

EXIT OFFER LETTER DATED 20 JUNE 2018

THIS EXIT OFFER LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in doubt as to any aspect of the Exit Offer, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your issued and fully paid-up ordinary shares ("Shares") in the capital of Weiye Holdings Limited (the "Company") held through The Central Depository (Pte) Limited ("CDP"), you need not forward this Exit Offer Letter and the accompanying Form of Acceptance and Authorisation for Offer Shares ("SG FAA") to the purchaser or transferee, as CDP will arrange for a separate Exit Offer Letter and the SG FAA to be sent to the purchaser or transferee.

If you have sold or transferred all your Shares (other than those held through CDP), you should at once hand this Exit Offer Letter together with the accompanying relevant Acceptance Forms (as defined herein) to the purchaser or to the licensed securities dealer, or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser.

This Exit Offer Letter should be read in conjunction with the accompanying relevant Acceptance Forms, the provisions of which form part of the terms of the Exit Offer contained herein.

This Exit Offer Letter and the relevant Acceptance Forms shall not be construed as, may not be used for the purposes of, and do not constitute a notice or proposal or advertisement or an offer or invitation or solicitation in any jurisdiction or in any circumstance in which such a notice or proposal or advertisement or an offer or invitation or solicitation is unlawful or not authorised, or to any person to whom it is unlawful to make such a notice or proposal or advertisement or an offer or invitation or solicitation. This Exit Offer Letter and the relevant Acceptance Forms do not constitute an invitation to purchase or subscribe for any securities.

The views of the Independent Board Committee (as defined herein) and the respective IFAs (as defined herein) are available in the Circular (as defined herein), which is despatched together with this Exit Offer Letter. You may wish to consider their views before taking any action in relation to the Exit Offer.

The Singapore Exchange Securities Trading Limited ("SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Exit Offer Letter.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited ("SEHK") and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Exit Offer Letter and the accompanying relevant Acceptance Forms, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Exit Offer Letter and the accompanying relevant Acceptance Forms.

CONDITIONAL CASH EXIT OFFER

By

 **中國銀河國際**
CHINA GALAXY INTERNATIONAL
SECURITIES (HONG KONG) CO., LIMITED
(Incorporated in Hong Kong)

 **STIRLING COLEMAN**
施霖高誠

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200105040N)
www.stirlingcoleman.com

STIRLING COLEMAN CAPITAL LIMITED
(Incorporated in the Republic of Singapore)

for and on behalf of

FINE SKILL HOLDINGS LIMITED
(Incorporated in the British Virgin Islands)
(Company Registration No. 1941707)

to acquire all the issued ordinary Shares in the capital of



WEIYE HOLDINGS LIMITED
偉業控股有限公司*

(Singapore Company Registration Number: 198402850E)
(Incorporated in the Republic of Singapore with limited liability)

(Hong Kong Stock Code: 1570)

(Singapore Stock Code: BMA)

* For identification purpose only.

other than those already owned, controlled or agreed to be acquired by the Offeror, in connection with,

THE PROPOSED VOLUNTARY DELISTING OF THE SHARES OF THE COMPANY FROM THE OFFICIAL LIST OF THE MAINBOARD OF THE SGX-ST PURSUANT TO RULES 1307 AND 1309 OF THE LISTING MANUAL OF THE SGX-ST

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE EXIT OFFER AT 4.00 P.M. (HONG KONG AND SINGAPORE TIME) ON 7 AUGUST 2018.
THE OFFEROR DOES NOT INTEND TO EXTEND THE EXIT OFFER BEYOND 4.00 P.M. (HONG KONG AND SINGAPORE TIME) ON THE CLOSING DATE. NOTICE IS HEREBY GIVEN THAT THE OFFER WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 4.00 P.M. (HONG KONG AND SINGAPORE TIME) ON THE CLOSING DATE.

The procedures for acceptance and settlement of the Exit Offer are set out in **Appendix 2** and **Appendix 3** to this Exit Offer Letter and in the accompanying SG FAA, SG FAT (as defined herein) and/or HK FAT (as defined herein), as applicable.

Persons including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Exit Offer Letter and/or the relevant Acceptance Forms to any jurisdiction outside of Hong Kong and Singapore should read the details in this regard which are contained in Section 17 of this Exit Offer Letter before taking any action in relation to the Exit Offer. It is the responsibility of each Overseas Shareholder (as defined herein) wishing to accept the Exit Offer to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and compliance with other necessary formalities or legal requirements. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Exit Offer. Electronic copies of this Exit Offer Letter and the Circular are available on the websites of the SGX-ST at <http://www.sgx.com>, the SEHK at <http://www.hkex.com.hk> and the Company at <http://www.weiyeholdings.com>.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Exit Offer Letter and the Acceptance Forms:

“Acceptance Forms”	: The SG FAA, the SG FAT and the HK FAT
“ACRA”	: Accounting and Corporate Regulatory Authority of Singapore
“Address Notification Form”	: The form proposed to be sent to Shareholders who hold their Shares through CDP and Singapore Registered Shareholders together with the Circular, for the purpose of allowing Shareholders who hold their Shares through CDP and Singapore Registered Shareholders who do not accept the Exit Offer to provide, if they wish to do so, an address in Hong Kong for the delivery of their share certificates by ordinary post, at their own risk, in respect of their Shares transferred from the Singapore Register to the HK Branch Register following the completion of the Delisting
“Board”	: The board of Directors
“Branch Share Registrar and Transfer Office in Hong Kong”	: Tricor Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong
“Business Day”	: A day other than Saturday, Sunday or a public holiday on which commercial banks in Hong Kong and/or Singapore, or the SEHK and/or the SGX-ST (as the case may be) are open for the transaction of business
“BVI”	: British Virgin Islands
“CCASS”	: The Central Clearing and Settlement System established and operated by the HKSCC
“CDP”	: The Central Depository (Pte) Limited of Singapore, which operates the Central Depository System for the holding and transfer of book-entry securities

DEFINITIONS

- “China Galaxy”** : China Galaxy International Securities (Hong Kong) Co., Limited, the Hong Kong financial adviser to the Offeror, is a licensed corporation under the SFO, registered to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
- “Circular”** : The letter proposed to be issued by the Company to the Shareholders in connection with the Exit Offer and the Delisting, containing, amongst other things: (i) letter of advice from the Singapore IFA to the Independent Board Committee in relation to the Exit Offer; (ii) letter of advice from the HK IFA to the Independent Board Committee in relation to the Exit Offer; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Exit Offer and the Delisting; and (iv) the notice of EGM, which is despatched to Shareholders together with this Exit Offer Letter
- “Closing Date”** : 7 August 2018, being the last day for the lodgement of acceptances of the Exit Offer and the 14th day after the date of announcement of satisfaction of the Condition (assuming that the Delisting Resolution is approved by Shareholders at the EGM)
- “Company”** : Weiye Holdings Limited (偉業控股有限公司*), formerly known as Kyodo-Allied Industries Pte Ltd and Kyodo-Allied Industries Ltd, a company incorporated in Singapore under the Companies Act as a private limited company on 2 August 1984 and subsequently converted into a public limited company on 26 December 2001, and the Shares of which are listed on the Official List of the Mainboard of the SGX-ST and the Main Board of the SEHK
- “Company Securities”** : Shares and securities which carry voting rights in the Company and convertible securities, warrants, options or derivatives in respect of, such Shares or securities of the Company

DEFINITIONS

“Condition”	: The condition in respect of the Exit Offer and the Delisting as set out in Section 2.2 of this Exit Offer Letter
“Controlling Shareholder”	: A person who (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury Shares) (subject to the discretion of the SGX-ST which may nevertheless determine that such a person is not a Controlling Shareholder); or (b) in fact exercises control over the Company
“CPF”	: Central Provident Fund of Singapore
“CPF Agent Banks”	: Banks approved by CPF to be its agent banks, namely, DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
“CPFIS”	: Central Provident Fund Investment Scheme of Singapore
“CPFIS Investors”	: Investors who have purchased Shares using their CPF savings in Singapore
“Date of Receipt”	: The date of receipt by CDP, on behalf of the Offeror, of the SG FAA
“Delisting”	: The proposed voluntary delisting of the Company from the Official List of the Mainboard of the SGX-ST pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual
“Delisting Proposal”	: The formal proposal dated 13 March 2018 presented by the Offeror to the Board to seek the Delisting
“Delisting Resolution”	: The resolution to be approved by Shareholders at the EGM in relation to the Delisting
“Directors”	: The directors of the Company
“Distributions”	: Dividends, rights and other distributions in respect of Shares
“EGM”	: The extraordinary general meeting of the Company to be convened for Shareholders to approve the Delisting Resolution

DEFINITIONS

“Electronic Acceptance”	: The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents
“Encumbrances”	: Any claim, lien, equity, mortgage, charge, encumbrance, right of pre-emption and other third party right and interest of any nature whatsoever
“Executive”	: The Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Exit Offer”	: The conditional cash exit offer to be made by the Joint Financial Advisers for and on behalf of the Offeror for the Offer Shares
“Exit Offer Letter”	: This letter dated 20 June 2018 setting out, amongst other things, details of the Exit Offer (including the expected timetable and terms of the Exit Offer), together with the relevant form(s) of acceptance which is issued by the Joint Financial Advisers, for and on behalf of the Offeror, to all the Shareholders in connection with the Exit Offer in accordance with the Singapore Takeover Code and the HK Takeovers Code
“Exit Offer Price”	: S\$0.65 or HK\$3.88 for each Offer Share
“Group”	: The Company and its subsidiaries
“HK Branch Register”	: The register of members of the Company in Hong Kong
“HK Branch Registered Shareholders”	: Shareholders whose Shares are held under their own names on the HK Branch Register
“HK FAT”	: Form of Acceptance and Transfer for Offer Shares, applicable to HK Branch Registered Shareholders, which forms part of this Exit Offer Letter and which is issued to Shareholders whose Offer Shares are registered on the HK Branch Register

DEFINITIONS

“HK IFA”	: Ballas Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to, amongst others, the Exit Offer pursuant to the HK Takeovers Code and is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“HK Listing Rules”	: The rules governing the listing of securities on the Main Board of the SEHK
“HK Takeovers Code”	: The Code on Takeovers and Mergers of Hong Kong
“HKSCC”	: Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	: The Hong Kong Special Administrative Region of the PRC
“IFAs”	: The Singapore IFA and the HK IFA, collectively
“Independent Board Committee”	: The independent committee of the Board established pursuant to Rule 2.1 of the HK Takeovers Code comprising all the non-executive Directors, namely, Mr. Dong Xincheng, Mr. Ong Kian Guan, Mr. Oh Eng Bin and Mr. Siu Man Ho Simon to advise and make its recommendation on the Exit Offer to the Independent Shareholders, whereby the above-mentioned Directors who constitute the Independent Board Committee are the same Directors who are considered independent under the Singapore Takeover Code for the purposes of making a recommendation to Independent Shareholders in respect of the Exit Offer and the Delisting
“Independent Shareholders”	: All Shareholders other than the Relevant Persons and the Shareholders who have provided the Irrevocable Undertakings to the Offeror
“Irrevocable Undertakings”	: The irrevocable undertakings provided by certain Shareholders to the Offeror, as more particularly described in Section 6 of this Exit Offer Letter

DEFINITIONS

“Joint Financial Advisers”	: China Galaxy and Stirling Coleman
“Joint Offer Announcement”	: The joint announcement dated 13 March 2018 issued by the Offeror and the Company in relation to the Exit Offer and the Delisting
“Joint Offer Announcement Date”	: 13 March 2018, being the date of the Joint Offer Announcement
“Last Traded Day”	: 13 March 2018, being the last market day on which the Shares were traded on the SGX-ST and the SEHK prior to the issue of the Joint Offer Announcement
“Latest Exchange Rate”	: The exchange rate of S\$1.00 to HK\$5.9712 as extracted from Bloomberg L.P., as at 2:00 p.m. (Hong Kong and Singapore time) on the Joint Offer Announcement Date
“Latest Practicable Date”	: 15 June 2018, being the latest practicable date prior to the printing of this Exit Offer Letter
“Long-Stop Date”	: 30 September 2018, being the latest date for satisfaction of the Condition
“Mr. Chen”	: Mr. Chen Zhiyong, an executive Director and the chief operating officer of the Company
“Mr. Zhang”	: Mr. Zhang Wei, the Chairman, executive Director and chief executive officer of the Company and who is also the sole director of the Offeror
“Offer Period”	: The period commencing on the Joint Offer Announcement Date and ending on the date the Exit Offer is declared to have closed or lapsed
“Offer Settlement Date”	: The date on which the Offeror is registered as Shareholder of any Offer Shares tendered in acceptance of the Exit Offer by Shareholders
“Offer Shares”	: Shares in respect of which the Exit Offer is made, other than those Shares already owned, controlled or agreed to be acquired by the Offeror
“Offeror”	: Fine Skill Holdings Limited, a company incorporated in the BVI, which is wholly owned by Mr. Zhang

DEFINITIONS

“Overseas Shareholders”	: Shareholders whose addresses as shown in the Singapore Register, the records of CDP or the HK Branch Register are outside of Singapore and Hong Kong
“PRC”	: The People’s Republic of China, which, for the purposes of this Exit Offer, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Principal Share Registrar in Singapore”	: RHT Corporate Advisory Pte. Ltd., the principal share registrar of the Company in Singapore
“Record Date”	: In relation to any Distributions, the date on which Shareholders must be registered with the Company, CCASS or with CDP (as the case may be) in order to be entitled to such Distributions
“Reference Period”	: The period commencing on the date falling 6 months prior to the Joint Offer Announcement Date and ending on the Latest Practicable Date
“Relevant Persons”	: The Offeror and parties acting in concert with it
“Securities Account”	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SEHK”	: The Stock Exchange of Hong Kong Limited
“SFC”	: The Securities and Futures Commission of Hong Kong
“SFO”	: The Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“SG FAA”	: Form of Acceptance and Authorisation for Offer Shares, applicable to Depositors, which forms part of this Exit Offer Letter and which is issued to Shareholders whose Offer Shares are deposited with CDP

