

SUTL ENTERPRISE LIMITED
Incorporated in the Republic of Singapore
(Company Registration No. 199307251M)

ENTRY INTO SHARE SALE AND PURCHASE AGREEMENT BY ONE15 MARINA HOLDINGS PTE. LTD., A WHOLLY OWNED SUBSIDIARY OF THE COMPANY IN RESPECT OF A PROPOSED MARINA TO BE LOCATED IN MAKHAM BAY, PHUKET

1. INTRODUCTION

The board of Directors (the “**Board**”) of SUTL Enterprise Limited (the “**Company**”) wishes to announce that a wholly-owned subsidiary of the Company, ONE15 Marina Holdings Pte. Ltd. (“**ONE15 MHPL**”), formerly known as SUTL Marina Holdings Pte. Ltd., has on 22nd February 2018 entered into a conditional share sale and purchase agreement (the “**SSPA**”) with Glory Management Co., Ltd. (“**GM**”), Myi Jarupash (“**MJ**”), Phutaporn Jarupash (“**PJ**”), Rachan Wongsiri (“**RW**”) and Kanithasen Wongsiri (“**KW**”) (collectively, the “**Sellers**”), in relation to the proposed subscription and purchase of an aggregate of 1,152,000 ordinary shares in Makham Bay Marina Co., Ltd. (“**MBMCL**”) (the proposed subscription and purchase, the “**Proposed Subscription and Purchase**”). MBMCL is a private limited company registered and duly existed under the laws of Thailand, and the 1,152,000 ordinary shares will represent 60% of the enlarged registered capital of MBMCL as at the date of the completion of the Proposed Subscription and Purchase.

The Proposed Subscription and Purchase is in the ordinary course of business, thus it is not subject to the rules under Chapter 10, save for the rules in respect of very substantial acquisitions or reverse takeovers, of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

2. INFORMATION ON MBMCL AND THE SELLERS

MBMCL is a private limited company registered and duly existed under the laws of Thailand having its Registration No. 0105552080148, its registered address at No. 85 Bangna-Trad 42, Bangna-Trad Road, Bangna Sub-district, Bangna District, Bangkok 10260, Thailand and its registered branch at No. 56/17 Moo 2, Rassada Sub-district, Muang Phuket District, Phuket Province 83000, Thailand. As at the date of the SSPA, MBMCL has a registered capital of 120,000,000 Thai Baht (approximately S\$5,027,000) comprising 1,200,000 ordinary shares, all of which have a par value of 100 Thai Baht (approximately S\$4.3478) each.

MBMCL has construction permits and development rights for a proposed marina to be located in Makham Bay, Phuket, Thailand (the “**Proposed Makham Bay Marina**”), and it holds a 30-year lease, commencing from 19 June 2016 for the land for Proposed Makham Bay Marina.

As at the date of the SSPA, the Sellers are the shareholders of the 1,200,000 ordinary shares in MBMCL as follows:-

- (a) GM, a private limited company registered under the laws of Thailand, Reg. No. 0105541031914, having its registered address at 999/211 Soi Kesinee Ville, Pracha-Uthit Road, Samsen Nok Sub-District, Huai Khwang District, Bangkok 10250, Thailand, is holding 600,000 ordinary shares under the Share Nos. 78001 to 678000 being 50% of the ordinary shares in MBMCL;

- (b) MJ is holding 378,000 ordinary shares under the Share Nos. 1 to 78000, 678001 to 828000, 978001 to 1098000 and 1098001 to 1128000 being 31.50% of the shares in MBMCL;
- (c) PJ is holding 150,000 ordinary shares under the Share Nos. 828001 to 978000 being 12.50% of the ordinary shares in MBMCL;
- (d) RW is holding 36,000 ordinary shares under the Share Nos. 1128001 to 1164000 being 3% of the ordinary shares in MBMCL; and
- (e) KW is holding 36,000 ordinary shares under the Share Nos. 1164001 to 1200000 being 3% of the ordinary shares in MBMCL.

Pursuant to the SSPA, ONE15 MHPL wishes to purchase an aggregate of 451,600 ordinary shares (the "**Sale Shares**") from the Sellers and the Sellers wish to sell the Sale Shares to ONE15 MHPL, and ONE15 MHPL shall subscribe for all the Subscription Shares (as defined below). Further, ONE15 MHPL is required to transfer to MBMCL's bank account, S\$4,372,626.00 as a loan to MBMCL.

