EGM**") of the Company. As the components of the relative figure in respect of Rule 1006(b) of the Listing Manual are negative, the Company consulted the SGX-ST as to whether Rule 1014(2) of the Listing Manual would be applicable to the Proposed Sale. The SGX-ST had on 15 December 2015 advised that although Rule 1014 of the Listing Manual is applicable to the Proposed Sale they would waive Rule 1014(2) of the Listing Manual (the "**Waiver**") subject to the following:

¹ The ATPL Group incurred a net loss of approximately S\$2.89 million and the SUTL Group incurred a net loss of approximately S\$0.18 million. The components of the relative figure are negative because the ATPL Group was loss-making.

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver and the conditions as required under Listing Rule 107; and
- (b) submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

Reasons for seeking the Waiver

6.3 The Company consulted the SGX-ST on the following grounds:

- (a) the ATPL Group has been loss-making since 2013. The ATPL Group incurred a net loss of approximately S\$6.52 million and approximately S\$2.87 million in FY2013 and FY2014 (based on the audited accounts of ATPL and its subsidiaries for these years);
- (b) based on the unaudited consolidated accounts of the Company for the period ended 30 September 2015 and taking into consideration the SUTL Acquisition, the ATPL Group incurred a net loss of approximately S\$2.89 million and the SUTL Group incurred a net loss of approximately S\$0.18 million. If these figures were compared, the resulting relative figure would be 830.9%;
- (c) the ATPL Group contributed approximately 830.9% of the loss of the SUTL Group for the period ended 30 September 2015 (based on the unaudited accounts of the ATPL Group and the Company for the same period). Excluding the losses incurred by the ATPL Group, the SUTL Group would have reported net profits of S\$2,713,689 for the period ended 30 September 2015; and
- (d) it would be in the interests of the Company to dispose of its shareholding in ATPL as soon as practicable, so that its financial performance does not get adversely affected further.

Written Confirmation to the SGX-ST

6.4 The Company has, on 18 December 2015, submitted to the SGX-ST the written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

Waiver from the EGM

6.5 As the SGX-ST has granted the Waiver to the Company, the Company will not be convening an EGM to seek shareholders' approval for the Proposed Sale and accordingly will not be despatching a circular to shareholders in relation thereto.

Conditions under Rule 107 of the Listing Manual (as required by the SGX)

6.6 Rule 107 of the Listing Manual states that where a waiver is granted by the SGX-ST, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company (other than in their capacity as a director or shareholder of the Company) have any interest, direct or indirect, in the SPA.

8. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Sale. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be available for inspection by the shareholders of the Company, at the registered office of the Company at 100J Pasir Panjang Road, #05-00 SUTL House, Singapore 118525 during normal business hours for a period of three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD

TAY TENG GUAN ARTHUR
Executive Director and CEO

8 January 2016