DEFINITIONS

“SG FAT”	: Form of Acceptance and Transfer for Offer Shares, applicable to Singapore Registered Shareholders, which forms part of this Exit Offer Letter and which is issued to Shareholders whose Offer Shares are registered on the Singapore Register
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SGX-ST Listing Manual”	: The main board rules of the listing manual of the SGX-ST
“Shareholders”	: Holders of the Shares as indicated on the Singapore Register, the HK Branch Register and Depositors who have Shares entered against their names in the Depository Register
“Shares”	: Ordinary shares in the issued and paid-up capital of the Company
“SIC”	: The Securities Industry Council of Singapore
“Singapore Companies Act”	: The Companies Act of Singapore, Chapter 50 of Singapore
“Singapore Financial Reporting Standards”	: Singapore Financial Reporting Standards (which include all Singapore Financial Reporting Standards and Singapore Financial Reporting Interpretations) issued by the Singapore Accounting Standards Council
“Singapore IFA”	: ZICO Capital Pte. Ltd., the independent financial adviser appointed by the Company to advise the Independent Board Committee in relation to the Exit Offer
“Singapore Register”	: The register of members of the Company in Singapore
“Singapore Registered Shareholders”	: Shareholders whose Shares are held under their own names on the Singapore Register
“Singapore SFA”	: The Securities and Futures Act of Singapore, Chapter 289 of Singapore
“Singapore Takeover Code”	: The Singapore Code on Take-overs and Mergers

DEFINITIONS

“Stirling Coleman”	: Stirling Coleman Capital Limited, the Singapore financial adviser to the Offeror, holds a Capital Markets Services Licence from the Monetary Authority of Singapore for certain regulated activities including, without limitation, Dealing in Securities and Advising on Corporate Finance
“United States” or “US”	: The United States of America
“VWAP”	: The volume-weighted average price of the Shares on the SGX-ST
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	: Renminbi, the lawful currency of the PRC
“S\$”	: Singapore dollars, the lawful currency of the Republic of Singapore
“US\$”	: US dollars, the lawful currency of US
“%”	: Percentage or per centum

Acting in Concert. The term “**acting in concert**” shall have the meaning ascribed to it in the Singapore Takeover Code and/or the HK Takeovers Code, as the case may be.

Announcements and Notices. References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by the Joint Financial Advisers or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile or otherwise of an announcement to the SGX-ST and the SEHK. An announcement made otherwise than to the SGX-ST and the SEHK shall be notified simultaneously to the SGX-ST and the SEHK.

Depositors. The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Singapore SFA.

English Version Prevails. In the event of any inconsistency between the English version of this Exit Offer Letter (including the Acceptance Forms) and the Chinese version of this Exit Offer Letter (including the Acceptance Forms), the English version shall prevail.

Exchange Rate. All conversions between Singapore dollars and Hong Kong dollars in this Exit Offer Letter shall be based on the Latest Exchange Rate, unless otherwise stated.

Exit Offer Letter. References to “**Exit Offer Letter**” shall include the Acceptance Forms, unless the context otherwise requires.

DEFINITIONS

Genders. Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Headings. The headings in this Exit Offer Letter are inserted for convenience only and shall be ignored in construing this Exit Offer Letter.

Rounding. Any discrepancies in figures included in this Exit Offer Letter between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Exit Offer Letter may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to “you”, “your” and “yours” in this Exit Offer Letter are, as the context so determines, to Shareholders.

Statutes. Any reference in this Exit Offer Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Singapore Companies Act, the Singapore Takeover Code, the SGX-ST Listing Manual, the Singapore SFA, the SFO, the HK Takeovers Code and the HK Listing Rules or any modification thereof and used in this Exit Offer Letter shall, where applicable, have the meaning assigned to that word under the Singapore Companies Act, the Singapore Takeover Code, the SGX-ST Listing Manual, the Singapore SFA, the SFO, the HK Takeovers Code and the HK Listing Rules or any modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. References to “subsidiary” and “related corporation” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Singapore Companies Act.

Time and Date. Any reference to a time of the day and date in this Exit Offer Letter shall be a reference to Hong Kong and Singapore time and date, unless otherwise stated.

Total number of issued Shares. References in this Exit Offer Letter to the total number of issued Shares are based on 196,133,152 Shares in issue as at the Latest Practicable Date (based on a search conducted at ACRA on such date). As at the Latest Practicable Date, the Company did not hold any Shares in treasury.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Exit Offer Letter are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders or other holders of Company Securities and investors of the Company and/or any other person should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Joint Financial Advisers undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and the SEHK and/or any other regulatory or supervisory body or agency. The Company shall update these statements to ensure they remain accurate and up to date and will notify Shareholders of any material changes as soon as possible in accordance with Rule 9.1 of the HK Takeovers Code.

INDICATIVE TIMETABLE

Date of despatch of this Exit Offer Letter and the Circular	:	20 June 2018
Date and time of the EGM	:	10:00 a.m. (Hong Kong and Singapore time) on 24 July 2018
Date of announcement of the satisfaction of the Condition ⁽¹⁾	:	24 July 2018
Closing time and date of the Exit Offer ⁽¹⁾⁽²⁾	:	4.00 p.m. (Hong Kong and Singapore time) on 7 August 2018
Expected announcement of results of the Exit Offer	:	No later than 7.00 p.m. (Hong Kong and Singapore time) on 7 August 2018
Settlement of consideration for valid acceptances of the Exit Offer	:	<p>(a) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received on or before the date on which the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, as soon as possible but in any event within seven (7) Business Days of the date on which the Exit Offer becomes unconditional; or</p> <p>(b) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received after the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, but on or before the Closing Date, as soon as possible but in any event within seven (7) Business Days of the date of such receipt.</p>

INDICATIVE TIMETABLE

Notes:

- (1) Assuming that the Delisting Resolution is approved by the Shareholders at the EGM, the Exit Offer will remain open for acceptance for a period of fourteen (14) days after the date of the announcement of the satisfaction of the Condition.
- (2) The latest time and date for acceptance of the Exit Offer and the latest date for posting of remittances for the amounts due under the Exit Offer in respect of valid acceptances will be varied if there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning:
 - (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Exit Offer or the latest date for posting of remittances for the amounts due under the Exit Offer in respect of valid acceptances, in which cases the latest time for acceptance of the Exit Offer or the posting of remittances, as the case may be, will remain at 4:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Exit Offer or the latest date for posting of remittance for the amounts due under the Exit Offer in respect of valid acceptances, in which cases the latest time for acceptance of the Exit Offer or the posting of remittances, as the case may be, will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. or such other day as the Executive may approve.

IMPORTANT NOTICES

WAIVER IN RESPECT OF RULE 8.6 OF THE HK TAKEOVERS CODE

The Executive has granted a waiver in respect of Rule 8.6 of the HK Takeovers Code in order to waive the requirement for a Chinese translation of this Exit Offer Letter and accompanying documentation to be despatched to Singapore Registered Shareholders and Depositors. Accordingly, the physical copies of the Chinese translation of this Exit Offer Letter will not be despatched to Singapore Registered Shareholders and Depositors. If any Singapore Registered Shareholders or Depositors wish to receive a copy of the Chinese translation of this Exit Offer Letter, they may so request at the office of the Principal Share Registrar in Singapore, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, or may access the Chinese translation of this Exit Offer Letter on the SEHK's website (<http://www.hkex.com.hk>).

WAIVER IN RESPECT OF RULE 9.1 OF THE SINGAPORE TAKEOVER CODE

The SIC has granted a waiver in respect of Rule 9.1 of the Singapore Takeover Code to state that the Company may dispense with the despatch of the Chinese translation of this Exit Offer Letter to Singapore Registered Shareholders and Depositors. Accordingly, the physical copies of the Chinese translation of this Exit Offer Letter will not be despatched to Singapore Registered Shareholders and Depositors. If any Singapore Registered Shareholders or Depositors wish to receive a copy of the Chinese translation of this Exit Offer Letter, they may so request at the office of the Principal Share Registrar in Singapore, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, or may access the Chinese translation of this Exit Offer Letter on the SEHK's website (<http://www.hkex.com.hk>).

LETTER FROM CHINA GALAXY AND STIRLING COLEMAN



CHINA GALAXY INTERNATIONAL SECURITIES
(HONG KONG) CO., LIMITED
(Incorporated in Hong Kong)
20th Floor, Wing On Centre,
111 Connaught Road Central, Sheung Wan,
Hong Kong



(Incorporated in the Republic of Singapore)
(Company Registration Number: 200105040N)
www.stirlingcoleman.com

STIRLING COLEMAN CAPITAL LIMITED
(Incorporated in Singapore)
4 Shenton Way
#07-03 SGX Centre 2
Singapore 068807

20 June 2018

To: The Shareholders of Weiye Holdings Limited

Dear Sir/Madam,

PROPOSED VOLUNTARY DELISTING OF WEIYE HOLDINGS LIMITED – EXIT OFFER LETTER

1. INTRODUCTION

1.1 Delisting Proposal

On the Joint Offer Announcement Date, the Offeror and the Company jointly announced that the Offeror had presented to the Board the Delisting Proposal to seek the Delisting pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual.

In connection with the Delisting and subject to the terms and conditions of this Exit Offer Letter, the Joint Financial Advisers, for and on behalf of the Offeror, are making the Exit Offer to acquire all the issued Shares, other than those already owned, controlled or agreed to be acquired by the Offeror.

1.2 EGM

The Company will be convening the EGM at 10:00 a.m. (Hong Kong and Singapore time) on 24 July 2018 at Phoenix 11 Meeting Room, 6th floor, Novotel Singapore Clarke Quay Hotel, 177A River Valley Road, Singapore 179031, to seek the approval of Shareholders for the Delisting.

1.3 Exit Offer Letter

This Exit Offer Letter contains the terms and conditions of the Exit Offer. The Exit Offer may only be accepted by the relevant Shareholder (or, as the case may be, the Depositor holding Offer Shares through CDP) to whom this Exit Offer Letter is addressed. This Exit Offer Letter, together with the Acceptance Forms, are despatched to you by the Joint Financial Advisers, for and on behalf of the Offeror.

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Please note that the Exit Offer and the Delisting are conditional upon the satisfaction of the Condition on or before the Long-Stop Date. If such Condition is not satisfied on or before the Long-Stop Date, the Delisting will not proceed and the Exit Offer will lapse. Please refer to Section 2 of this Exit Offer Letter for further details on the Exit Offer.

1.4 Circular

The Circular issued by the Company to Shareholders in relation to the Exit Offer and the Delisting is despatched together with this Exit Offer Letter and the relevant Acceptance Forms. Electronic copies of the Circular and this Exit Offer Letter are also available on the websites of the SGX-ST, the SEHK and the Company at <http://www.sgx.com>, <http://www.hkex.com.hk> and <http://www.weiyeholdings.com>, respectively.

1.5 Caution

Please read this Exit Offer Letter carefully in its entirety and in conjunction with the Circular, which sets out (a) the advice of the Singapore IFA to the Independent Board Committee in relation to the Exit Offer; (b) the advice of the HK IFA to the Independent Board Committee in relation to the Exit Offer; and (c) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Exit Offer and the Delisting.

2. THE EXIT OFFER

2.1 Terms of the Exit Offer

Subject to the satisfaction of the Condition, the Joint Financial Advisers, for and on behalf of the Offeror, will make the Exit Offer in cash for all the Offer Shares.

- (a) The Exit Offer will be made on the following basis:

The Exit Offer Price will be S\$0.65 or HK\$3.88 in cash for each Offer Share for Shares registered in the Singapore Register and HK Branch Register respectively. The Exit Offer Price in Hong Kong dollars is calculated based on the Latest Exchange Rate, and will not be adjusted based on prevailing exchange rates.

The Exit Offer Price is final and will not be further increased or revised.

The Exit Offer Price shall be applicable to any number of Offer Shares that are validly tendered in acceptance of the Exit Offer.

For the avoidance of doubt, in respect of valid acceptances of the Exit Offer by Shareholders whose Shares are registered on the HK Branch Register, the consideration payable for valid acceptances will be determined based on the Exit Offer Price in Hong Kong dollars, and the actual payment for valid acceptances by such Shareholders will be made in Hong Kong dollars. In respect of valid acceptances of the Exit Offer by

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Shareholders whose Shares are registered on the Singapore Register, consideration payable for the valid acceptances will be determined based on the Exit Offer Price in Singapore Dollars and the actual payment for valid acceptances by such Shareholders will be made in Singapore dollars.

- (b) The Offer Shares will be acquired fully paid and free from all Encumbrances and together with all rights, benefits, entitlements and advantages attached thereto as at the Joint Offer Announcement Date and thereafter attaching thereto, including the right to all Distributions (if any), the Record Date for which falls on or after the Joint Offer Announcement Date.
- (c) Without prejudice to the generality of the foregoing, the Exit Offer Price has been determined on the basis that the Offer Shares will be acquired together with the right to receive any Distributions (if any), available as at the Record Date which falls on or after the Joint Offer Announcement Date. In the event that the Record Date in respect of a Distribution falls on or after the Joint Offer Announcement Date, the Exit Offer Price payable to a Shareholder who validly accepts the Exit Offer shall be subject to the following adjustment mechanism, depending on when the Offer Settlement Date falls:
 - (i) if the Offer Settlement Date falls on or before the Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Exit Offer Price of S\$0.65 or HK\$3.88 in cash for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and
 - (ii) if the Offer Settlement Date falls after the Record Date, the Exit Offer Price payable for such Offer Shares tendered in acceptance of the Exit Offer shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.

2.2 Condition of the Exit Offer and the Delisting

The Exit Offer and the Delisting are subject to satisfaction of the following Condition by no later than the Long-Stop Date:

- (a) the Delisting Resolution being approved by a majority of at least 75% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM;
- (b) the Delisting Resolution not being voted against by 10% or more of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM; and

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- (c) confirmation from the SGX-ST that it has no objection to the proposed Delisting, subject to the Shareholders' approval of the Delisting Resolution as set out in sub-paragraphs (a) and (b) above.

The Exit Offer will **not** be conditional upon a minimum number of acceptances being received by the Offeror for the Exit Offer to become or be capable of being declared unconditional as to acceptances. If the Condition has not been satisfied by the Long-Stop Date, the Exit Offer will lapse and the Delisting will not proceed.

