

DATED 12 JUNE 2019

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

EXIT OFFER

in connection with

THE PROPOSED VOLUNTARY DELISTING OF CHALLENGER TECHNOLOGIES LIMITED

For and on behalf of

DIGILEAP CAPITAL LIMITED

(Incorporated in the Cayman Islands)
(Company Registration No.: 347926)

to acquire all the issued ordinary shares in the capital of



CHALLENGER TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 198400182K)

***other than those held by Challenger Technologies Limited as treasury shares and those held,
directly or indirectly, by Digileap Capital Limited as at the date of the Exit Offer***

by



DBS

DBS BANK LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196800306E)



EXIT OFFER PRICE

**For each
Offer Share**

S\$0.560 in cash, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019⁽¹⁾

CLOSE OF THE EXIT OFFER

**ACCEPTANCES OF THE EXIT OFFER SHOULD BE RECEIVED BY 5.30 P.M. (SINGAPORE TIME)
ON 11 JULY 2019, OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON
BEHALF OF DIGILEAP CAPITAL LIMITED.**

⁽¹⁾ The Exit Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any dividends, rights and other distributions that may be announced, declared, paid or made by Challenger Technologies Limited on or after the Joint Announcement Date (as defined herein). As a final one-tier tax exempt dividend ("FY2018 Final Dividend") of S\$0.020 per Share (as defined herein) for the financial year ended 31 December 2018 was approved by Shareholders (as defined herein) on 29 April 2019 and paid by Challenger Technologies Limited to Shareholders on 3 June 2019, the Exit Offer Price payable to a Shareholder who validly accepts the Exit Offer will be reduced by the amount of the FY2018 Final Dividend to **S\$0.540 for each Offer Share**.

If you are in any doubt about the matters contained in this Exit Offer Letter or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. The views of the Non-conflicted Directors (as defined herein) and the IFA (as defined herein) on the Exit Offer (as defined herein) are set out in the Delisting Circular (as defined herein), which is despatched on the same date as this Exit Offer Letter. You may wish to consider their views before taking any decision on the Exit Offer. The SGX-ST assumes no responsibility for the correctness of any of the statements made or reports contained or opinions expressed in this Exit Offer Letter.

HIGHLIGHTS OF THE EXIT OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Exit Offer Letter and the Delisting Circular

1

The Offer

- On 20 March 2019 (the **"Joint Announcement Date"**), Challenger Technologies Limited (the **"Company"**) and Digileap Capital Limited (the **"Offeror"**) jointly announced that the Offeror has presented to the board of directors of the Company (the **"Directors"**) a proposal to seek the voluntary delisting (the **"Delisting"**) of the Company.
- DBS, for and on behalf of the Offeror, will make an exit offer (**"Exit Offer"**) in cash to acquire all the issued ordinary shares in the capital of the Company (**"Shares"**) other than those held by the Company as treasury shares and those held, directly or indirectly, by the Offeror as at the date of the Exit Offer (**"Offer Shares"**).
- The consideration for the Exit Offer will be:

For each Offer Share ("Exit Offer Price"): S\$0.560 in cash, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019

- The Exit Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive and retain all dividends, rights and other distributions (**"Distributions"**) that may be announced, declared, paid or made by the Company on or after the Joint Announcement Date.
- As stated in the announcement by the Company dated 29 April 2019, the Shareholders approved the payment of a final one-tier tax exempt dividend (the **"FY2018 Final Dividend"**) of S\$0.020 per Share for the financial year ended 31 December 2018 at the annual general meeting of the Company held on 29 April 2019. The Books Closure Date for the determination of entitlements to the FY2018 Final Dividend was on 17 May 2019, and the FY2018 Final Dividend was paid by the Company to Shareholders on 3 June 2019.
- As the Books Closure Date for the determination of entitlements to the FY2018 Final Dividend has passed as at the date of this Exit Offer Letter, the Exit Offer Price payable to a Shareholder who validly accepts the Exit Offer will be reduced by the amount of the FY2018 Final Dividend to **S\$0.540 for each Offer Share**.

THE DELISTING AND THE EXIT OFFER WILL BE CONDITIONAL UPON THE DELISTING RESOLUTION APPROVAL CONDITIONS BEING SATISFIED.

IF ANY OF THE DELISTING RESOLUTION APPROVAL CONDITIONS IS NOT FULFILLED, (A) THE DELISTING WILL NOT PROCEED AND THE COMPANY WILL REMAIN LISTED ON THE SGX-ST, AND (B) THE EXIT OFFER WILL ALSO LAPSE AND ALL ACCEPTANCES OF THE EXIT OFFER WILL BE RETURNED.

IN THE EVENT THAT THE EXIT OFFER LAPSES, PURSUANT TO RULE 33.1 OF THE CODE, NEITHER THE OFFEROR, ANY PERSONS WHO ACTED IN CONCERT WITH IT IN THE COURSE OF THE EXIT OFFER NOR ANY OTHER PERSON WHO IS SUBSEQUENTLY ACTING IN CONCERT WITH ANY OF THEM MAY, EXCEPT WITH THE CONSENT OF THE SECURITIES INDUSTRY COUNCIL, WITHIN 12 MONTHS FROM THE DATE ON WHICH THE EXIT OFFER LAPSES (I) ANNOUNCE AN OFFER OR POSSIBLE OFFER FOR THE COMPANY OR (II) ACQUIRE ANY VOTING RIGHTS OF THE COMPANY IF THE OFFEROR OR PERSONS ACTING IN CONCERT WITH IT WOULD THEREBY BECOME OBLIGED UNDER RULE 14 OF THE CODE TO MAKE AN OFFER.

