ITE ELECTRIC CO LTD
(Company Registration No.: 198201457Z)

PROPOSED PLACEMENT OF 63,400,000 NEW ORDINARY SHARES IN THE CAPITAL OF ITE ELECTRIC CO LTD AT A PLACEMENT PRICE OF S$0.0468 PER SHARE FOR AN AGGREGATE OF S$2,967,120

1. INTRODUCTION

1.1 The board of directors (the "**Board**") of ITE Electric Co Ltd (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 9 January 2017 entered into a conditional share placement agreement (the "**Placement Agreement**") with the parties set out in the Schedule to this announcement (collectively, the "**Placees**" and each a "**Placee**"), pursuant to which the Company has agreed to issue an aggregate of 63,400,000 new ordinary shares (the "**Placement Shares**") in the capital of the Company for an aggregate placement consideration of S$2,967,120 (the "**Proposed Placement**"). The number of Placement Shares placed to each Placee and the placement consideration to be received from each Placee is set out against such Placee's name in the Schedule to this announcement.

1.2 The price at which each Placement Share is proposed to be issued is S$0.0468 per Placement Share (the "**Placement Price**"). The Placement Price represents a discount of 10.00% to the volume weighted average price of S$0.052 for trades done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 5 January 2017 (being the last full market day on which the shares of the Company (the "**Shares**") were traded prior to the day on which the Placement Agreement was signed, as no trades were done on 6 January 2017, and the Company called for a trading halt prior to the start of trading on 9 January 2017).

1.3 When allotted and issued, the Placement Shares will rank in all respects *pari passu* with the existing issued Shares and be free from all pre-emption rights, charges, liens and other encumbrances and with all rights and benefits attaching thereto save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date (as defined below) of which falls on or before the completion of the Proposed Placement. "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

1.4 An application will be made through the Company's sponsor to the SGX-ST in due course for the listing and quotation of the Placement Shares to be allotted and issued to the Placees on the relevant completion date applicable to such Placee. The Company will make the necessary announcement(s) once the listing and quotation notice for the Placement Shares has been obtained from the SGX-ST.

1.5 No placement agent has been appointed in respect of the Proposed Placement. Therefore, no commission or referral fees will be paid to any party.

2. INFORMATION ON PLACEES

2.1 Each of the Placees who are individual persons are either (a) former colleagues of Mr. Zhang Zhi Liang, an Executive Director and the Chief Executive Officer of the Company, (b) current employees of the Company's wholly owned subsidiary, Shenzhen Sunrise Development Limited ("**Shenzhen Sunrise**"), or (c) current directors of Shenzhen Sunrise. Please refer to the Schedule of this announcement for further details.

2.2 Quality Able Limited, Sky Consultants Limited, and All Powerful Universe Investment Limited (the "**Corporate Placees**") are companies limited by shares incorporated in Hong Kong, with their corporate registration information and how they were identified set out in the Schedule to

this announcement. The Corporate Placees are investment holding companies, and their ultimate beneficial owners are set out in the Schedule to this announcement.

2.3 As at the date of this announcement, the Placees do not hold any Shares in the Company. Each Placee has confirmed to the Company that their subscription of the Placement Shares is for investment purposes only, and that they have no intention of influencing the management of, or exercising control over, the Company. Accordingly, each Placee is not intending to acquire additional shares in the Company such that its shareholding (whether direct or indirect) in the Company shall reach 15.0% or more of the enlarged issued and paid-up share capital of the Company.

2.4 The Company confirms that:

2.4.1 none of the Placees have any connection with any other Placee; and

2.4.2 no Placement Shares will be placed to any persons within the class of restricted persons under Rule 812(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

3. THE PROPOSED PLACEMENT

3.1 Conditions to the subscription of the Placement Shares

Under the Placement Agreement, the completion of the Proposed Placement is subject to, *inter alia*, the following conditions precedent:

3.1.1 the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Placement Shares (the "**Listing Approval**") having been obtained (on terms and conditions acceptable to the Company and the Placees, each acting reasonably) and not being revoked or amended;

3.1.2 any conditions attached to the Listing Approval which is required to be fulfilled on or before the completion date of the Proposed Placement (the "**Completion Date**"), having been fulfilled on or before that date to the satisfaction of the SGX-ST unless waived by the SGX-ST;

3.1.3 where necessary, the Placees obtaining the necessary corporate approval and approval from all applicable governmental authorities to subscribe for the Placement Shares at the Placement Consideration in accordance with the terms of the Placement Agreement;

3.1.4 the Proposed Placement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Placees (including but not limited to the SGX-ST and the requirements of the State Administration of Foreign Exchange in the People's Republic of China);

3.1.5 there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the representations and warranties by both the Company and each Placee as if they were repeated on and as of the Completion Date; and

3.1.6 the Company or the Placees not in breach of any of the undertakings and covenants given in the Placement Agreement as at the Completion Date, and if any of such undertakings and covenants are required to be fulfilled on or before the Completion Date, such undertakings and covenants shall have been fulfilled prior to Completion Date.