As at the Latest Practicable Date, pursuant to the Irrevocable Undertakings, Mr. Zhang and Mr. Chen, who own an aggregate of 131,269,904 Shares, representing approximately 66.93% of the total issued Shares, have, *inter alia*, undertaken to vote all of their Shares in favour of the Delisting Resolution at the EGM. Further details on the Irrevocable Undertakings are set out in Section 6 of this Exit Offer Letter.

The SGX-ST has, in its letter dated on 14 June 2018, advised that it has no objection to the Delisting, subject to approval by the Shareholders in accordance with Rule 1307 of the SGX-ST Listing Manual and the fulfilment of other conditions precedent to the Delisting. The SGX-ST's decision is not an indication of the merits of the Delisting and the Exit Offer.

2.3 Acceptances

Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of the Offer Shares.

Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances will be conditional upon satisfaction of the Condition on or before the Long-Stop Date. If the Condition is not satisfied on or before the Long-Stop Date, the Exit Offer will lapse, all acceptances of the Exit Offer will be returned, the Delisting will not proceed and the Offeror will cease to be bound by any prior acceptances of the Exit Offer. The Offer Shares in respect of which acceptances have been received will be returned to the relevant Shareholders in accordance with the procedures set out in this Exit Offer Letter.

2.4 Warranty by accepting Shareholder

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty to the Offeror and the Joint Financial Advisers by the accepting Shareholder that each Offer Share in respect of which the Exit Offer is accepted and is sold by the accepting Shareholder as, or on behalf of, the beneficial owner(s) thereof, will be fully paid and free from all Encumbrances, and together with all rights, benefits, entitlements and advantages attached thereto as at the Joint Offer Announcement Date, and thereafter attaching thereto, including the right to receive and retain all Distributions (if any), the Record Date for which falls on or after the Joint Offer Announcement Date.

2.5 Commencement and Duration of the Exit Offer

The Exit Offer is open for acceptance from the date of despatch of this Exit Offer Letter to Shareholders. The Circular has been despatched to the Shareholders on the same day as this

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Exit Offer Letter to allow Shareholders to receive all the relevant information and be able to consider the Exit Offer together with the Delisting Resolution that has been proposed to be passed at the EGM. Shareholders may choose to accept the Exit Offer before the EGM. However, Shareholders are to note that as the Exit Offer is exempted from compliance with Rule 29 of the Singapore Takeover Code on the right of acceptors to withdraw their acceptances, once a complete and valid acceptance had been received from a relevant Shareholder, such an acceptance cannot be revoked by the relevant Shareholder. Also, such acceptances will be conditional upon, amongst other things, the Delisting Resolution being passed at the EGM. If the Delisting Resolution is not passed at the EGM, the Condition will not be satisfied, the Exit Offer will lapse and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

The Exit Offer is required to remain open for acceptance for a period of at least twenty-one (21) days following the date of despatch of this Exit Offer Letter pursuant to Rule 15.1 of the HK Takeovers Code. If the Delisting Resolution is approved by the Shareholders at the EGM, the Exit Offer will become unconditional and remain open for acceptance for a period of at least fourteen (14) days after the date of the Exit Offer becoming unconditional in all respects. Accordingly, if approved by Shareholders and the Condition is satisfied, the Exit Offer will close at **4.00 p.m. (Hong Kong and Singapore time) on 7 August 2018.**

Shareholders are reminded that the Exit Offer will close at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date pursuant to Rule 15.1 of the HK Takeovers Code and should exercise caution in relation to the timing of acceptance of the Exit Offer.

The Offeror has no intention of extending the Exit Offer beyond 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. Notice is hereby given that the Exit Offer will not be open for acceptance beyond 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date.

2.6 Settlement of consideration

Settlement of consideration in respect of acceptances of the Exit Offer will be made as soon as possible but in any event within seven (7) Business Days of the date on which:

- (a) a complete and valid acceptance in respect of the Exit Offer is received; or
- (b) the Condition has been satisfied,

whichever is later.

2.7 Voting at the EGM

The Offeror is making the Exit Offer in order to facilitate the Delisting and accordingly, the Exit Offer is conditional upon the Delisting Resolution being approved by Shareholders at the EGM. Shareholders may vote all or any number of Shares held by them for or against the Delisting Resolution, regardless of whether or not they wish to accept the Exit Offer.

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- (a) Shareholders who support the Delisting and wish to retain their Shares (which will continue to be listed on the SEHK) may vote in favour of the Delisting Resolution at the EGM and reject the Exit Offer;
- (b) Shareholders who support the Delisting but wish to sell their Shares (although such Shares will continue to be listed on the SEHK) may vote in favour of the Delisting Resolution at the EGM and accept the Exit Offer;
- (c) Shareholders who do not support the Delisting and wish to retain their Shares may vote against the Delisting Resolution at the EGM and reject the Exit Offer; and
- (d) Shareholders who do not support the Delisting but wish to sell their Shares in the event that the Delisting Resolution is approved may vote against the Delisting Resolution and accept the Exit Offer.

Shareholders should note that the Delisting is not a privatisation exercise. In the event that the Delisting Resolution is approved by Shareholders at the EGM, the Company will delist the Shares from the SGX-ST but maintain its primary listing on the Main Board of the SEHK.

Shareholders who currently trade their Shares on the SGX-ST and who do not accept the Exit Offer will be able to continue trading their Shares on the Main Board of the SEHK subsequent to the completion of the Delisting as their Shares will be automatically transferred, at the Company's cost, from the Singapore Register to the HK Branch Register. Please refer to Sections 11 and 16.3 of this Exit Offer Letter for further details.

Shareholders who wish to retain their Shares and do not accept the Exit Offer do not need to take any action. Shareholders who wish to sell their Shares and accept the Exit Offer should complete, sign and return the relevant Acceptance Form. Please refer to Section 16 of this Exit Offer Letter for further details.

3. RULINGS AND CONFIRMATIONS FROM THE SIC

Pursuant to an application made by the Offeror to the SIC, the SIC has ruled, amongst others, as follows:

- (a) the undertaking shareholders (if any) other than Mr. Zhang and Mr. Chen will not be regarded as parties acting in concert with the Offeror solely by reason of providing the Irrevocable Undertakings executed by them;
- (b) the financial confirmation to be given under Rules 3.5 and 23.8 of the Singapore Takeover Code in connection with the Shares tendered in acceptance of the Exit Offer, may exclude the amounts payable to Mr. Zhang and Mr. Chen in respect of their respective Shares, subject to their Irrevocable Undertakings not being revoked at any time before the completion of the Exit Offer;

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(c) the Exit Offer is exempted from compliance with the following provisions of the Singapore Takeover Code:

(i) Rule 20.1 on keeping the Exit Offer open for fourteen (14) days after it has been revised;

(ii) Rule 22 on the offer timetable;

(iii) Rule 28 on acceptances; and

(iv) Rule 29 on the right of acceptors to withdraw their acceptances,

subject to the Exit Offer remaining open for at least:

(A) twenty-one (21) days after the date of the despatch of the Exit Offer Letter if the Exit Offer Letter is despatched after Shareholders' approval for the Delisting has been obtained; or

(B) fourteen (14) days after the date of the announcement of Shareholders' approval of the Delisting if the Exit Offer Letter is despatched on the same date as the Circular;

(d) the Directors and Controlling Shareholders do not need to abstain from voting on the Delisting Resolution at the EGM; and

(e) Mr. Zhang and Mr. Chen (the "**Interested Directors**") are exempted from making a recommendation on the Exit Offer to Shareholders as they face irreconcilable conflicts of interest in doing so, given that they are acting in concert with the Offeror and will be providing Irrevocable Undertakings. Each of the Interested Directors must, however, still assume responsibility for the accuracy of facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Exit Offer.

4. INFORMATION ON THE RELEVANT PERSONS

4.1 Information on the Offeror and Mr. Zhang

(a) The Offeror is a company incorporated in the BVI on 5 April 2017. Its registered office is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI. The Offeror is an investment holding company. As at the Latest Practicable Date, the Offeror has an issued share capital of US\$100.00 comprising 100 ordinary shares, which are wholly and beneficially owned by Mr. Zhang. The sole director of the Offeror is Mr. Zhang, who is also the Chairman, executive Director and chief executive officer of the Company.

- (b) As at the Latest Practicable Date, Mr. Zhang owns 91,029,648 Shares, representing approximately 46.41% of the total issued Shares, while the Offeror does not own any Shares. Please refer to **Appendix 6** for details on Mr. Zhang's shareholdings in the Company.
- (c) As at the Latest Practicable Date, save as disclosed in Section 4.1(b) above, each of the Offeror and Mr. Zhang does not own and has not entered into any agreement to acquire any Shares or convertible securities issued by the Company. Please refer to **Appendix 4** to this Exit Offer Letter for further details relating to the Offeror.

4.2 Information on Mr. Chen

Mr. Chen is an executive Director and the chief operating officer of the Company, and owns 40,240,256 Shares, representing approximately 20.52% of the total issued Shares. Mr. Chen is the brother-in-law of Mr. Zhang. Please refer to **Appendix 6** for details on Mr. Chen's shareholdings in the Company.

4.3 Information on Mr. Zhang Jianwei

Mr. Zhang Jianwei is the brother of Mr. Zhang, and owns 833,867 Shares, representing approximately 0.43% of the total issued Shares. Please refer to **Appendix 6** for details on Mr. Zhang Jianwei's shareholdings in the Company.

4.4 Aggregate holdings of the Relevant Persons

As at the Latest Practicable Date, the Relevant Persons (including Mr. Zhang, Mr. Chen and Mr. Zhang Jianwei), have an aggregate interest in 132,103,771 Shares, representing approximately 67.35% of the total number of issued Shares. Please refer to Section 13 below for details of the Company Securities owned or controlled by the Relevant Persons.

5. INFORMATION ON THE COMPANY

- 5.1** The Company is incorporated in Singapore on 2 August 1984 and is dual primary listed on the Official List of the Mainboard of the SGX-ST and on the Main Board of the SEHK.
- 5.2** The Group is a property developer in the PRC which focuses on developing residential projects.

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5.3 The following information is extracted from the audited consolidated income statements of the Company for the financial years ended 31 December 2016 and 2017 and the unaudited consolidated income statement of the Company for the three months ended 31 March 2018:

	For the financial year ended 31 December 2016 RMB'000 (audited)	For the financial year ended 31 December 2017 RMB'000 (audited)	For the three months ended 31 March 2018 RMB'000 (unaudited)
Revenue	741,421	1,748,042	185,574
Profit before taxation	145,065	218,527	33,951
Profit for the period attributable to Shareholders	65,349	116,161	7,459

5.4 As at the Latest Practicable Date:

- (a) the Company has an issued and paid-up share capital of 196,133,152 Shares, and does not have any other outstanding options, rights, warrants or other instruments convertible into, exercisable for or redeemable with, any Shares;
- (b) the Company does not have any treasury Shares; and
- (c) the Directors are Mr. Zhang (Chairman, executive Director and chief executive officer), Mr. Chen (executive Director and chief operating officer), Mr. Dong Xincheng (non-executive Director), Mr. Ong Kian Guan (independent non-executive Director and lead non-executive independent Director), Mr. Oh Eng Bin (independent non-executive Director) and Mr. Siu Man Ho Simon (independent non-executive Director).

6. IRREVOCABLE UNDERTAKINGS

- (a) As at the Latest Practicable Date, Mr. Zhang and Mr. Chen (whose particulars are set out in **Appendix 1** to this Exit Offer Letter) have provided irrevocable undertakings to the Offeror whereby each of Mr. Zhang and Mr. Chen has irrevocably undertaken, amongst other things:
 - (i) to exercise or procure the exercise of the voting rights attached to their Shares to vote in favour of the Delisting Resolution at the EGM;
 - (ii) not to accept the Exit Offer in respect of all or any of their Shares; and

- (iii) save for any Encumbrances arising from or in connection with the ZW Charge (as defined in the section headed “Holdings of Shares of the Relevant Persons” of **Appendix 6** to this Exit Offer Letter) and the CZY Charge (as defined in the section headed “Holdings of Shares of the Relevant Persons” of **Appendix 6** to this Exit Offer Letter) in respect of Mr. Zhang and Mr. Chen only, not to, prior to the close or withdrawal of the Exit Offer, directly or indirectly (and whether beneficially, legally or otherwise), (i) offer, sell, give, transfer, pledge, encumber, charge, or grant any option or other right over or otherwise dispose of or deal with any of their Shares or any interest therein; (ii) enter into any swap or other arrangement that transfers to another party in whole or in part any of the legal, beneficial or economic consequences of ownership of, any of their Shares or any interest therein; (iii) subject any of their Shares to any Encumbrance; or (iv) enter into any agreement with a view to effecting any of the foregoing.
- (b) The Irrevocable Undertakings will expire and cease to have any effect at the earlier of:
 - (i) the Delisting Resolution not being passed by Shareholders at the EGM;
 - (ii) the Exit Offer having been withdrawn, lapsed or closed; or
 - (iii) 12 months from the date of the Irrevocable Undertakings.
- (c) As at the Latest Practicable Date, other than Mr. Zhang and Mr. Chen, no other Shareholders have irrevocably undertaken to accept or reject the Exit Offer.

Please refer to Section 3 above on the confirmations from the SIC on the Irrevocable Undertakings.

7. RATIONALE FOR THE DELISTING AND THE EXIT OFFER

The Delisting has been proposed by the Offeror and supported by the Company for the following reasons:

- (a) there is currently limited liquidity in the trading of the Shares and having a single listing will consolidate the trading of the Shares, broaden the Shareholder base and is expected to lead to improved liquidity and enhanced Shareholder value;
- (b) the SEHK is geographically of closer proximity to the principal place of business of the Group’s operations which are mainly undertaken in the PRC. As such, the Offeror and the Company regard the SEHK as the preferred platform for future fund raising activities (if any) as investors on the SEHK are likely to have greater familiarity with the business of the Group; and

- (c) there will be savings in (i) the compliance costs and complexity involved in the Company having to comply with the listing rules and regulations of two stock exchanges, (ii) management resources incurred; and (iii) constraints in operational flexibility, hence resulting in cost savings for the Company.