On or before the date that ONE15 MHPL acquires the Subscription Shares or the Sale Shares, the parties to the SSPA are required to enter into a shareholders agreement. The construction cost of the Proposed Makham Bay Marina is estimated to be approximately S\$24.3 million. MBMCL intends to obtain bank borrowings of approximately S\$17.2 million. In the event that MBMCL is unable to obtain such bank borrowings, the Company or ONE15 MHPL is prepared to give MBMCL a further loan for this amount subject to satisfactory terms and conditions being agreed by both parties, which loan will be funded through the Company's internal cash resources.

3. THE PROPOSED SUBSCRIPTION AND PURCHASE

3.1. Principal Terms of the SSPA

Under the SSPA:

- (a) subject to the terms and conditions set out in the SSPA, MJ shall first sell 1 ordinary share under the Share No. 1128000 to ONE15 MHPL, so that ONE15 MHPL becomes a new shareholder of MBMCL on the date agreed between MJ and ONE15 MHPL;
- (b) the parties as the shareholders of MBMCL shall hold an extraordinary general meeting (the "**EGM**") to approve:
 - (i) the capital increase of MBMCL from 120,000,000 Thai Baht (approximately S\$5,217,000) to 187,100,000 Thai Baht (approximately S\$8,135,000) by issuing 671,000 new ordinary shares with a par value of 100 Thai Baht each (approximately S\$4.3478) for the capital increase of MBMCL (the "**Subscription Shares**"); and
 - (ii) the transfer of the Sale Shares to ONE15 MHPL.

The date of the EGM (the "**EGM Date**") shall be before the Completion Date (as defined below). The Sellers shall waive their pre-emption rights and shall not subscribe for any of the Subscription Shares and ONE15 MHPL shall subscribe for all the Subscription Shares. After the capital increase of MBMCL, ONE15 MHPL shall hold 671,001 ordinary shares in MBMCL, representing 35.86% of the enlarged registered capital of MBMCL; and

- (c) subject to the terms and conditions set out in the SSPA, on the date on which all the conditions precedent set out in the SSPA have duly been fulfilled (the "**Completion Date**"), the Sellers shall sell the Sale Shares (excluding the 1 ordinary share referred to in paragraph 3.1(a)) to

ONE15 MHPL and ONE15 MHPL shall purchase the Sale Shares (excluding the 1 ordinary share referred to in paragraph 3.1(a)) from the Sellers as follows:

- (i) 319,350 ordinary shares under the Share Nos. 358651 to 678000 from GM to ONE15 MHPL;
- (ii) 83,317 ordinary shares under the Share Nos. 1044683 to 1127999 from MJ to ONE15 MHPL, in addition to the 1 ordinary share referred to in paragraph 3.1(a);
- (iii) 33,062 ordinary shares under the Share Nos. 9944939 to 978000 from PJ to ONE15 MHPL;
- (iv) 7,935 ordinary shares under the Share Nos. 1156066 to 1164000 from RW to ONE15 MHPL; and
- (v) 7,935 ordinary shares under the Share Nos. 1192066 to 1200000 from KW to ONE15 MHPL.

Following the completion of the Proposed Subscription and Purchase, the shareholders of MBMCL and their shareholding interests will be as follows:

Names of the Shareholders	No. of ordinary shares with a par value of 100 Thai Baht each	Percentage Shareholding (%)
ONE15 MHPL	1,122,600	60.00
GM	280,650	15.00
MJ	294,682	15.75
PJ	116,938	6.25
RW	28,065	1.50
KW	28,065	1.50
Total:	1,871,000	100.00

3.2. Conditions precedent

The completion of the Proposed Subscription and Purchase shall be conditional upon certain conditions having duly been fulfilled and satisfied on or before the EGM Date or the Completion Date, including the following:

On or before the EGM Date:

- (a) the outcomes of all legal, commercial and financial due diligence investigations on MBMCL (including but not limited to due diligence on the land, water area and other assets to be transferred and rights to be granted to MBMCL pursuant to the SSPA) have been satisfactory to ONE15 MHPL in its sole and absolute discretion;
- (b) the board of directors meeting of GM having been held to approve the executions of the SSPA and the shareholders agreement between the parties and to appoint their authorized representatives for the said execution;
- (c) the parties having duly executed the shareholders agreement on terms satisfactory to both parties;
- (d) ONE15 MHPL having acquired 1 ordinary share from MJ referred to in paragraph 3.1(a);