If any of the conditions precedent set out above is not satisfied or waived in whole or in part by any party on or before the date falling 90 calendar days after the date of the Placement Agreement or such other date as the parties may agree (or waived by the Placees), the parties shall be released and discharged from their respective obligations under the Placement Agreement, save for any rights and liabilities accrued on or prior to such termination and the liability of the Company to bear its own costs in connection with the negotiation, preparation and execution of the Placement Agreement, and provided further that in the event the conditions precedent are satisfied in relation to the Company and any number of Placee(s), the Company may, at its discretion, elect to effect Completion so far as is practicable in relation to such Placee(s).

3.2 Exemption from requirement of prospectus

The offer by the Company to the Placees to subscribe for the Placement Shares is made in reliance on the exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore.

3.3 Confirmation from the Company

The Company confirms that the issue of Placement Shares will not transfer a controlling interest without prior approval of Shareholders in general meeting.

4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

4.1 As at the date of this announcement, the issued and paid up capital of the Company is $23,017,895 consisting of 137,337,290 Shares. When allotted and issued in full, the Proposed Placement will increase the existing issued and paid-up share capital of the Company by approximately S$2,967,120 to S$25,985,015, divided into 200,737,290 Shares.

4.2 The financial effects of the Proposed Placement on the Group are prepared based on the audited accounts of the Group for the financial year ended 31 December 2015 ("**FY2015**"). For the purpose of computing the earnings per Share (the "**EPS**") of the Group and the net tangible assets (the "**NTA**") per Share of the Group after the Proposed Placement, it is assumed that the Proposed Placement was completed on 31 December 2015.

4.3 The EPS and the NTA per Share of the Group based on the audited accounts of the Group for the financial year ended 31 December 2015 is as follows:

	Before the allotment and issue of Placement Shares	**After allotment and issue of Placement Shares**
FY2015 Earnings/(Losses) net of tax (S$)	(20,207)	(20,207)
EPS/Losses per Share (Singapore cents)	(0.0147)	(0.0101)
Number of Shares for calculating EPS	137,337,290	200,737,290
NTA[(1)] as at 31 December 2015 (S$)	6,992,363	9,919,483[(2)]
NTA per Share (Singapore cents)	5.091	4.942
Number of Shares for calculating NTA per Share	137,337,290	200,737,290

Notes:

(1) NTA is computed based on total assets less total liabilities and less intangible assets.

(2) Taking into account the estimated fees and expenses for the Proposed Placement of approximately S$40,000.

5. RATIONALE OF PROPOSED PLACEMENT AND USE OF PROCEEDS

5.1 The rationale for the Proposed Placement is to increase resources available to the Company to improve its cash flow and to pursue acquisition and/or business opportunities as part of its strategic objectives as and when they arise. This is in line with the proposed change of name of the Company from "ITE Electric Co Ltd" to "Sunrise Shares Holdings Ltd." as set out in the Company's circular to shareholders dated 30 December 2016, and the proceeds from the Proposed Placement will allow the Company to develop the "Sunrise (旭飞)" brand and diversify into new business segments. The Company intends to use 100% of the net proceeds of the Proposed Placement for general working capital purposes.

5.2 The estimated net proceeds from the Proposed Placement, after deducting estimated fees and expenses of approximately S$40,000, is approximately S$2,927,120 (the "**Net Proceeds**").

5.3 The Company will make periodic announcement(s) as to the use of the proceeds from the Proposed Placement as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the proceeds raised from the Proposed Placement in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the relevant announcements and status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

5.4 Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

5.5 The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.

5.6 The Directors are of the opinion that, after taking into consideration the present bank facilities and Net Proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

6. SHARE ISSUE MANDATE FOR THE ISSUE OF PLACEMENT SHARES

6.1 The Placement Shares will be issued pursuant to the share issue mandate given by the Shareholders at the annual general meeting of the Company held on 29 April 2016 for the Directors of the Company to allot and issue Shares, whereby the aggregate number of Shares to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares) as at 29 April 2016 ("**Share Issue Mandate**") in the case where Shares are issued other than on a pro rata basis to existing Shareholders. The total number of issued Shares as at the date of the Share Issue Mandate was passed was 137,337,290 Shares. As such, the total number of Shares which may be issued pursuant to the Share Issue Mandate is 68,668,645 Shares. No Shares had previously been issued pursuant to the Share Issue Mandate, and the proposed allotment and issuance of the Placement Shares is within the limit of the Share Issue Mandate.