The Exit Offer is not made by the Offeror with an intention to consolidate control in or to privatise the Company. The Exit Offer is made in connection with the Delisting pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual. The Offeror intends to preserve the listing status of the Company on the Main Board of the SEHK following the completion of the Delisting.

Shareholders who currently trade their Shares on the SGX-ST and who do not accept the Exit Offer will be able to continue trading their Shares on the Main Board of the SEHK subsequent to the completion of the Delisting as their Shares will be automatically transferred, at the Company's cost, from the Singapore Register to the HK Branch Register.

8. OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror has no intention to (a) propose or introduce any major changes to the businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, in each case, other than in the ordinary course of business. It is the intention of the Offeror that the Group will continue to carry on its existing businesses.

The Offeror intends to preserve the listing status of the Company on the Main Board of the SEHK following the completion of the Delisting. Shareholders should note that the Delisting is not a privatisation exercise and following the completion of the Delisting, the Shares will continue to maintain its primary listing on the Main Board of the SEHK. The Delisting will not result in the exercise of any right of compulsory acquisition by the Offeror to compulsorily acquire or squeeze-out any minority Shareholders.

The SEHK has stated that if, at the closing of the Exit Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the SEHK believes that:

- a false market exists or may exist in the trading of the Shares; or
- there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on SEHK upon the close of the Exit Offer. The sole director of the Offeror, the Directors and the directors to be appointed to the Board (if any) will jointly and severally undertake to the SEHK to take appropriate steps to ensure that sufficient public float exists in Shares. Shareholders should be reminded of the risk of suspension in the dealings in the Shares despite such undertakings.

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Shareholders should also note that pursuant to the HK Listing Rules, listing on the Main Board of the SEHK is always granted subject to the condition that where the SEHK considers it necessary for the protection of the investor or the maintenance of an orderly market, it may at any time direct a trading halt or suspend dealings in any securities or cancel the listing of any securities in such circumstances and subject to such conditions as it thinks fit, whether requested by the issuer or not. The SEHK may also do so where:–

- (1) an issuer fails, in a manner which the SEHK considers material, to comply with the HK Listing Rules; or
- (2) the SEHK considers there are insufficient securities in the hands of the public (in the case of the Company, being less than 25% of the issued Shares); or
- (3) the SEHK considers that the issuer does not have a sufficient level of operations or sufficient assets to warrant the continued listing of the issuer's securities; or
- (4) the SEHK considers that the issuer or its business is no longer suitable for listing.

The Company is not aware of any circumstances based on the above criteria that would cause the SEHK to cancel the listing status of the Company on the Main Board of the SEHK.

9. COMPULSORY ACQUISITION

9.1 Pursuant to Section 215(1) of the Singapore Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Exit Offer (or otherwise acquires Shares during the period that the Exit Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those Shares already held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer and excluding treasury Shares), the Offeror will be entitled to compulsorily acquire all the Offer Shares from Shareholders who have not accepted the Exit Offer on the same terms as those offered under the Exit Offer. For the avoidance of doubt, Mr. Zhang's and Mr. Chen's shareholdings will not be treated as Shares held by the Offeror, its related corporations or their respective nominees for the purposes of Section 215(1) of the Singapore Companies Act.

Pursuant to Rule 2.11 of the HK Takeovers Code, except with the consent of the Executive, where any person seeks to acquire or privatise a company by means of an offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirements imposed by law, acceptances of the offer and purchases (in each case of the disinterested shares) made by the Offeror and persons acting in concert with it during the period of four (4) months after the posting of the initial offer document total 90% of the disinterested shares.

As it is the intention of the Offeror to preserve the primary listing status of the Shares on the Main Board of the SEHK following the completion of the Delisting, the Offeror does not intend to exercise any rights of compulsory acquisition under Section 215(1) of the Singapore Companies Act and Rule 2.11 of the HK Takeovers Code respectively.

9.2 In addition, Shareholders who do not accept the Exit Offer have the right under and subject to Section 215(3) of the Singapore Companies Act, to require the Offeror to acquire their Shares at the Exit Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares (excluding treasury Shares). For the avoidance of doubt, Mr. Zhang's and Mr. Chen's shareholdings will not be treated as Shares held by the Offeror, its related corporations or their respective nominees for the purposes of Section 215(3) of the Singapore Companies Act. Shareholders who wish to exercise such right are advised to seek their own independent legal advice. However, pursuant to the Irrevocable Undertakings, the maximum number of Shares which the Offeror would hold upon completion of the Exit Offer is 68,863,248 Shares, being 33.07% of the total number of issued Shares (excluding treasury Shares). As this falls below 90% of the total number of issued Shares (excluding treasury Shares), Shareholders who do not accept the Exit Offer would not be able to exercise the aforementioned right under Section 215(3) of the Singapore Companies Act to require the Offeror to acquire their Shares at the Exit Offer Price.

10. IMPLICATIONS OF THE DELISTING FOR HK BRANCH REGISTERED SHAREHOLDERS AND SINGAPORE REGISTERED SHAREHOLDERS

If the Delisting were to proceed and if HK Branch Registered Shareholders wish to transfer their Shares to the Singapore Register for any reason, the latest date they may do so is ten (10) Business Days before the last date of trading of Shares on the SGX-ST to allow for sufficient time for the Shares to be transferred to the Singapore Register and deposited with the CDP for trading to be able to be done on the SGX-ST.

As the Company will not be seeking a suspension of trading of the Shares on the SEHK, Singapore Registered Shareholders who wish to avail themselves to the Exit Offer Price in Hong Kong, shall only be required to register their Shares in the Hong Kong Register on or before the Closing Date.

11. IMPLICATIONS OF THE DELISTING FOR SHAREHOLDERS WHO DO NOT ACCEPT THE EXIT OFFER

Shareholders who currently trade their Shares on the SGX-ST and who do not accept the Exit Offer will be able to continue trading their Shares on the Main Board of the SEHK subsequent to the completion of the Delisting as their Shares will be automatically transferred, at the Company's cost, from the Singapore Register to the HK Branch Register. The Company will issue new share certificates in respect of such Shareholders' Shares registered on the HK Branch Register and the Branch Share Registrar and Transfer Office in Hong Kong will mail the new share certificates by ordinary post to the mailing addresses of the Shareholders as they appear in the Address Notification Form submitted to the Company, at such Shareholders' own risk. The new share certificates to be issued to such Shareholders are identical to the existing share certificates registered on the HK Branch Register. Such Shareholders' existing share

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certificates in respect of their Shares registered on the Singapore Register will be automatically cancelled and become invalid for delivery, trading and settlement. Shareholders who have not submitted the Address Notification Form to the Company three (3) Business Days before the date of the Delisting will have their new share certificates delivered by ordinary post at their own risk to their registered addresses as set out in the records of the Company and/or CDP.

Upon setting up investor participant stock account in CCASS with the HKSCC or stock account with designated CCASS participants, through brokerage firms in Hong Kong or Singapore which offer such services, and depositing their Shares into CCASS for credit to their investor participant stock account or their designated CCASS participant stock account thereafter, Shareholders will be able to trade their Shares on the Main Board of the SEHK. The costs of setting up investor stock accounts in CCASS or stock accounts with designated CCASS participants will be borne by the Shareholder. Further details will be set out in the Circular.

12. FINANCIAL ASPECTS OF THE EXIT OFFER

12.1 Premia over Historical Market Prices

The Exit Offer Price represents the following premia over the historical market prices of the Shares on the SGX-ST and the SEHK over various periods:

Share Prices on the SGX-ST	Share Price	Premium
Last transacted price of the Shares on the SGX-ST on 12 June 2018 (being the last traded price before the Latest Practicable Date)	S\$0.640	1.6%
Last transacted price of the Shares on the SGX-ST on 13 March 2018 (being the Last Traded Day)	S\$0.495	31.3%
VWAP on the SGX-ST for the one-month period up to and including the Last Traded Day	S\$0.461	41.0%
VWAP on the SGX-ST for the three-month period up to and including the Last Traded Day	S\$0.451	44.1%
VWAP on the SGX-ST for the six-month period up to and including the Last Traded Day	S\$0.450	44.4%
VWAP on the SGX-ST for the one-year period up to and including the Last Traded Day	S\$0.509	27.7%
Share Prices on the SEHK	Share Price	Premium ⁽¹⁾
Last transacted price of the Shares on the SEHK as at the Latest Practicable Date	HK\$3.810	1.8%
Last transacted price of the Shares on the SEHK on 13 March 2018 (being the Last Traded Day)	HK\$3.000	29.3%

¹ For ease of comparison, the Exit Offer Price has been converted into Hong Kong dollars based on the Latest Exchange Rate. See Section 2.1 of this Exit Offer Letter for further information regarding the Exit Offer Price.

LETTER FROM CHINA GALAXY AND STIRLING COLEMAN

Share Prices on the SEHK	Share Price	Premium ⁽¹⁾
Average closing price on the SEHK for the one-month period up to and including the Last Traded Day	HK\$2.738	41.7%
Average closing price on the SEHK for the three-month period up to and including the Last Traded Day	HK\$2.696	43.9%
Average closing price on the SEHK for the six-month period up to and including the Last Traded Day	HK\$2.750	41.1%
Average closing price on the SEHK for the one-year period up to and including the Last Traded Day	HK\$2.974	30.5%

12.2 Discount to Net Asset Value

The Exit Offer Price represents a discount of approximately 53.3% to the audited consolidated net asset value per Share of S\$1.393 as at 31 December 2017, as stated in the Joint Offer Announcement.

13. DISCLOSURE OF HOLDINGS AND DEALINGS IN THE COMPANY

13.1 As at the Latest Practicable Date, the Relevant Persons own or have control or direction over an aggregate of 132,103,771 Shares, representing approximately 67.35% of the total number of issued Shares.

13.2 Save as disclosed in **Appendix 1** and the section headed “Holdings of Shares of the Relevant Persons” of **Appendix 6** to this Exit Offer Letter, none of the Relevant Persons (a) owns, controls, has direction over or has agreed to acquire any Company Securities as at the Latest Practicable Date, or (b) has dealt for value in any Company Securities during the Reference Period.

13.3 Save as disclosed in the section headed “Holdings of Shares of the Relevant Persons” of **Appendix 6** to this Exit Offer Letter, as at the Latest Practicable Date, none of the Relevant Persons has granted any security interest over any Company Securities to another person, whether through a charge, pledge or otherwise.

13.4 As at the Latest Practicable Date:

- (a) save as disclosed in Section 6 of this Exit Offer Letter, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the HK Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Exit Offer;
- (b) save as disclosed in Section 2.2 of this Exit Offer Letter, there is no agreement or arrangement to which any of the Relevant Persons is a party which relates to circumstances in which it may or may not seek to invoke a pre-condition or a condition to the Exit Offer;

LETTER FROM CHINA GALAXY AND STIRLING COLEMAN

- (c) there is no outstanding derivative in respect of the Company Securities entered into by the Relevant Persons;
- (d) save as disclosed in Section 6 of this Exit Offer Letter, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the Exit Offer, as at the Latest Practicable Date; and
- (e) there are no relevant securities (as defined in Note 4 to Rule 22 of the HK Takeovers Code) in the Company which any Relevant Person has borrowed or lent.

14. TOTAL CONSIDERATION PAYABLE UNDER THE EXIT OFFER

As at the Latest Practicable Date, the Company has 196,133,152 Shares in issue. On the basis of the Exit Offer Price of S\$0.65 or HK\$3.88 and 196,133,152 Shares in issue, the total consideration payable for the entire issued share capital of the Company is S\$127,486,548.80 (or approximately HK\$760,996,630 at the Latest Exchange Rate). Excluding the 131,269,904 Shares held by Mr. Zhang and Mr. Chen who are subject to Irrevocable Undertakings, 64,863,248 Shares is the maximum number of Shares that may be tendered for acceptance under the Exit Offer, and the maximum amount of cash consideration payable under the Exit Offer by the Offeror for such Shares based on the Exit Offer Price will be S\$42,161,111.20 (approximately HK\$251,669,402 at the Latest Exchange Rate) in aggregate.

15. CONFIRMATION OF FINANCIAL RESOURCES

The SIC has confirmed that the financial confirmation to be given by the financial advisor to the Offeror that sufficient resources are available to the Offeror to satisfy the acceptances of the Exit Offer may exclude the Shares held by Mr. Zhang and Mr. Chen. Accordingly, the maximum amount of cash consideration payable by the Offeror in connection with the Exit Offer is S\$42,161,111.20 (approximately HK\$251,669,402 at the Latest Exchange Rate) in aggregate, which will be funded by the Offeror entirely through personal resources of Mr. Zhang.

Stirling Coleman, as the Offeror's Singapore financial adviser, confirms in accordance with the Singapore Takeover Code that, after excluding the 131,269,904 Shares held by Mr. Zhang and Mr. Chen pursuant to the Irrevocable Undertakings, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer.

China Galaxy, as the Offeror's Hong Kong financial adviser, is satisfied that, after excluding the 131,269,904 Shares held by Mr. Zhang and Mr. Chen pursuant to the Irrevocable Undertakings, sufficient financial resources are available to the Offeror to satisfy the consideration for full acceptances of the Exit Offer.

16. COURSES OF ACTION AVAILABLE TO SHAREHOLDERS

16.1 Acceptance Forms

- (a) If you hold Offer Shares that are deposited with CDP, you should receive a SG FAA together with this Exit Offer Letter. If you have not received the SG FAA, you may obtain a copy of the SG FAA from the Offeror c/o CDP, at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, upon production of satisfactory evidence that you are a Depositor holding Offer Shares through CDP.
- (b) If you are a Singapore Registered Shareholder, you should receive a SG FAT together with this Exit Offer Letter. If you have not received a SG FAT, you may obtain a copy of the SG FAT from the office of the Principal Share Registrar in Singapore, RHT Corporate Advisory Pte. Ltd., at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, upon production of satisfactory evidence that you are a Singapore Registered Shareholder.
- (c) If you are a HK Branch Registered Shareholder, you should receive a HK FAT together with this Exit Offer Letter. If you have not received a HK FAT, you may obtain a copy of the HK FAT from the office of the Branch Share Registrar and Transfer Office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, upon production of satisfactory evidence that you are a HK Branch Registered Shareholder.
- (d) If you are a HK Branch Registered Shareholder holding your Shares through a nominee or in CCASS, you may instruct your nominee company, or other nominee to elect to accept the Exit Offer in accordance with instructions given by your nominee or CCASS nominees.

