



**PROPOSED ACQUISITION OF WINSTAR TRADING GROUP  
& PND HARDWARE BY SUNWAY GROUP**

**ANALYST BRIEFING PACK**

9 April 2015

# General Background

## Target Companies

- Winstar Trading Sdn Bhd and subsidiaries (“Winstar”)
- PND Hardware & Trading Pte Ltd (“PND”)

## Description of Business

- More than 30 years history in trading of hardware in Malaysia
- Specialise in supplying industrial hardware, DIY hardware, safety products, lubricants, epoxy adhesive etc

## Purchase Price & Payment Structure

Tranche	%	Indicative		Basis	Expected Timeline
		Winstar	PND		
1	60%	RM78.5m	SGD1.5m	Based on NAV as at 31/12/13	Q2 2015
2	20%			Based on 5x average EBITDA for preceding 2 years	Q2 2017
3	20%			Based on 5x average EBITDA for preceding 2 years	Q2 2018
Estimated Total		RM131m	SGD2.6m		

### WINSTAR

Vendors jointly and severally guarantee PAT of RM15 mil p.a. for 2015, 2016 and 2017. Guarantee is proportionate to Purchasers stake in Winstar for the respective financial year.

### PND

Vendors jointly and severally guarantee PAT of SGD250k p.a. for 2015, 2016 and 2017. Guarantee is proportionate to Purchaser's shareholdings in PND for the financial year.