6.2 The aggregate of 63,400,000 Placement Shares, when allotted and issued in full, will represent approximately 46.16% of the Company's existing and paid-up capital of 137,337,290 Shares as at the date of this announcement, and approximately 31.58% of the enlarged issued and paid-up share capital of 200,737,290 Shares upon completion of the Proposed Placement (assuming that no further Shares are issued on or prior to the

completion of the Proposed Placement). Accordingly, the proposed issuance of the Placement Shares to be issued will fall within the limit of the Share Issue Mandate.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Placement, other than their respective interests in the Shares (if any). None of the Directors or substantial shareholders of the Company or their respective associates have any connection (including business relationship) with the Placees.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement is available for inspection at the registered office of the Company at Six Battery Road #10-01, Singapore 049909 during normal business hours for a period of three (3) months from the date of this announcement.

9. RESPONSIBILITY STATEMENT

The Directors of the Company (including any Director who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

10. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in Shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

By Order of the Board

Zhang Zhi Liang
Executive Director and Chief Executive Officer
10 January 2017

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*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.

The contact person for the Sponsor is Mah How Soon, Registered Professional, RHT Capital Pte. Ltd., Six Battery Road, #10-01, Singapore 049909, telephone (65) 6381 6757.

SCHEDULE

No.	Name of Placee, Corporate Registration Information and ultimate beneficial owners (if applicable)	Manner in which Placee was identified	No. of Placement Shares	Placement consideration (S$)
1.	Name: Quality Able Limited宝雄有限公司 Hong Kong Company Registration No.: 2409211 Registered Address: 7/F, Spa Centre, No. 53-55 Lockhart Road, Wan Chai, Hong Kong Registered Members: i. Cheung Chi Hung (9,000 shares) ii. Su Rui Ji (1,000 shares)	(A)	9,800,000	458,640.00
2.	Name: Sky Consultants Limited天栢顾问有限公司 Hong Kong Company Registration No.: 2449221 Registered Address: Room 06, 13a/F, South Tower, World Finance Centre, Harbour City, 17 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong Registered Members: i. Yip Chung Yuk (7,000 shares) ii. Chen Qunbiao (3,000 shares)	(B)	9,800,000	458,640.00
3.	Name: All Powerful Universe Investment Limited上宇投资有限公司 Hong Kong Company Registration No.: 2457699 Registered Address: Rm. 2107, Lippo Centre Tower 2, 89 Queensway, Admiralty, Hong Kong Registered Member: i. Lai Hong Tao (10,000 shares)	(A)	9,800,000	458,640.00
4.	Name: Tian Qing 田青	(C)	2,000,000	93,600.00
5.	Name: Li Ying	(C)	2,000,000	93,600.00
6.	Name: Gong Gao 龚高	(E)	2,000,000	93,600.00
7.	Name: Tian Feng 田峰	(C)	2,000,000	93,600.00
8.	Name: Li Panfeng 李攀峰	(C)	2,000,000	93,600.00
9.	Name: Li Houyang 李厚洋	(D)	2,000,000	93,600.00
10.	Name: Zhang Rendong 张任东	(C)	2,000,000	93,600.00
11.	Name: Chen Min 陈敏	(D)	2,000,000	93,600.00
12.	Name: Cao Yuou 曹玉鸥	(E)	2,000,000	93,600.00
13.	Name: Wu Yue 吴越	(C)	2,000,000	93,600.00
14.	Name: Wu Chao 吴超	(D)	2,000,000	93,600.00
15.	Name: Wu Tao 吴涛	(D)	2,000,000	93,600.00
16.	Name: Ye Lixuan 叶丽璇	(D)	2,000,000	93,600.00
17.	Name: Zeng Caihua 曾彩花	(C)	2,000,000	93,600.00
18.	Name: Wang Pinghua 王平华	(E)	2,000,000	93,600.00
19.	Name: Yuan Li 元莉	(C)	2,000,000	93,600.00
20.	Name: Su Zhanduo宿占铎	(C)	2,000,000	93,600.00
Total			**63,400,000**	**2,967,120.00**

Legend:

(A) : Placee was introduced to the Company by Mr. Zhang Zhi Liang, an Executive Director and the Chief Executive Officer of the Company

(B) : Placee was introduced to the Company by Mr. Clarence Ng Kar Lung, an Executive Director of the Company

(C) : Placee is an ex-colleague of Mr. Zhang Zhi Liang, and was introduced to the Company by Mr. Zhang Zhi Liang

(D) : Placee is a current employee of Shenzhen Sunrise Development Limited

(E) : Placee is a current director of Shenzhen Sunrise Development Limited