16.2 Acceptance of the Exit Offer

The Exit Offer may only be accepted by the relevant Shareholder (or, as the case may be, the Depositor holding Offer Shares through CDP) to whom this Exit Offer Letter is addressed. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptance is conditional upon the Condition being satisfied on or before the Long-Stop Date. Shareholders should note that if the Delisting Resolution is not passed at the EGM, the Condition will not be satisfied, the Delisting will not proceed and the Company will remain listed on the Official List of the Mainboard of the SGX-ST and on the Main Board of the SEHK. The Exit Offer will also lapse and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder. The Offer Shares in respect of which acceptances have been received shall be returned to the relevant Shareholders in accordance with the procedures set out in this Exit Offer Letter and in the relevant Acceptance Forms (as the case may be).

SHAREHOLDERS SHOULD NOTE THAT APPROVING THE DELISTING RESOLUTION AT THE EGM DOES NOT AUTOMATICALLY MEAN THAT YOU HAVE ACCEPTED THE EXIT OFFER.

16.3 Courses of Action in relation to the Exit Offer

- (a) **If you decide to reject the Exit Offer**, you do not have to take any action. Shareholders who currently trade their Shares on the SGX-ST and who do not accept the Exit Offer will be able to continue trading their Shares on the Main Board of the SEHK subsequent to the Delisting as their Shares will be automatically transferred, at the Company's cost, from the Singapore Register to the HK Branch Register. The Branch Share Registrar and Transfer Office in Hong Kong will issue and mail by ordinary post to the mailing addresses of Shareholders as they appear in the Address Notification Form submitted to the Company, at their own risk, new share certificates in respect of their Shares registered on the HK Branch Register. Shareholders who do not submit the Address Notification Form to the Company will have their new share certificates delivered by ordinary post at their own risk to their registered addresses as set out in the records of the Company and/or CDP.

Upon setting up investor participant stock account in CCASS with the HKSCC or stock account with designated CCASS participants, through brokerage firms in Hong Kong or Singapore which offer such services, and depositing their Shares into CCASS for credit to their investor participant stock account or their designated CCASS participant stock account thereafter, Shareholders will be able to trade their Shares on the Main Board of the SEHK. The costs of setting up investor stock accounts in CCASS or stock accounts with designated CCASS participants will be borne by the Shareholder.

- (b) **If you decide to accept the Exit Offer**, you should complete, sign and return the relevant Acceptance Form in accordance with the provisions and instructions in this Exit Offer Letter and in the relevant Acceptance Form during the period commencing from the date of despatch of this Exit Offer Letter and ending at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date.

If you are a Singapore Registered Shareholder and wish to accept the Exit Offer in respect of such Offer Shares, you should not deposit the share certificate(s) with CDP during the period commencing on the date of this Exit Offer Letter and ending at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date (both dates inclusive) as the "Free Balance" of your Securities Account may not be credited with the relevant number of Offer Shares in time for you to accept the Exit Offer.

The detailed procedures for acceptance and settlement of the Exit Offer are set out in **Appendices 2 and 3** to this Exit Offer Letter for your information.

17. OVERSEAS SHAREHOLDERS

17.1 Overseas Shareholders

The Offeror intends to make the Exit Offer available to all Shareholders. The availability of the Exit Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements and restrictions in the relevant overseas jurisdictions, and exercise caution in relation to the Exit Offer.

17.2 Responsibility of Overseas Shareholders

It is the responsibility of any Overseas Shareholder who (a) receives copies of this Exit Offer Letter, the relevant Acceptance Form and the Circular, and/or (b) accepts the Exit Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of governmental or any other consents which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, the Joint Financial Advisers, CDP, the Principal Share Registrar in Singapore, the Branch Share Registrar and Transfer Office in Hong Kong and/or any person acting on his behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror, the Joint Financial Advisers, CDP, the Principal Share Registrar in Singapore, the Branch Share Registrar and Transfer Office in Hong Kong and/or any person acting on his behalf may be required to pay. In (a) receiving copies of this Exit Offer Letter, the relevant Acceptance Form and the Circular and/or (b) accepting the Exit Offer, the Overseas Shareholder represents and warrants to the Offeror, the Joint Financial Advisers, CDP, the Principal Share Registrar in Singapore and the Branch Share Registrar and Transfer Office in Hong Kong that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

17.3 Notice to US holders of Shares

The Circular, Exit Offer Letter and Acceptance Forms relate to the Delisting of the Shares of the Company from the Official List of the Main Board of the SGX-ST and the offer by the Offeror to acquire all of the Company's Offer Shares on the terms described therein. You are receiving these materials because you have been identified as a holder of the Shares.

The Company is organized under the laws of Singapore. The Exit Offer is being made in accordance with the requirements of the SGX-ST Listing Manual, the Singapore Takeover Code and the HK Takeovers Code. Accordingly, the Exit Offer is subject to disclosure and procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under tender offer procedures conducted under United States federal securities law.

LETTER FROM CHINA GALAXY AND STIRLING COLEMAN

If you wish to accept the Exit Offer, it is your responsibility to satisfy yourself as to the full observance of the laws of the United States in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and compliance with other necessary formalities or legal requirements. You are advised to seek professional advice on deciding whether to accept the Exit Offer.

The Shares have not been and will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Neither the Securities and Exchange Commission nor any state securities commission in the United States has approved or disapproved of the shares or passed upon the adequacy or accuracy of the Exit Offer Letter, the Circular or the Acceptance Forms or the information contained therein. Any representation to the contrary is a criminal offense.

The Circular, Exit Offer Letter and Acceptance Forms are being delivered to you as an holder of Shares and do not constitute an offer to any other person or to the public generally to purchase or subscribe for Shares. Distribution of Circular, Exit Offer Letter and Acceptance Forms to any person other than those persons, if any, that you retain to advise you in connection with the Exit Offer is unauthorized, and any other disclosure of any of their contents without the prior written consent of the Company is prohibited.

The financial information included in the Circular has been prepared in accordance with Singapore Financial Reporting Standards and thus may not be comparable to financial information of United States companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The financial statements are presented in Singapore dollars.

The sale of Shares pursuant to the Exit Offer may have tax consequences for United States citizens or residents. Those tax consequences are not described in the Exit Offer Letter or the Circular. You should consult your own tax advisor concerning the transactions described therein.

It may be difficult for US holders of the Shares to enforce their rights and any claims arising under United States federal securities laws, since both the Offeror and the Company are located in countries other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of the Shares may not be able to sue the Company or its officers or directors in a non-US court for violations of United States securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a United States court's jurisdiction.

17.4 Notice to UK holders of Shares

This document is a financial promotion, the communication of which is restricted in the United Kingdom by section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”) unless the communication is either: (a) issued or approved by a person authorised under FSMA (an “**Authorised Person**”); or (b) falls within an exemption set out in the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the “**FPO**”). In reliance on the exemption set out in Article 62 (Sale of a Body Corporate) of the FPO, this communication has not been issued or approved by an Authorised Person for the purposes of section 21 of FSMA.

17.5 Notice to PRC holders of Shares

If the failure of the service cannot be attributed to the Company who serves the Circular and the Exit Offer Letter (including but not limited to such conditions that you, being the holder of the Shares, have provided the wrong consignee information, or refuse to receive the Circular and the Exit Offer Letter, or cannot be located etc.), then the Circular and the Exit Offer Letter will be deemed to have been served, and you shall be responsible for the risks and consequences.

17.6 Notice to Indonesia holders of Shares

Shareholders residing in the Republic of Indonesia who wish to accept the Exit Offer should sign the relevant Acceptance Form before a local notary having jurisdiction to practice over the signing location for the purpose of verifying the correctness and the validity of the signature. The Acceptance Form so signed should also be legalized by (1) the Ministry of Law and Human Rights of the Republic of Indonesia, (2) the Ministry of Foreign Affairs of the Republic of Indonesia, and (3) the Embassy of the Republic of Indonesia in Singapore or the Embassy of the Republic of Singapore in Indonesia. The relevant Shareholder shall bear all the costs involved in complying with the above formalities. An Acceptance Form signed by a shareholder residing in the Republic of Indonesia will only be considered valid if, at the time of receipt of the Acceptance Form by or on behalf of the Offeror, the above formalities have been fully complied with.

18. INFORMATION PERTAINING TO CPFIS INVESTORS

CPFIS Investors should receive further information on how to accept the Exit Offer from their respective CPF Agent Banks shortly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Exit Offer are to reply to their respective CPF Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors who accept the Exit Offer will receive payment of the Exit Offer Price in respect of their Offer Shares in their CPFIS accounts. Following the completion of the Delisting, the Shares cannot be deposited with CDP and the Company will

arrange to forward the individual share certificates representing the Offer Shares held by individual CPFIS Investors who do not accept the Exit Offer to their respective CPF Agent Banks for safe-keeping. CPFIS Investors will not be allowed to use funds from their CPF accounts for further purchases of the Shares because under the Central Provident Fund (Investment Schemes) Regulations, CPF funds may only be invested in the shares of companies incorporated in Singapore that are listed on the SGX-ST, traded in Singapore dollars and included under the CPFIS. Please refer to **Appendix 2** to this Exit Offer Letter for further details relating to CPFIS Investors who do not accept the Exit Offer.

19. GENERAL

19.1 Valid Acceptances

The acceptances of the Exit Offer by Singapore Registered Shareholders and Depositors will be treated as valid if the requirements are fulfilled pursuant to **Appendix 2** to this Exit Offer Letter, and the acceptances of the Exit Offer by HK Branch Registered Shareholders will be treated as valid if the requirements are fulfilled pursuant to **Appendix 3** to this Exit Offer Letter. Any decision to reject or treat as valid any acceptance will be final and binding and none of CDP, the Principal Share Registrar in Singapore, the Branch Share Registrar and Transfer Office in Hong Kong, the Offeror and the Joint Financial Advisers (as the case may be) accepts any responsibility or liability for the consequences of such a decision.

19.2 Governing Law and Jurisdiction

The Exit Offer, this Exit Offer Letter, the Acceptance Forms, all acceptances of the Exit Offer and all contracts made pursuant thereto and all actions taken or deemed to be taken or made in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of Singapore and the laws of Hong Kong (as applicable). The Offeror and each accepting Shareholder agree to submit to the non-exclusive jurisdiction of the Singapore courts.

19.3 No Third Party Rights

Unless expressly provided to the contrary in this Exit Offer Letter and in the relevant Acceptance Form, a person who is not a party to any contracts made pursuant to the Exit Offer, this Exit Offer Letter and the relevant Acceptance Form has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and the Contracts (Rights of Third Parties) Ordinance (Chapter 623, laws of Hong Kong) (as applicable), to enforce any term of such contracts. Notwithstanding any term contained herein and in the relevant Acceptance Form, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

19.4 Accidental Omission

Any accidental omission to despatch this Exit Offer Letter, the Circular and the relevant Acceptance Forms, or to give any notice, advertisement or announcement required to be given under the terms of the Exit Offer, or any failure to receive the same by, any person to whom the Exit Offer is made or should be made, shall not invalidate the Exit Offer in any way.

19.5 Independent Advice

The Joint Financial Advisers are acting for and on behalf of the Offeror in connection with the Exit Offer and the Delisting and do not purport to advise the Shareholders. In preparing this Exit Offer Letter on behalf of the Offeror, the Joint Financial Advisers have not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any individual Shareholder or holder of the Company Securities.

The advice of the respective IFAs to the Independent Board Committee and the recommendation of the Independent Board Committee on the Exit Offer and the Delisting is available in the Circular. Shareholders may wish to consider their advice before taking any action in relation to the Exit Offer.

20. RESPONSIBILITY STATEMENTS**20.1 Pursuant to the HK Takeovers Code:**

- (a) Mr. Zhang, being the sole director of the Offeror, accepts full responsibility for the accuracy of information contained in this Exit Offer Letter (other than information relating to the Company) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Exit Offer Letter have been arrived at after due and careful consideration and there are no other facts not contained in this Exit Offer Letter, the omission of which would make any statement in this Exit Offer Letter misleading.
- (b) all Directors jointly and severally accept full responsibility for the accuracy of information contained in this Exit Offer Letter (other than information relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Exit Offer Letter have been arrived at after due and careful consideration and there are no other facts not contained in this Exit Offer Letter, the omission of which would make any statement in this Exit Offer Letter misleading.

LETTER FROM CHINA GALAXY AND STIRLING COLEMAN

20.2 Pursuant to the Singapore Takeover Code:

- (a) Mr. Zhang, being the sole director of the Offeror, has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Exit Offer Letter (other than those relating to the Company) are fair and accurate and that no material facts have been omitted from this Exit Offer Letter, and he accepts responsibility accordingly. Where any information has been extracted from published or publicly available sources (including information relating to the Company), the sole responsibility of Mr. Zhang 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 Exit Offer Letter; and
- (b) the Directors (including those who may have delegated detailed supervision of the preparation of this Exit Offer Letter) have taken all reasonable care to ensure that the facts stated and the opinions expressed in this Exit Offer Letter are fair and accurate and no material facts have been omitted from this Exit Offer Letter, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or publicly available sources (including information relating to 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 Exit Offer Letter.

Yours faithfully,
for and on behalf of
**CHINA GALAXY INTERNATIONAL
SECURITIES (HONG KONG) CO., LIMITED**
Steven Chiu
Managing Director

Yours faithfully,
for and on behalf of
**STIRLING COLEMAN
CAPITAL LIMITED**
Yap Yeong Keen
Managing Director

APPENDIX 1	PARTICULARS OF THE SHAREHOLDERS WHO HAVE PROVIDED THE IRREVOCABLE UNDERTAKING
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Shares

Name	Number of Shares comprised in the Irrevocable Undertakings	As a percentage of total issued Shares (%)⁽¹⁾
Mr. Zhang	91,029,648	46.41
Mr. Chen	40,240,256	20.52
Total	131,269,904	66.93

Note:

(1) Based on 196,133,152 Shares in issue as at the Latest Practicable Date.

