

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

THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE (THE “PROPOSED SHARE CONSOLIDATION”)

1. INTRODUCTION

- 1.1. The board of Directors (the “**Board**”) of SUTL Enterprise Limited (the “**Company**”) wishes to announce that the Company is proposing to undertake a share consolidation exercise to consolidate every ten (10) existing ordinary shares (“**Shares**”) in the capital of the Company (including treasury shares) into one (1) ordinary share (“**Consolidated Share**”).
- 1.2. As a result of the Proposed Share Consolidation, each shareholder of the Company (“**Shareholder**”) will receive one (1) Consolidated Share for every ten (10) Shares held prior to the Proposed Share Consolidation as at the books closure date to be determined by the Directors in their absolute discretion as they deem fit (“**Books Closure Date**”), fractional entitlements to be disregarded.

2. RATIONALE OF THE PROPOSED SHARE CONSOLIDATION

- 2.1. The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) has introduced a minimum trading price (“**MTP**”) of S\$0.20 per share for Mainboard listed issuers as a continuing listing requirement. Pursuant to Rule 1311(2) of the Singapore Exchange Securities Trading Limited Listing Manual, which shall take effect from 1 March 2016, the SGX-ST will place an issuer on the watch-list if it records a volume weighted average price of less than S\$0.20 over the last six (6) months. Commencing in March 2016, the SGX-ST will conduct quarterly reviews to identify issuers to be included on the watch-list.
- 2.2. For the past six (6) months prior to the date of this Announcement the trading price of the Shares was between S\$0.069 and S\$0.043. The highest and lowest market closing prices for each month and the transacted volume of the Shares traded on the SGX-ST for each such month, up to 24 August 2015, are as follows:

| | Highest Price (S\$) | Lowest Price (S\$) | Volume of traded Shares ('000) | Percentage fluctuation between the lowest and highest market price (%) |
|-------------------------|--------------------------------|-------------------------------|---|---|
| February 2015 | 0.050 | 0.045 | 1,367 | 11.1 |
| March 2015 | 0.050 | 0.043 | 4,626 | 16.3 |
| April 2015 | 0.058 | 0.043 | 9,864 | 34.9 |
| May 2015 | 0.069 | 0.048 | 35,085 | 43.8 |
| June 2015 | 0.060 | 0.048 | 9,655 | 25.0 |
| July 2015 | 0.057 | 0.045 | 4,372 | 26.7 |
| Up to 24 August 2015 | 0.056 | 0.043 | 1,421 | 30.2 |

- 2.3. The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares, and the trading price per Consolidated Share should theoretically be proportionally higher than the trading price per Share prior to the Proposed Share Consolidation. Therefore, the Proposed Share Consolidation would facilitate the Company’s ability to satisfy the prospective continuing listing requirement to be imposed by the SGX-ST for issuers listed on the SGX Mainboard to have an MTP per share of S\$0.20.

- 2.4. Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

3. INFORMATION ON THE PROPOSED SHARE CONSOLIDATION

- 3.1. Under the Proposed Share Consolidation, every ten (10) Shares registered in the name, or standing to the credit of the securities account, of each Shareholder or depositor (as the case may be) as at a Books Closure Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.
- 3.2. Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.
- 3.3. As at the date of this announcement, the Company has an issued share capital comprising a total of 864,606,110 Shares. Subject to Shareholders' approval being obtained for the Proposed Share Consolidation, the Company will have an issued share capital comprising a total of 86,460,611 Consolidated Shares
- 3.4. The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Company and its subsidiaries. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.
- 3.5. Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at an extraordinary general meeting ("EGM") to be convened, Shareholders' holding of the Consolidated Shares arising from the Proposed Share Consolidation will be based on their holdings of Shares as at the books closure date to be determined.
- 3.6. Shareholders who hold physical share certificates may wish to deposit the same with the Central Depository (Pte) Limited ("CDP") and have their Shares credited to their securities accounts with CDP, no later than 12 market days prior to the Books Closure Date, as CDP will only accept for deposit new share certificates of Consolidated Shares after the books closure date.

4. APPROVALS AND CONDITIONS

- 4.1 The Proposed Share Consolidation shall be subject to, *inter alia*, approval from the SGX-ST and the Shareholders at the EGM to be convened and the determination of the books closure date by the Directors in their absolute discretion as they deem fit in the interests of the Company and Shareholders.
- 4.2 An application will be made to the SGX-ST for the dealing in, listing of and quotation of the Consolidated Shares pursuant to the Proposed Share Consolidation on the Main Board of the SGX-ST.

5. DESPATCH OF CIRCULAR

Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing, *inter alia*, further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

Meanwhile, Shareholders and potential investors of the Company are advised to

exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

BY ORDER OF THE BOARD

TAY TENG GUAN ARTHUR
Executive Director and Chief Executive Officer
25 August 2015