

MBT ENTERPRISES PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201526335M)

2 February 2016

To: The Shareholders of Eastern Holdings Ltd.

Dear Sir/Madam

COMPULSORY ACQUISITION OF SHARES IN EASTERN HOLDINGS LTD. BY MBT ENTERPRISES PTE. LTD. PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT (CHAPTER 50 OF SINGAPORE) (THE "COMPANIES ACT")

1. INTRODUCTION

- 1.1 **Offer.** We, MBT Enterprises Pte. Ltd. ("**Offeror**") refer to the exit offer letter, dated 16 December 2015 ("**Exit Offer Letter**"), issued by CIMB Bank Berhad, Singapore Branch ("**CIMB**"), for and on behalf of the Offeror to acquire all the issued ordinary shares ("**Shares**") in the capital of the Eastern Holdings Ltd. ("**Company**"), other than those Shares held, directly or indirectly, by the Offeror as at the date of the Exit Offer.

All capitalised terms used and not defined in this letter ("**Letter**") shall have the same meanings given to them in the Exit Offer Letter despatched to Shareholders containing, *inter alia*, the terms of the Exit Offer, unless otherwise expressly stated or the context otherwise requires.

- 1.2 **Non-Acceptance of the Offer.** According to the record, as at 28 January 2016, maintained by the Central Depository (Pte) Limited ("**CDP**") and/or Boardroom Corporate & Advisory Services Pte. Ltd. ("**Share Registrar**"), as the case may be, you have not accepted the Exit Offer in respect of your Shares.

If you have already (i) accepted the Exit Offer in respect of all your shares, or (ii) sold all your Shares on the SGX-ST prior to the date of this Letter, please disregard this Letter and the accompanying Form 57 and Form 58 (as defined below).

2. COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT

- 2.1 **Compulsory Acquisition.** Pursuant to the Exit Offer, we have received valid acceptance and/or acquired Shares in respect of not less than 90% of the total number of Shares (other than those already held by us, our related corporations and our/their respective nominees as at the date of the Exit Offer Letter). Accordingly, we are entitled and will exercise our right under Section 215(1) of the Companies Act to compulsorily acquire all the remaining shares at a price of S\$0.425 in cash for each Share ("**Acquisition Price**", and the aggregate amount payable, "**Consideration**"), being equal to the Exit Offer Price.
- 2.2 **Form 57.** In connection with the foregoing, we enclose a Notice to Dissenting Shareholder in the form prescribed under the Companies Act ("**Form 57**").
- 2.3 **Exercise of Right.** We will exercise our right to compulsorily acquire all the Shares held by you on or after 3 March 2016 ("**Transfer Date**"), being the date after the expiration of one month from the date of the Form 57, subject to and on the terms set out in the enclosed Form 57.
- 2.4 **Registration of Transfer.** Upon payment of the Consideration to the Company by us on the Transfer Date, the Company will cause to be transferred to us all the Shares held by you and register us as the holder of all those Shares as soon as practicable. The Consideration will be

held by the Company on trust for you in a separate bank account to be established by the Company and paid to you in accordance with paragraph 2.5 below.

2.5 **Settlement.** Subject to and in accordance with Section 215(1) of the Companies Act and the terms set out in Form 57, as soon as practicable after the Transfer Date:

- (a) if your Shares are held through a Securities Account maintained with CDP, CDP will, on behalf of the Company, despatch remittances in the form of cheques in Singapore currency drawn on a bank in Singapore for the appropriate amount of the Consideration payable in respect of your Shares to you by ordinary post, at your own risk, to your address as it appears in the records of CDP, or by such other manner as you may have agreed with CDP for the payment of any cash distributions; and
- (b) if your Shares are held in certification form, the Share Registrar will, on behalf of the Company, despatch a cheque in Singapore currency drawn on a bank in Singapore for the appropriate amount of the Consideration payable to you in respect of your Shares to you by ordinary post, at your own risk, to your address as it appears in the register of members of the Company, as maintained by the Share Registrar.

2.6 **No Action Needed.** No action needs to be taken by you in relation to Form 57 to entitle you to payment of the Consideration, which will be made to you in accordance with paragraph 2.4 and 2.5 above.

3. SHAREHOLDERS' RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

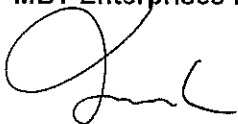
3.1 **Section 215(3) of the Companies Act.** Under Section 215(3) of the Companies Act, you have the right to require us to acquire your Shares at the Acquisition Price and on the same terms of as those under the Exit Offer by serving notice requiring us to do so. In connection therewith, we enclose a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act ("**Form 58**").

3.2 **No Action Needed.** As we will be proceeding to compulsorily acquire your Shares pursuant to Section 215(1) of the Companies Act, you need NOT take any action in relation to Form 58. Shareholders who wish to exercise their right under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

4. GENERAL

If you in any doubt about any of the matters referred to in this Letter, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

Yours faithfully
For and on behalf of
MBT Enterprises Pte. Ltd.



Tay E-Jen Brandon
Director

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