**APPENDIX 2 PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF
THE EXIT OFFER BY SINGAPORE REGISTERED
SHAREHOLDERS AND DEPOSITORS**

1. ACCEPTANCE PROCEDURES FOR DEPOSITORS

1.1 Depositors whose Securities Accounts are credited with Offer Shares. If you have Offer Shares standing to the credit of your Securities Account, you should receive this Exit Offer Letter together with the SG FAA. If you do not receive the SG FAA, you may obtain a copy of such SG FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

Acceptance. If you wish to accept the Exit Offer, you should:

- (a) complete the SG FAA in accordance with the provisions and instructions in this Exit Offer Letter and the SG FAA (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer). In particular, you must state in Part A on page 1 of the SG FAA, the number of Offer Shares in respect of which you wish to accept the Exit Offer.

If you:

- (i) do not specify such number; or
- (ii) specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Hong Kong and Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date (provided always that the Date of Receipt must fall on or before the Closing Date),

you shall be deemed to have accepted the Exit Offer in respect of all the Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Hong Kong and Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date;

- (b) sign the SG FAA in accordance with the instructions in this Exit Offer Letter and the SG FAA; and
- (c) deliver the completed and signed SG FAA in its entirety (no part may be detached or otherwise mutilated):
 - (i) **by hand**, to Fine Skill Holdings Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
 - (ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to Fine Skill Holdings Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

**APPENDIX 2 PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF
THE EXIT OFFER BY SINGAPORE REGISTERED
SHAREHOLDERS AND DEPOSITORS**

in either case so as to arrive not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. If the completed and signed SG FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Exit Offer Letter and the accompanying SG FAA to the purchaser or transferee, as CDP will arrange for a separate Exit Offer Letter and SG FAA to be sent to the purchaser or transferee.

If you are a Depository Agent, you may accept the Exit Offer *via* Electronic Acceptance. Such Electronic Acceptance must be submitted **not later than 5.30 p.m. (Hong Kong and Singapore time) on the date falling one (1) Business Day before the Closing Date.** CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the SG FAA and in this Exit Offer Letter as if the SG FAA had been completed and delivered to CDP. Acceptances of the Exit Offer *via* Electronic Acceptance on the Closing Date will be rejected. Depository Agents who wish to submit their acceptances on the Closing Date may still do so via the hardcopy SG FAA.

1.2 Depositors whose Securities Accounts will be credited with Offer Shares. If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Exit Offer Letter together with the SG FAA. If you do not receive that SG FAA, you may obtain a copy, upon production of satisfactory evidence that you have purchased the Offer Shares on the SGX-ST, from The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

1.3 Acceptance. If you wish to accept the Exit Offer in respect of such Offer Shares, you should, **AFTER** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares purchased:

- (a) complete and sign the SG FAA in accordance with the provisions and instructions in this Exit Offer Letter and the SG FAA; and
- (b) deliver the completed and signed SG FAA in its entirety (no part may be detached or otherwise mutilated):
 - (i) **by hand**, to Fine Skill Holdings Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
 - (ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to Fine Skill Holdings Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

APPENDIX 2 PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER BY SINGAPORE REGISTERED SHAREHOLDERS AND DEPOSITORS

in each case so as to arrive not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. If the completed and signed SG FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

1.4 Depositors whose Securities Accounts are and will be credited with Offer Shares. If you have Offer Shares credited to the “Free Balance” of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Exit Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Exit Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the “Free Balance” of your Securities Account has been credited with such number of additional Offer Shares purchased. The provisions set out above shall apply *mutatis mutandis* to your acceptance of the Exit Offer.

1.5 Rejection. If upon receipt by CDP, on behalf of the Offeror, of the SG FAA, it is established that such Offer Shares have not been credited to the “Free Balance” of your Securities Account (as, for example, where you are selling or have sold such Offer Shares), then your acceptance is liable to be rejected and none of CDP, the Joint Financial Advisers and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance of the Exit Offer in respect of such Offer Shares will be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.00 p.m. (Hong Kong and Singapore time) on the Date of Receipt or by 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date (if the Date of Receipt is on the Closing Date). None of CDP, the Joint Financial Advisers and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

1.6 Receipt. No acknowledgement of receipt will be given by CDP for submissions of the SG FAA made by hand or by post or deposited into boxes located at CDP’s premises. All communications, notices, documents and payments will be sent by ordinary post at your own risk to your mailing address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares in your Securities Account. You can verify the number of Offer Shares credited to your Securities Account through: (a) “CDP Online” if you have registered for the “CDP Internet Access Service” or (b) “CDP Phone Service” if you have a “T-PIN”.

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- 1.7 Suspense Account.** Upon receipt by CDP, for and on behalf of the Offeror, of the duly completed and signed original of the SG FAA or Electronic Acceptance, CDP will take such measures as it may consider necessary and expedient to prevent any trading of the Offer Shares in respect of which you have accepted the Exit Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the Exit Offer, in the event the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms (including, without limitation, earmarking, blocking, and/or transferring the relevant number of such Offer Shares from the “Free Balance” of your Securities Account to a “Suspense Account”).
- 1.8 Return of Offer Shares.** In the event of the Exit Offer not becoming or being declared to be unconditional in all respects in accordance with its terms, the relevant number of Offer Shares in respect of which you have accepted the Exit Offer will be returned to the “Free Balance” of your Securities Account as soon as possible but, in any event, not later than fourteen (14) days from the lapse of the Exit Offer.
- 1.9 Offer Declared Unconditional.** In the event the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Exit Offer Price by way of a crossed Singapore dollar cheque drawn on a bank in Singapore for the appropriate amount and sent by ordinary mail to your mailing address as recorded with CDP, or in such manner as you may have agreed with CDP for the payment of any cash distributions, at your own risk.
- 1.10 No Securities Account.** If you do not have any existing Securities Account in your name at the date and time of acceptance of the Exit Offer, your acceptance as contained in the SG FAA will be rejected.

2. ACCEPTANCE PROCEDURES FOR SINGAPORE REGISTERED SHAREHOLDERS

- 2.1 Singapore Registered Shareholders.** Singapore Registered Shareholders who hold Offer Shares should receive this Exit Offer Letter together with the SG FAT.

Acceptance. If you wish to accept the Exit Offer, you should:

- (a) complete the SG FAT in accordance with the provisions and instructions in this Exit Offer Letter and in the SG FAT (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer). In particular, you must state in Part (A) of the SG FAT the number of Offer Shares in respect of which you wish to accept the Exit Offer. If you:
 - (i) do not specify any number in the SG FAT; or
 - (ii) specify a number which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the SG FAT,

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you shall be deemed to have accepted the Exit Offer in respect of all the Offer Shares represented by the share certificate(s) accompanying the SG FAT;

- (b) sign the SG FAT in accordance with the instructions in this Exit Offer Letter and in the SG FAT; and
- (c) deliver:
 - (i) the completed and signed SG FAT in its entirety (no part may be detached or otherwise mutilated);
 - (ii) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror relating to the Offer Shares in respect of which you wish to accept the Exit Offer. If you are recorded in the Singapore Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the constitution of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Exit Offer Letter and in the SG FAT; and
 - (iii) where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person duly authorised by it),

either **by hand**, to Fine Skill Holdings Limited c/o RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, or **by post**, in the enclosed pre-addressed envelope at your own risk, to Fine Skill Holdings Limited c/o RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, **in either case so as to arrive not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date**. If the completed and signed SG FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

2.2 Receipt. No acknowledgement of receipt of any SG FAT, share certificate(s), other document(s) of title, transfer form(s) or any other accompanying document(s) will be given by the Offeror, the Joint Financial Advisers or the Principal Share Registrar in Singapore.

2.3 Return of Offer Shares. In the event the Exit Offer does not become or is not declared unconditional in all respects in accordance with its terms, the SG FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you as soon as possible but, in any event, not later than fourteen (14) days from the lapse of the Exit Offer.

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3. SETTLEMENT

3.1 When Settlement Due. Subject to the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms and the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Exit Offer Letter and in the SG FAA and/or the SG FAT (as the case may be), and in the case of Depositors, the receipt by the Offeror of confirmations satisfactory to it that the relevant number of Offer Shares tendered by the accepting Shareholders in acceptance of the Exit Offer is standing to the credit of the “Free Balance” of their respective Securities Accounts at the relevant time, remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Singapore Takeover Code, to the accepting Shareholder (or in the case of Singapore Registered Shareholders, their designated agents, as they may direct) by means of a crossed Singapore dollar cheque drawn on a bank in Singapore and sent by ordinary post to their respective addresses as they appear in the records of CDP or in the Singapore Register (as the case may be), at the risk of the accepting Shareholders (or in such other manner as the accepting Shareholders may have agreed with CDP for payment of any cash distribution) as soon as practicable and in any case:

- (a) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **on or before** the date on which the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, within seven (7) Business Days of the date on which the Exit Offer becomes unconditional; or
- (b) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **after** the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, but before 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date, within seven (7) Business Days of the date of such receipt.

Settlement of the consideration to which any Shareholder is entitled under the Exit Offer will be implemented in full in accordance with the terms of the Exit Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.

3.2 Method of Settlement. Payment of the Exit Offer Price will be made by way of a crossed Singapore dollar cheque drawn on a bank in Singapore (or in such other manner as the accepting Shareholders may have agreed with CDP for payment of any cash distribution) for the appropriate amount.

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4. INFORMATION PERTAINING TO CPFIS INVESTORS

The Shares that are quoted on the SGX-ST and held by CPFIS Investors are deposited with CDP through their respective CPF Agent Banks. However, following the completion of the Delisting, the Shares cannot be deposited with CDP, and the Company will arrange to forward the individual share certificates, representing the Offer Shares held by individual CPFIS Investors who do not accept the Exit Offer, to their respective CPF Agent Banks for safe-keeping.

CPF Agent Banks levy a service fee to administer each share counter held on behalf of each CPFIS Investor. In addition to the existing fees, CPF Agent Banks may impose, *inter alia*, additional charges for the safe-keeping of share certificates and administrative charges for the splitting, withdrawal or depositing of such share certificates. CPFIS Investors who do not accept the Exit Offer should consult their respective CPF Agent Banks on the additional charges that may be imposed.

5. GENERAL

5.1 Disclaimer. The Offeror, the Joint Financial Advisers, CDP and/or the Principal Share Registrar in Singapore will be entitled, at their sole and absolute discretion, to reject or treat as valid any acceptance of the Exit Offer through the SG FAA and/or the SG FAT, as the case may be, which is not entirely in order or which does not comply with the terms of this Exit Offer Letter and the relevant Acceptance Forms or which is otherwise incomplete, incorrect, signed but not in its originality, or invalid in any respect. If you wish to accept the Exit Offer, it is your responsibility to ensure that the relevant Acceptance Forms are properly completed and executed in all respects and are submitted with original signature(s) and that all required documents (where applicable) are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Joint Financial Advisers, CDP and/or the Principal Share Registrar in Singapore accepts any responsibility or liability for such a decision, including the consequences of such a decision.

5.2 Discretion. Each of the Offeror and the Joint Financial Advisers reserves the right to treat acceptances of the Exit Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Exit Offer Letter or in the relevant Acceptance Forms, or if made otherwise than in accordance with the provisions of this Exit Offer Letter and in the relevant Acceptance Forms. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Joint Financial Advisers, CDP and/or the Principal Share Registrar in Singapore accepts any responsibility or liability for such a decision, including the consequences of such a decision.

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- 5.3 Scrip and Scripless Offer Shares.** If you hold some Offer Shares in the form of share certificates and others with CDP, you should complete a SG FAT for the former and a SG FAA for the latter, in accordance with the procedures set out in this **Appendix 2**. If you wish to accept the Exit Offer in respect of all such Offer Shares, the SG FAT and/or the SG FAA must be accurately completed, signed and accompanied by the relevant documents and sent to the Offeror in accordance with the procedures for acceptance set out in this **Appendix 2**.
- 5.4 Acceptances received on Saturday, Sunday or public holiday.** Acceptances in the form of the SG FAA and/or the SG FAT received by CDP and/or the Principal Share Registrar in Singapore (as the case may be), for and on behalf of the Offeror, on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.
- 5.5 Deposit Time.** If you hold Offer Shares in the form of share certificates and which are registered on the Singapore Register, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Exit Offer by way of the SG FAA if you were to deposit your share certificate(s) with CDP after the date of despatch of this Exit Offer Letter. If you wish to accept the Exit Offer in respect of such Offer Shares held by way of share certificates, you should complete the SG FAT and follow the procedures set out in paragraph 2 of this **Appendix 2** and in the SG FAT.
- 5.6 Correspondences.** All communications, certificates, notices, documents and remittances to be delivered or sent to you (or, in the case of share certificate holders, your designated agent or, in the case of accepting joint Shareholders who have not designated any agent, to the one first named in the Singapore Register) will be sent by ordinary post to your mailing address appearing in the records of CDP or the Singapore Register, as the case may be, at the risk of the person(s) entitled thereto (or for the purposes of remittances only, to such address as may be specified by you in the SG FAT, at your own risk).
- 5.7 Evidence of Title.** Delivery of the duly completed and signed SG FAA and/or the SG FAT, as the case may be, together with the relevant share certificate(s) and/or other documents of title and/or other relevant documents required by the Offeror, to the Offeror, CDP and/or the Principal Share Registrar in Singapore, as the case may be, shall be conclusive evidence in favour of the Offeror (or its nominee), the Joint Financial Advisers, CDP and/or the Principal Share Registrar in Singapore, as the case may be, of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates.
- 5.8 Loss in Transmission.** The Offeror, the Joint Financial Advisers, CDP and/or the Principal Share Registrar in Singapore, as the case may be, shall not be liable for any loss in transmission of the SG FAA and/or the SG FAT, as the case may be.

