



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

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

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

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**PROPOSED ACQUISITION BY THE COMPANY OF THE ENTIRE ISSUED AND PAID-UP
SHARE CAPITAL OF ALEXANDER RESOURCE LIMITED – UPDATES**

The board of Directors (the "**Board**") of Sunlight Group Hldg Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement made by the Company on 6 May 2013 ("**6 May 2013 Announcement**") in relation to the non-binding term sheet ("**Term Sheet**") entered into with Alexander Resources Pte. Ltd. (the "**ARPL**"), pursuant to which it was proposed that ARPL will sell, and the Company will acquire, the entire issued and paid-up share capital of Alexander Resource Limited ("**ARL**") and the announcements made by the Company on 27 May 2013, 19 June 2013, 5 September 2013, 11 October 2013, 5 February 2014, 8 May 2014, 3 June 2014, 28 August 2014, 17 September 2014, 27 February 2015 and 1 September 2015 in relation to, *inter alia*, updates on the Proposed Acquisition

Capitalised terms not otherwise defined herein shall have the meanings assigned to them in the 6 May 2013 Announcement.

Further to the announcement made by the Company on 1 September 2015 in relation to the technical insolvency of ARPL and the expiration of the Term Sheet, the Board wishes to inform the shareholders of the Company ("**Shareholders**") that the Board has engaged KPMG Services Pte. Ltd. ("**KPMG**") to ascertain whether the S\$6.25 million advanced to ARPL (the "**Advances**") had been utilised for its intended purpose, namely for the preparation of the independent technical report ("**ITR**") and related expenses.

The report from KPMG ("**Report**") was finalised on 25 July 2016. It concluded that approximately:

- (a) 64% of the Advances were sufficiently supported, and can be connected to the preparation of the ITRs and related expenses;
- (b) 32% of the Advances had some supporting documentation that indicated that the expenditure was related to the ITRs and related expenses but was insufficient to draw a conclusion; and
- (c) the remaining 4% of the Advances lacked any supporting documentation.

Based on the Report and after seeking legal advice, the Board is of the view that it is in the best interest of the Company not to pursue this matter further for the following reasons:

- (a) the Advances had been substantially utilised for the intended purpose;
- (b) some of the Advances utilised had incomplete or inconsistent supporting documentation partially due to the practical realities and limitations of operating in the Papua New Guinea. For example, some documents were manually recorded, unclear, inaccurate and/or may have faded over time; and
- (c) any legal proceeding against ARPL, if commenced by the Company, will incur further legal costs and divert the Group's management attention. Even if the legal proceeding is concluded in the Company's favour, the Company may not be able to recover any amount from ARPL in view of its technical insolvency.

The Board wishes to highlight that none of the Directors or controlling shareholders of the Company is a director or shareholder of ARPL.

As announced by the Company on 1 September 2015, 11 November 2015 and 26 May 2016, the Company had written off such Advances made to ARPL in the financial year ended 31 March 2016.

By Order of the Board

Ong Bee Hoon
Company Secretary

26 July 2016