- (e) the approvals for (i) amending the shareholding ratio in MBMCL; and (ii) the amendment of the current project of MBMCL as specified under its Investment Promotion Certificate No. 59-1388-0-00-1-0 dated 26th October 2016 (the “**BOI Certificate**”) having been granted by the Board of Investment Promotion (the “**BOI**”) of Thailand;
- (f) the EGM having been held;

On or before the Completion Date

- (g) the capital increase of MBMCL being registered with the Ministry of Commerce of Thailand (the “**MOC**”);
- (h) an updated list of shareholders of MBMCL, showing that ONE15 MHPL holds the Subscription Shares and the Sale Shares in MBMCL, being filed with the MOC; and
- (i) ONE15 MHPL having transferred to MBMCL’s bank account, S\$4,372,626.00 as a loan to MBMCL.

3.3. Consideration for the Proposed Subscription and Purchase

The consideration payable for the Subscription Shares is S\$2,917,373.80, equivalent to 67,100,000 Thai Baht (the “**Subscription Consideration**”). The Subscription Consideration is payable in cash to MBMCL within 7 days from the EGM Date. The Subscription Consideration is equivalent to the par value of 100 Thai Baht (approximately S\$ 4.3478) per ordinary share.

The aggregate consideration payable for the Sale Shares is S\$2,710,587.53 (the “**Sale Consideration**”). The Sale Consideration is payable in cash to the Sellers on the Completion Date. The Sale Consideration was arrived at on a “willing-buyer, willing-seller” basis, taking into consideration the net tangible asset value of MBMCL.

The total consideration payable for the Subscription Shares and all of the Sale Shares is S\$5,627,961.33.

Based on the latest available audited accounts of MBMCL as at 31 December 2016, the book value and net tangible asset value of the Subscription Shares and the Sale Shares, which would in aggregate represent 60% of the enlarged registered capital of MBMCL as at the Completion Date, is approximately 107,283,000 Thai Baht (approximately S\$4,664,000).

4. RATIONALE

The Proposed Subscription and Purchase provides the Company with an opportunity to have a presence in and to introduce the ONE15 marina branding to Phuket, which is regarded by some as the yachting capital of Asia.

As stated in the Company’s Q3 2017 result announcement dated 9th November 2017, the Company will continue to seek opportunities in the integrated marina business globally. The Proposed Subscription and Purchase is in line with the current core business of the Company and its subsidiaries (the “**Group**”). The Proposed Subscription and Purchase is in the ordinary course of business of the Group.

5. SOURCE OF FUNDS

The Proposed Subscription and Purchase will be funded through the Company's internal cash resources.

6. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION AND PURCHASE

For illustrative purposes only, the financial effects of the Proposed Subscription and Purchase on the net tangible assets ("**NTA**") of the Group, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 is set out below.

The pro forma financial effects are presented for illustrative purposes only and are not intended to reflect the actual future financial position of the Group following the completion of the Proposed Subscription and Purchase.

NTA per share

Such pro forma financial effects have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016, on the assumption that the financial effects of the Proposed Subscription and Purchase on the NTA per share of the Group are computed assuming that the Proposed Subscription and Purchase was completed on 31 December 2016.

	NTA as at 31 December 2016 (S\$'000)	Number of issued shares as at 31 December 2016 (excluding treasury shares) ('000)	NTA per share (cents)
Before Proposed Subscription and Purchase	54,222	86,461	62.71
After Proposed Subscription and Purchase	53,258	86,461	61.60

EPS

Such pro forma financial effects have been computed based on the audited consolidated financial statements of the Group the financial year ended 31 December 2016, on the assumption that the financial effects of the Proposed Subscription and Purchase on the earnings per share ("**EPS**") of the Group are computed assuming that the Proposed Subscription and Purchase was completed on 1 January 2016.

	Net profit attributable to shareholders (S\$'000)	Number of issued shares as at 1 January 2016 (excluding treasury shares) ('000)	EPS (cents)
Before the Proposed Subscription and Purchase	3,854	86,461	4.46
After the Proposed Subscription and Purchase	3,827	86,461	4.43

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, save through their shareholdings in the Company.

BY ORDER OF THE BOARD

TAY TENG GUAN ARTHUR
Executive Director and CEO

22nd February 2018