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5.9 Acceptance Irrevocable. The acceptance of the Exit Offer made by you using the SG FAA and/or the SG FAT, as the case may be, shall be irrevocable and any instructions or subsequent SG FAA(s) and/or SG FAT(s) received by CDP and/or the Principal Share Registrar in Singapore, as the case may be, after the initial SG FAA and/or the SG FAT, as the case may be, has been received shall be disregarded.

6. NO RIGHT OF WITHDRAWAL IN RELATION TO THE EXIT OFFER

Except as expressly provided in this Exit Offer Letter, the HK Takeovers Code and the Singapore Takeover Code, all acceptances of the Exit Offer shall be irrevocable.

1. ACCEPTANCE PROCEDURES FOR HK BRANCH REGISTERED SHAREHOLDERS

If you wish to accept the Exit Offer, you should complete and sign the HK FAT in accordance with the provisions and instructions in this Exit Offer Letter and the HK FAT (which instructions and provisions shall be deemed to form part of the Exit Offer). If you do not receive the HK FAT, you may obtain a copy of such HK FAT from the office of the Branch Share Registrar and Transfer Office in Hong Kong upon production of satisfactory evidence that you are a Shareholder.

- (a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share(s) is/are in your name, and you wish to accept the Exit Offer, you must send the duly completed HK FAT together with the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof):
 - (i) **by hand**, to Fine Skill Holdings Limited c/o Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong; or
 - (ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to Fine Skill Holdings Limited c/o Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong,

in either case so as to arrive not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date. It is your responsibility to affix adequate postage on the said envelope.

- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Exit Offer in respect of your Shares, you must either:
 - (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Exit Offer on your behalf and requesting it to deliver the duly completed HK FAT together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Branch Share Registrar and Transfer Office in Hong Kong;

- (ii) arrange for the Shares to be registered in your name by the Company through the Branch Share Registrar and Transfer Office in Hong Kong, and send the duly completed HK FAT together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Branch Share Registrar and Transfer Office in Hong Kong;
 - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Exit Offer on your behalf on or before the deadline set by HKSCC Nominees Limited (which is normally one (1) Business Day before the latest date on which acceptances of the Exit Offer must be received by the Branch Share Registrar and Transfer Office in Hong Kong). In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction *via* the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited (which is normally one (1) Business Day before the latest date on which acceptances of the Exit Offer must be received by the Branch Share Registrar and Transfer Office in Hong Kong).
- (c) If the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Exit Offer in respect of your Shares, the HK FAT should nevertheless be completed and delivered to the Branch Share Registrar and Transfer Office in Hong Kong together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title should be forwarded to the Branch Share Registrar and Transfer Office in Hong Kong as soon as possible thereafter. If you have lost your Share certificate(s), you should also write to the Branch Share Registrar and Transfer Office in Hong Kong for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Branch Share Registrar and Transfer Office in Hong Kong.

- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Exit Offer in respect of your Shares, you should nevertheless complete the HK FAT and deliver it to the Branch Share Registrar and Transfer Office in Hong Kong together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror, the Joint Financial Advisers or their respective agent(s) to collect from the Branch Share Registrar and Transfer Office in Hong Kong on your behalf the relevant Share certificate(s) when issued and to deliver such certificate(s) to the Branch Share Registrar and Transfer Office in Hong Kong as if it was/they were delivered to the Branch Share Registrar and Transfer Office in Hong Kong with the HK FAT.
- (e) Acceptance of the Exit Offer will be treated as valid only if the completed HK FAT and the relevant documents are received by the Branch Share Registrar and Transfer Office in Hong Kong **not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date** and the Branch Share Registrar and Transfer Office in Hong Kong has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
- (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if the Share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares;
 - (ii) from a HK Branch Registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Branch Share Registrar and Transfer Office in Hong Kong or the SEHK.
- (f) If the HK FAT is executed by a person other than the HK Branch Registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Branch Share Registrar and Transfer Office in Hong Kong must be produced.
- (g) Seller's ad valorem stamp duty for transfer of Shares registered in the seller's name through the Branch Share Registrar and Transfer Office in Hong Kong arising in connection with acceptance of the Exit Offer will be payable by the relevant Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Exit Offer, whichever is higher, will be deducted from the cash amount payable by

the Offeror to such Shareholder on acceptance of the Exit Offer. The Offeror or its processing agent will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Exit Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Exit Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

- (h) No acknowledgement of receipt of any HK FAT, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Exit Offer has previously been revised or extended, with the consent of the Executive, in accordance with the HK Takeovers Code, the HK FAT must be received by 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date in accordance with the instructions printed on the HK FAT, and the Exit Offer will close at 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date.
- (b) The Offeror and the Company will jointly issue an announcement through the website of the SEHK not later than 7.00 p.m. (Hong Kong and Singapore time) on the Closing Date stating whether the Exit Offer has been extended, revised or has expired.
- (c) In the event that the Offeror decides to extend the Exit Offer, at least fourteen (14) days' notice by way of announcement will be given, before the latest time and date for acceptance of the Exit Offer, to those Shareholders who have not accepted the Exit Offer.

3. ANNOUNCEMENT

- (a) By 6.00 p.m. (Hong Kong and Singapore time) on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the SEHK of its decision in relation to the revision, extension or expiry of the Exit Offer. The Offeror must publish an announcement on the website of the SEHK by 7.00 p.m. (Hong Kong and Singapore time) on the Closing Date stating whether the Exit Offer has been extended, revised or has expired.

Such announcement must state the following:

- (i) the total number of Shares and rights over Shares for which acceptances of the Exit Offer have been received;

- (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror or its concert parties before the Offer Period;
 - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror or its concert parties during the Offer Period;
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the HK Takeovers Code) in the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold; and
 - (v) the percentages of the relevant classes of issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.
- (b) In computing the total number of Shares represented by acceptances, only acceptances which have been duly completed and which have been received by the Offeror (or for the avoidance of doubt, any of the Offeror's related corporations), the Joint Financial Advisers, and the Branch Share Registrar and Transfer Office in Hong Kong **not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date**, being the latest time and date for acceptance of the Exit Offer, shall be included.

4. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Exit Offer tendered by the Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in paragraph 3 of this **Appendix 3** titled "Announcement" above, the Executive may require pursuant to Rule 19.2 of the HK Takeovers Code that the Shareholders who have tendered acceptance to the Exit Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19 of the HK Takeovers Code and Rule 28 of the Singapore Takeover Code can be met.

In such case, when the Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the relevant application form(s) to the relevant Shareholder(s).

5. SETTLEMENT

Provided that the accompanying HK FAT for the Shares, together with the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and have been received by the Branch Share Registrar and Transfer Office in Hong Kong **not later than 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date**, a cheque for the amount due to each of the accepting Shareholders in respect of the Shares tendered under the Exit Offer (less seller's ad valorem stamp duty payable by them, as the case may be) will be despatched to the accepting Shareholders by ordinary post at their own risk as soon as possible and in any case:

- (a) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **on or before** the date on which the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, within seven (7) Business Days of the date on which the Exit Offer becomes unconditional; or
- (b) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **after** the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, but before 4.00 p.m. (Hong Kong and Singapore time) on the Closing Date, within seven (7) Business Days of the date of such receipt.

For the avoidance of doubt, in respect of valid acceptances of the Exit Offer by Shareholders whose Shares are registered on the HK Branch Register, the consideration payable for valid acceptances will be determined based on the Exit Offer Price in Hong Kong dollars, and the actual payment for valid acceptances by such Shareholders will be made in Hong Kong dollars.

Settlement of the consideration to which any accepting Shareholder is entitled under the Exit Offer will be paid by the Offeror in full in accordance with the terms of the Exit Offer (save for the payment of seller's ad valorem stamp duty) set out in this Exit Offer Letter (including this **Appendix 3**) and the accompanying HK FAT, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.

6. STAMP DUTY

Seller's ad valorem stamp duty arising in connection with acceptance of the Exit Offer amounting to HK\$1.00 for every HK\$1,000.00 or part thereof of the amount payable in respect of relevant acceptances by the HK Branch Registered Shareholders, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the HK Branch Registered Shareholders who accept the Exit Offer. The Offeror or its processing agent will then pay the stamp duty so deducted to the Stamp Office of Hong Kong. The Offeror will bear buyer's ad valorem stamp duty.

7. TAX IMPLICATIONS

HK Branch Registered Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the tax implications of their acceptance of the Exit Offer. It is emphasised that none of the Offeror, parties acting in concert with it, the Joint Financial Advisers, the Branch Share Registrar and Transfer Office in Hong Kong, any of their respective directors or any persons involved in the Exit Offer is in a position to advise the HK Branch Registered Shareholders on their individual tax implications, nor do they accept responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Exit Offer.

8. GENERAL

- (a) All communications, notices, HK FAT, certificates, transfer receipts and other documents of title and/or of indemnity and/or of any other nature to be delivered by or sent to the Shareholders will be delivered by or sent to them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, the Joint Financial Advisers, or their respective agents, or the Branch Share Registrar and Transfer Office in Hong Kong or any other parties involved in the Exit Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.
- (b) Acceptance of the Exit Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and the Joint Financial Advisers that the Shares tendered under the Exit Offer is sold by such person or persons free from all Encumbrances and together with all rights, benefits, entitlements and advantages attached thereto as at the Joint Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any), which may be declared, made or paid by the Company on or after the Joint Offer Announcement Date.
- (c) Acceptance of the Exit Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which it is indicated in the HK FAT is the aggregate number of Shares held by such nominee for such beneficial owners who accept the Exit Offer.

- (d) Acceptances in the form of the HK FAT received by the Branch Share Registrar and Transfer Office in Hong Kong, for and on behalf of the Offeror, on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.
- (e) The provisions set out in the accompanying HK FAT form part of the terms of the Exit Offer.
- (f) The accidental omission to despatch this Exit Offer Letter and/or the accompanying HK FAT and transfer of either of them to any person to whom the Exit Offer is made shall not invalidate the Exit Offer in any way.
- (g) Due execution of HK FAT will constitute an authority to the Offeror or its agents to complete and execute on behalf of the person accepting the Exit Offer, and to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror, or such other person as it may direct the Shares in respect of which such person has accepted the Exit Offer.
- (h) The Exit Offer is made in accordance with the HK Takeovers Code and the Singapore Takeover Code.
- (i) Reference to the Exit Offer in this Exit Offer Letter and in the HK FAT shall include any extension or revision thereof.

In the event of any inconsistency between (i) the English version of this Exit Offer Letter and the accompanying English version of the HK FAT and (ii) the Chinese version of this Exit Offer Letter and the accompanying Chinese version of the HK FAT, the English version shall prevail.

1. DIRECTOR

The name, address and description of the sole director of the Offeror as at the Latest Practicable Date, are set out below:

Name	Address	Description
Mr. Zhang	No. 19, Building 10, No. 128 Yuan, Hong Zhuan Road, Jinshui District, Zhengzhou, China	Sole Director

2. REGISTERED OFFICE

The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI.

3. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

The Offeror is a company incorporated in the BVI on 5 April 2017. The principal activities of the Offeror are those of an investment holding company. As at the Latest Practicable Date, the Offeror has an issued share capital of US\$100.00 comprising 100 ordinary shares. The sole director of the Offeror is Mr. Zhang, who is also the Chairman, executive Director and chief executive officer of the Company. Please refer to **Appendix 6** to this Exit Offer Letter for the holdings of Shares of the Offeror and Mr. Zhang as at the Latest Practicable Date.

4. SUMMARY OF FINANCIAL INFORMATION

As the Offeror is a newly incorporated company, no audited financial statements of the Offeror have been prepared since the date of its incorporation.

5. MATERIAL CHANGES IN FINANCIAL POSITION

Save for the making and financing of the Exit Offer, as at the Latest Practicable Date, there has been no known material change in the financial position of the Offeror since 5 April 2017, being the date of its incorporation.

6. SIGNIFICANT ACCOUNTING POLICIES

As no audited financial statements of the Offeror have been prepared since the date of its incorporation, there are no significant accounting policies to be noted.

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr. Zhang	c/o 100H Pasir Panjang Road #01-01 OC@Pasir Panjang Singapore 118524	Chairman, Executive Director and Chief Executive Officer
Mr. Chen	c/o 100H Pasir Panjang Road #01-01 OC@Pasir Panjang Singapore 118524	Executive Director and Chief Operating Officer
Mr. Dong Xincheng	c/o 100H Pasir Panjang Road #01-01 OC@Pasir Panjang Singapore 118524	Non-Executive Director
Mr. Ong Kian Guan	c/o 100H Pasir Panjang Road #01-01 OC@Pasir Panjang Singapore 118524	Independent Non-Executive Director and Lead Independent Director
Mr. Oh Eng Bin	c/o 100H Pasir Panjang Road #01-01 OC@Pasir Panjang Singapore 118524	Independent Non-Executive Director
Mr. Siu Man Ho Simon	c/o 100H Pasir Panjang Road #01-01 OC@Pasir Panjang Singapore 118524	Independent Non-Executive Director

2. SHARE CAPITAL

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$667,582,772.10 comprising 196,133,152 Shares (based on a search conducted at the ACRA on the Latest Practicable Date).

3. OPTION SCHEME

Based on information provided by the Company to the Offeror as at the Latest Practicable Date, the Group has no share option scheme.

4. MATERIAL CHANGES IN FINANCIAL OR TRADING POSITION

As at the Latest Practicable Date, there have been no material changes in the financial or trading position or outlook of the Group since 31 December 2017, being the date to which the Company's last published audited accounts were made up.

5. REGISTERED OFFICE

Based on a search conducted at the ACRA on the Latest Practicable Date, the registered office of the Company is at 100H Pasir Panjang Road #01-01 OC@Pasir Panjang Singapore 118524.

The disclosures of holdings and dealings in the Company Securities set out below are based on responses to enquiries that the Offeror has made.

