

JOINT ANNOUNCEMENT

**PROPOSED VOLUNTARY DELISTING OF SUNMART HOLDINGS LIMITED –
SGX APPROVAL**

1. INTRODUCTION

The board of directors ("**Board**") of Sunmart Holdings Limited ("**Company**") and Sun Bingzhong ("**Offeror**") refer to the joint announcement dated 30 November 2016 by the Company and the Offeror in relation to the voluntary delisting of the Company ("**Delisting**") from the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") pursuant to Rules 1307 and 1309 of the Listing Manual of the SGX-ST ("**Listing Manual**"), whereby the Offeror will make an exit offer ("**Exit Offer**") in cash, to acquire all the issued ordinary shares in the capital of the Company ("**Shares**"), other than those Shares already owned, controlled or agreed to be acquired by the Offeror and its concert parties as at the date of the Exit Offer, on the terms and conditions set out in this Joint Announcement and the formal offer document to be issued by the Offeror ("**Exit Offer Letter**") to shareholders of the Company ("**Shareholders**") containing, *inter alia*, the terms of the Exit Offer and the relevant acceptance forms.

2. RULES 1307 AND 1309 OF THE LISTING MANUAL

2.1 Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by the Company to delist from the Official List of the SGX-ST if:

- (a) the Company convenes an extraordinary general meeting ("**EGM**") to obtain Shareholders' approval of the delisting resolution;
- (b) the delisting resolution is approved by a majority of at least 75% of the total number of issued Shares held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the Directors and controlling Shareholders are not required to abstain from voting on the delisting resolution); and
- (c) the delisting resolution is not voted against by 10% or more of the total number of issued Shares held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

In addition, Rule 1309 of the Listing Manual requires that if the Company is seeking to delist from the Official List of the SGX-ST:

- (a) a reasonable exit alternative, which should normally be in cash, should be offered to the Shareholders and holders of any other classes of listed securities to be delisted; and
- (b) the Company should normally appoint an independent financial adviser to advise on the Exit Offer.

2.2 In this regard, the Company will be convening an EGM to obtain Shareholders' approval of the delisting resolution pursuant to Rule 1307 of the Listing Manual and will be complying with all the requirements under Rule 1309 of the Listing Manual as follows:

- (a) in relation to the reasonable exit alternative requirement under Rule 1309(1) of the Listing Manual, each Shareholder who accepts the Exit Offer will receive S\$7.00 for every 100 Offer Shares tendered for acceptance under the Exit Offer;
- (b) save for the Shares, the Company does not have any other class of securities; and
- (c) the Company has appointed Provenance Capital Pte. Ltd. as the independent financial adviser to advise the Directors who are considered independent for the purposes of the Delisting and Exit Offer ("**Independent Directors**") on the Exit Offer.

The advice of the independent financial adviser and the recommendation of the Independent Directors regarding the Exit Offer will be set out in the circular which will be despatched by the Company to Shareholders in due course.

3. **SGX APPROVAL**

The Board wishes to announce that the SGX-ST had on 2 February 2017 informed the Company that, based on the information provided by the Company to the SGX-ST, it has no objection to the Company's application to the Delisting, subject to the approval by the Shareholders in compliance with Rule 1307 of the Listing Manual ("**SGX Approval**").

The SGX Approval is not an indication of the merits of the Delisting, the Exit Offer, the Company and/or its subsidiaries.

4. **DESPATCH OF DOCUMENTS TO SHAREHOLDERS**

The circular to the Shareholders in relation to the Delisting and the Exit Offer, together with the Exit Offer Letter and the relevant forms of acceptances, will be despatched to the Shareholders in due course.

5. **RESPONSIBILITY STATEMENTS**

- 5.1 The Offeror has taken all reasonable care to ensure that the facts stated and opinions expressed in this joint announcement (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading. Where any information in this joint announcement has been extracted or reproduced from published or publicly available sources or obtained from the Company, the sole responsibility of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this joint announcement. The Offeror accepts responsibility accordingly.

- 5.2 The Directors (including any Director who may have delegated detailed supervision of this joint announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to the Offeror and parties acting in concert with it) are fair and accurate and that there are no other material facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading. Where any information in this joint announcement has been extracted or reproduced from published or publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this joint announcement. The Directors jointly and severally accept responsibility accordingly.

SUN BINGZHONG
3 February 2017

BY ORDER OF THE BOARD
SUNMART HOLDINGS LIMITED

Sun Bingzhong
Executive Chairman
3 February 2017