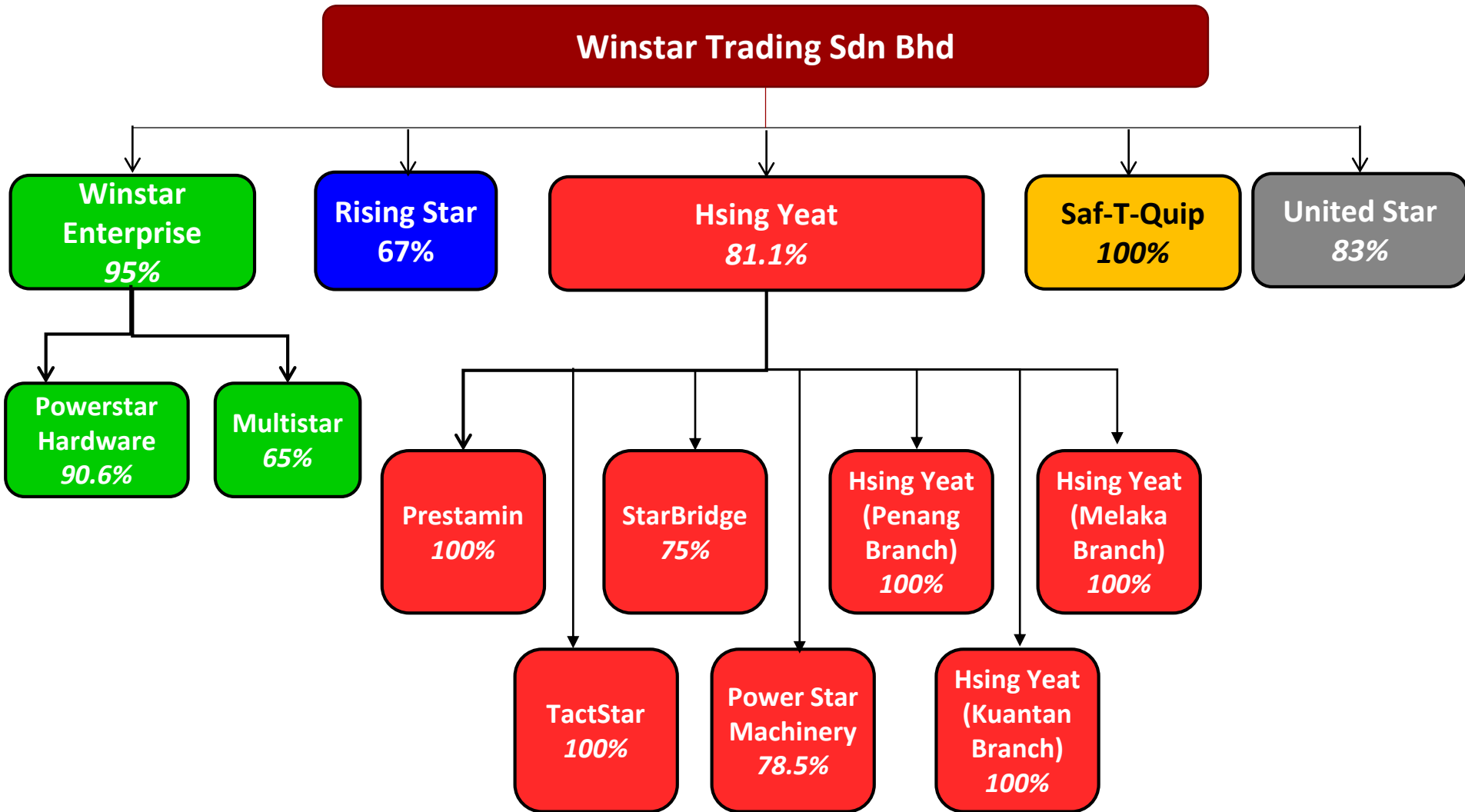
## Profit Guarantee

## Vendors

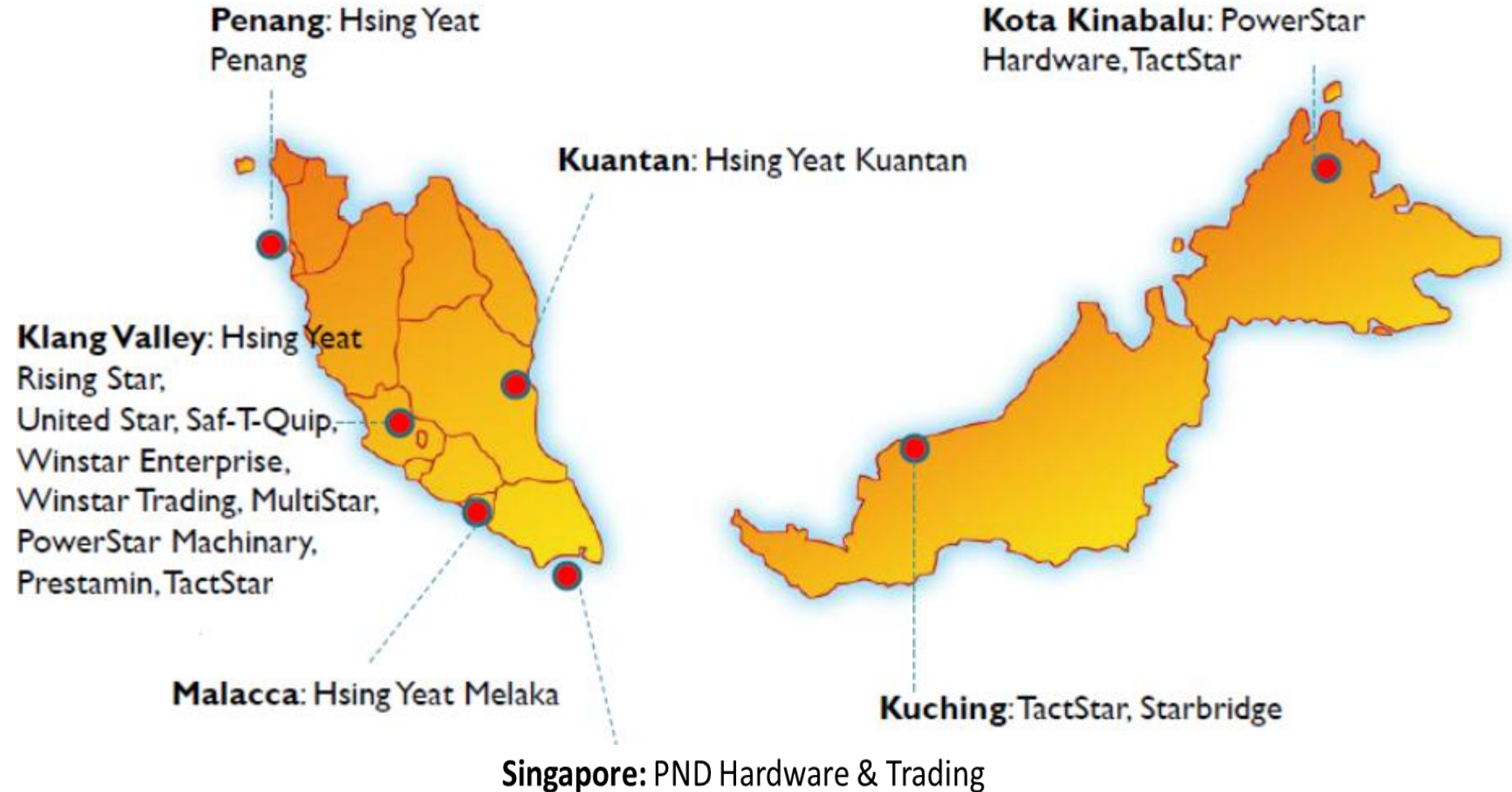
Peng Gai Hock, Khoo Chai Pek, Khoo Chai Heng, Khoo Chai Ee, Toh Soon Seng, Lee Bang Sing, Khoo Chai Kiat, Khoo Chai Thiam, Soh Tian Song

Lim Poh Lo, Lau Chor Geok, Lim Hwee Guan, Khoo Chai Pek, Khoo Chai Ee, Peng Gai Hock

# Winstar Group of Companies



# Winstar & PND Network of Branches



# Brands Distributed

**SUNWAY™**

**Sole &  
Exclusive  
Distributor**



**Araldite®**



**Exclusive  
Distributor  
on certain  
products**

**KDS®**



**Exclusive in  
Hardware  
Market**

**3M**

**PAPER MATE®**

**OSRAM**



*Sharpie*

**Authorize  
Distributor**



**BOSCH**

**SKIL®**

**GP Batteries**

**STANLEY®**

**CIGWELD**



# Own Brands

**SUNWAY™**

Own Brand



## Expansion

- ❖ The proposed acquisition presents a **unique opportunity** for Sunway Trading and Manufacturing Division to acquire profitable market leaders in the trading of hardware market.
- ❖ Winstar is a company that has been built up over a period of more than 30 years with a vast distribution network, customer base and also agency lines of reputable brands.
- ❖ Additional revenue stream provides diversification of risks for Trading Group

## Synergies

- ❖ **Cross selling** of existing Sunway products and services to the new customer base acquired from Winstar and vice versa
- ❖ Existing **warehouses** can store existing products (HEP, HF) and other cost savings due to economies of scale
- ❖ Potential for Winstar to supply to our property and construction projects

## Opportunities

- ❖ Expanding the companies market share further with new agencies with the financial resources, brand and strategic vision of Sunway.
- ❖ Increasing the management expertise and efficiency through leveraging the various platforms of the Sunway Group. (IT, shared services, etc.)

## Profit Guarantee

- Profit after tax guarantee of RM15 mil and SGD250,000 respectively p.a. for Winstar and PND for three years (2015-2017)
- Demonstrates vendor confidence in the business prospects



# Thank You

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