1. HOLDINGS OF SHARES OF THE RELEVANT PERSONS

The holdings of Shares of the Relevant Persons as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Offeror	–	–	–	–	–	–
Mr. Zhang ⁽²⁾⁽⁶⁾	–	–	91,029,648	46.41	91,029,648	46.41
Mr. Chen ⁽³⁾⁽⁷⁾	–	–	40,240,256	20.52	40,240,256	20.52
Mr. Zhang Jianwei ⁽⁴⁾⁽⁵⁾⁽⁸⁾	–	–	833,867	0.43	833,867	0.43

Notes:

- (1) Based on 196,133,152 Shares in issue as at the Latest Practicable Date.
- (2) Mr. Zhang is deemed interested in 91,029,648 shares held under the nominee accounts, HKSCC Nominees Limited.
- (3) Mr. Chen is deemed interested in 40,240,256 shares held under the nominee account, HKSCC Nominees Limited.
- (4) Mr. Zhang Jianwei is the brother of Mr. Zhang.
- (5) Mr. Zhang Jianwei is deemed interested in 833,867 Shares held under the nominee account, HKSCC Nominees Limited.
- (6) Mr. Zhang has granted a charge over 75,529,648 Shares in favour of Fresh Idea Ventures Limited, pursuant to a charge over shares dated 22 June 2017 (“**ZW Charge**”).
- (7) Mr. Chen has granted a charge over 24,240,256 Shares in favour of Fresh Idea Ventures Limited, pursuant to a charge over shares dated 22 June 2017 (“**CZY Charge**”).
- (8) Mr. Zhang Jianwei has granted a charge over 500,000 Shares in favour of Fresh Idea Ventures Limited, pursuant to a charge over shares dated 22 June 2017.
- (9) Fresh Idea Ventures Limited is 100.0% controlled by China Huarong Asset Management Co., Ltd.

2. THE LOAN FROM FRESH IDEA VENTURES LIMITED TO WELL FAI INTERNATIONAL LTD.

On 22 June 2017, Well Fai International Ltd, an investment holding company wholly-owned by Mr. Zhang, as borrower and Fresh Idea Ventures Limited as lender entered into a loan agreement pursuant to which Fresh Idea Ventures Limited agreed to lend to Well Fai International Ltd. on the following principal terms:

Term	:	Two years from 26 June 2017, the date of drawdown
Principal Amount	:	HK\$310,000,000
Interest Rate	:	9.5% per annum
Default Interest	:	20% per annum
Security	:	<ul style="list-style-type: none"> • Personal guarantees granted by Mr. Zhang and Mr. Chen; • Charge over the Shares held by Mr. Zhang, Mr. Chen and Mr. Zhang Jianwei (<i>note 1</i>); • Debenture granted by Well Fai International Ltd. (<i>note 2</i>).
Repayment	:	<p>Well Fai International Ltd. must repay the loan at the following times and in the following amounts:</p> <ul style="list-style-type: none"> • HK\$60,000,000 on the date falling six months after the drawdown date; • HK\$250,000,000 on the final maturity date, being the date falling two years after the drawdown date.
Purpose of the loan	:	Well Fai International Ltd's general working capital
Payment of principal amount together with interest up to the date of the Joint Offer Announcement	:	approximately HK\$74,725,000

The loan from Fresh Idea Ventures Limited (“**Loan**”) will not result in any material implication on the Proposed Delisting and the Irrevocable Undertaking because the ZW Charge and CZY Charge will not affect the undertakings provided by Mr. Zhang and Mr. Chen to exercise or procure the exercise of the voting rights attached to their Shares to vote in favour of the Delisting Resolution at the EGM.

Pursuant to the Irrevocable Undertakings, details of which are provided at Paragraph 6 of this Exit Offer Letter, Mr. Zhang and Mr. Chen have unconditionally and irrevocably undertaken, represented and warranted to the Offeror that without prejudice to any other rights or remedies which the Offeror may have, they acknowledge and agree that damages may not be an adequate remedy for any breach by either of them of any of their obligations under the Irrevocable Undertakings. The Offeror shall be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of any such obligations and no proof of special damages shall be necessary for the enforcement by the Offeror of its rights under the Irrevocable Undertakings. Mr. Zhang and Mr. Chen agree that if any action should be brought by the Offeror in equity to enforce any of the provisions of the Irrevocable Undertakings, they shall not raise the defence that there is an adequate remedy at law.

The Offeror has a duty under the Singapore Takeover Code to ensure that the offer is properly executed and to enforce the undertakings in the event Mr. Zhang or Mr. Chen breaches any of their obligations under the Irrevocable Undertakings. Mr. Zhang, as a director of the Offeror, also has a duty to ensure that any action is pursued in order to ensure that the offer is effected properly.

Fresh Ideas Ventures Limited is not bound by the Irrevocable Undertakings as the undertakings are personal to Mr. Zhang and Mr. Chen. However, pursuant to the Irrevocable Undertakings, Mr. Zhang and Mr. Chen have unconditionally and irrevocably undertaken, represented and warranted to the Offeror, as follows:

- (a) they have respectively retained and will ensure that they shall respectively retain beneficial ownership over the 75,529,648 Shares and 24,240,256 Shares at all times prior to the close or withdrawal of the Exit Offer;
- (b) they have respectively retained and will ensure that they shall respectively retain all voting rights in respect of the 75,529,648 Shares and 24,240,256 Shares at all times prior to the close or withdrawal of the Exit Offer;
- (c) as at the date of the Irrevocable Undertakings, Well Fai International Ltd. is current on the repayment of the Loan and interests. The full repayment of the Loan is due in 2 years and there is no repayment required during the Offer Period. There is no default by Well Fai International Ltd., Mr. Zhang or Mr. Chen of any of their obligations under the Loan and/or any breach of any terms and conditions of the Loan which may result in the Fresh Ideas Ventures Limited having the right to

exercise its security over any part of the 75,529,648 Shares and 24,240,256 Shares (“**Event of Default**”), whether to take ownership of such shares or any right of sale it may have over the shares or otherwise; and

- (d) they shall use best efforts to ensure that there shall be no Event of Default at all time prior to the close or withdrawal of the Exit Offer. In the event there is any Event of Default or in the event either of them is aware of any potential or possible Event of Default, they shall notify the Offeror and its advisors immediately of the details of such Event of Default, and shall use all reasonable efforts to remedy such Event of Default.

Notes:

- (1) The chargors charged by way of first fixed charge (i) all of their rights, titles, interests in the charged Shares; (ii) all other rights, titles and interests of the charger in and to their securities account of which the charged Shares are deposited and (iii) all sums standing to the credit of their securities account of which the charged Shares are deposited.
- (2) Well Fai International Ltd. charged:
- (i) by way of first fixed charge on:
- (a) its future book debts;
- (b) all its future collateral of its assets including but not limited to:
- the proceeds of sale of any part of its asset;
 - all rights under any licence, agreement for sale or agreement for lease in respect of its asset;
 - all rights against any trustee or nominee or clearance system which holds its asset or in which its asset is held on its behalf;
 - all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of its asset;
 - any monies and proceeds paid or payable in respect of its charged asset; and
- (c) any proceeds of (a) and (b) above.
- (ii) by way of floating charge on all account as agreed and all its undertaking and assets, both present and future (other than those charged by way of the first fixed charge).

3. DEALINGS IN SHARES BY THE RELEVANT PERSONS DURING THE REFERENCE PERIOD

Save for the grant of the share charges described in Notes (6) to (8) in paragraph 1 of this **Appendix 6**, there are no dealings in the Shares by the Relevant Persons during the Reference Period.

1. DISCLOSURE OF INTERESTS

- 1.1 No Other Holdings or Dealings.** Save as disclosed in **Appendix 6** to this Exit Offer Letter, as at the Latest Practicable Date, none of the Offeror, the sole director of the Offeror and parties acting in concert with the Offeror owns, controls, or has agreed to acquire or has dealt for value in any Company Securities during the Reference Period.
- 1.2 No Indemnity Arrangements.** As at the Latest Practicable Date, save as disclosed in Section 6 of this Exit Offer Letter, neither the Offeror nor any party acting in concert with the Offeror has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Singapore Takeover Code or Note 8 to Rule 22 of the HK Takeovers Code, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares.
- 1.3 Security Interests, Borrowing or Lending of Company Securities.** As at the Latest Practicable Date, none of the Offeror, any parties acting in concert with the Offeror or (so far as the sole director of the Offeror and the Joint Financial Advisers are aware) any associate of the Offeror has (a) granted a security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise, save as disclosed in Section 13 of this Exit Offer Letter, or (b) borrowed or lent any Company Securities from or to another person.
- 1.4 Irrevocable Undertakings.** As at the Latest Practicable Date, save as disclosed in Section 6 of this Exit Offer Letter, none of the Offeror or any parties acting in concert with the Offeror has received any irrevocable undertaking from any party to accept or reject the Exit Offer.
- 1.5 No Agreement having any Connection with or Dependence upon the Exit Offer.** As at the Latest Practicable Date, save as disclosed in Section 6 of this Exit Offer Letter, there is no agreement, arrangement or understanding between (a) the Offeror or any parties acting in concert with the Offeror and (b) any of the current or recent Directors or any of the current or recent Shareholders, having any connection with or dependence upon the Exit Offer.
- 1.6 Transfer of Offer Shares.** As at the Latest Practicable Date, save as disclosed in Section 13 of this Exit Offer Letter, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired pursuant to the Exit Offer will or may be transferred, charged or pledged to any other person. The Offeror, however, reserves the right to transfer any of the Offer Shares to any of its related corporations (within the meaning of Section 6 of the Singapore Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to it.
- 1.7 No Payment or Benefit to the Directors.** As at the Latest Practicable Date, there is no agreement, arrangement or undertaking for payment or other benefit being made or given to any Director or any director of a corporation which is by virtue of Section 6 of the Singapore Companies Act, deemed to be related to the Company, as compensation for loss

of office or otherwise in connection with the Exit Offer. For the avoidance of doubt, no benefit has been given to any Director as compensation for loss of office or otherwise in connection with the Exit Offer.

1.8 No Agreement Conditional upon Outcome of the Exit Offer. As at the Latest Practicable Date, save as disclosed in Section 6 of this Exit Offer Letter, there is no agreement, arrangement or understanding between (a) the Offeror and (b) any of the Directors or any other person in connection with or conditional upon the outcome of the Exit Offer. There are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Exit Offer or is otherwise connected with the Exit Offer. Section 6 of this Exit Offer Letter refers to the Irrevocable Undertakings, which are conditional upon the outcome of the Exit Offer. If the Condition is not satisfied, the Irrevocable Undertakings will lapse accordingly.

1.9 Transfer Restrictions. As at the Latest Practicable Date, as far as the Offeror is aware, there is no restriction in the constitution of the Company on the right to transfer any Offer Shares, which has the effect of requiring the holders of such Offer Shares before transferring them, to offer them for purchase by members of the Company or any other person.

1.10 No Material Change in Information. Save for the information relating to the Offeror and the Exit Offer that is publicly available, there has been, within the knowledge of the Offeror, no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Joint Offer Announcement Date and ending on the Latest Practicable Date.

2. GENERAL

2.1 Costs and Expenses. All costs and expenses of or incidental to the Exit Offer including the preparation and circulation of this Exit Offer Letter and the Acceptance Forms (other than professional fees and other costs relating to the Exit Offer incurred or to be incurred by the Company), stamp duty (excluding the relevant applicable seller ad valorem stamp duty payable in Hong Kong, details of which are set out in **Appendix 3** to this Exit Offer Letter) and transfer fees resulting from acceptances of the Exit Offer, will be paid by the Offeror.

2.2 Joint Financial Advisers' Consent. Each of China Galaxy and Stirling Coleman, as the Hong Kong financial adviser and the Singapore financial adviser to the Offeror respectively in connection with the Exit Offer, has given and has each not withdrawn their respective written consents to the issue of this Exit Offer Letter with the inclusion herein of the text of their letter and the references to their respective names, in the form and context in which they appear in this Exit Offer Letter respectively.

3. MARKET QUOTATIONS

3.1 Closing Prices. The following table sets out the closing prices of the Shares on the SGX-ST and the SEHK on (i) the Latest Practicable Date; (ii) 13 March 2018 (being the Last Traded Day); (iii) 12 March 2018 (being the last business day immediately preceding the Joint Announcement Date); and (iv) the last market trading day of each month on the SGX-ST and the SEHK from September 2017 (being six (6) calendar months prior to the Joint Offer Announcement Date) to May 2018:

	Closing price on the SGX-ST (S\$)	Closing price on the SEHK (HK\$)
15 June 2018 (being the Latest Practicable Date)	0.640	3.81
31 May 2018	0.645	3.82
30 April 2018	0.635	3.86
29 March 2018	0.640	3.68
13 March 2018 (being the Last Traded Day)	0.495	3.00
12 March 2018 (being the last business day immediately preceding the Joint Announcement Date)	0.490	2.98
28 February 2018	0.465	2.63
31 January 2018	0.410	2.72
29 December 2017	0.460	2.71
30 November 2017	0.485	2.60
31 October 2017	0.490	2.87
29 September 2017	0.435	2.88

Source: Bloomberg L.P.

3.2 Highest and Lowest Closing Prices of the Shares. The highest and lowest closing prices of the Shares on the SGX-ST and the SEHK during the Reference Period are as follows:

	Price	Dates
Highest closing price on the SGX-ST	S\$0.650	8 May 2018 and 5, 6 June 2018
Lowest closing price on the SGX-ST	S\$0.400	19 February 2018
Highest closing price on the SEHK	HK\$3.88	9, 10 and 11 May 2018
Lowest closing price on the SEHK	HK\$2.47	8 and 11 December 2017

Source: Bloomberg L.P.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours from 8:30 a.m. to 5:30 p.m. at the registered office of the Company in Singapore, at 100H Pasir Panjang Road, #01-01, OC @ Pasir Panjang, Singapore 118524; (ii) during normal business hours from 8:30 a.m. to 5:30 p.m. at the office of the Company in Hong Kong, at Unit 912, 9/F., Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong; (iii) on the website of the SFC (<http://www.sfc.hk>); and (iv) on the website of the Company (<http://www.weiyeholdings.com>), from the date of this Exit Offer Letter until the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from China Galaxy and Stirling Coleman, the text of which is set out in this Exit Offer Letter;
- (c) the Irrevocable Undertakings; and
- (d) the letters of consent from the Joint Financial Advisers, as referred to in paragraph 2.2 of this **Appendix 7**.