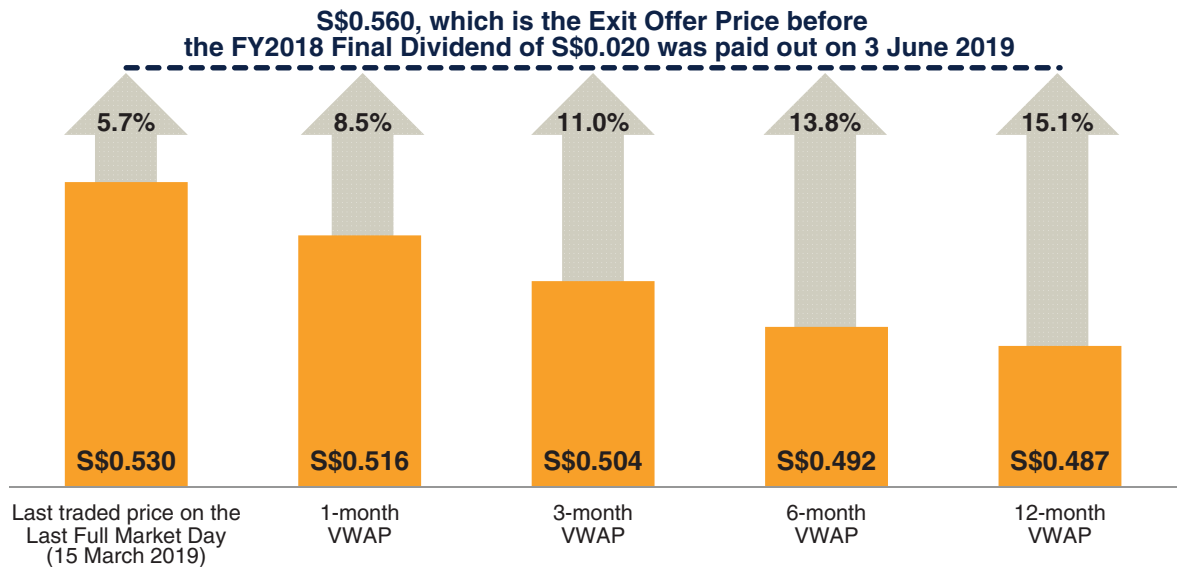
HIGHLIGHTS OF THE EXIT OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Exit Offer Letter and the Delisting Circular

2

The Exit Offer Price presents an opportunity for Shareholders who are not prepared to bear business risks to realise a clean cash exit at a premium

- The Exit Offer Price represents a premium over the historical transacted prices of the Shares on the SGX-ST, and the opportunity for Shareholders to realise their investments without incurring any brokerage and other trading costs.



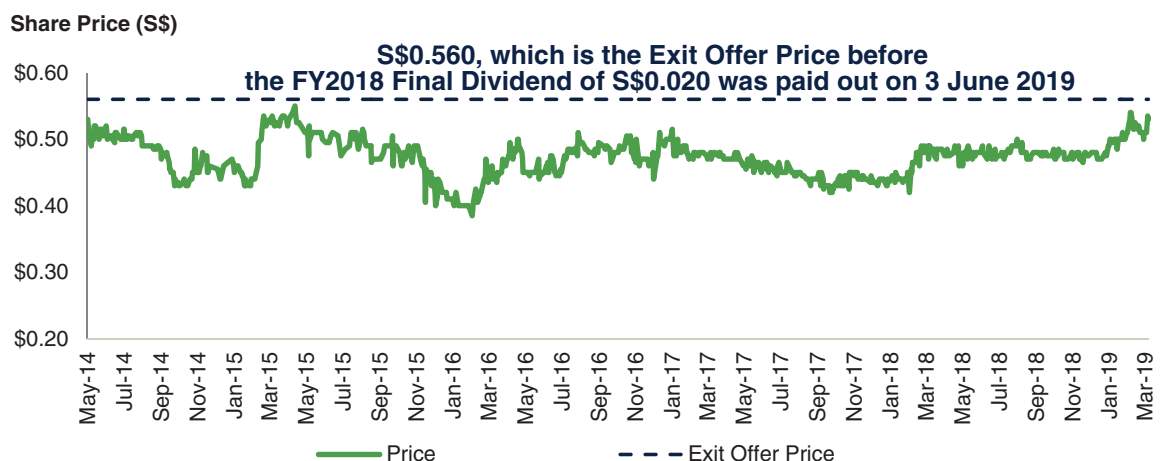
Notes:

- The historical market prices and the corresponding premiums are computed based on data extracted from Bloomberg L.P. on 15 March 2019, being the last full day of trading prior to the Joint Announcement Date.
- Volume Weighted Average Price ("VWAP")

3

The Exit Offer Price exceeds the following benchmarks

- The Exit Offer Price exceeds the highest closing price of the Shares since 9 May 2014, being more than four (4) years prior to the Last Full Market Day; and

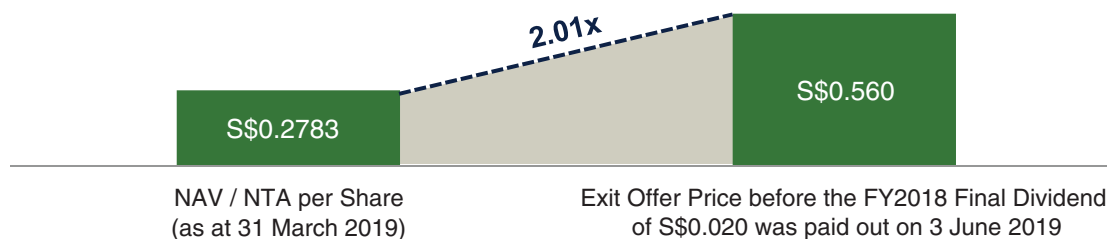


HIGHLIGHTS OF THE EXIT OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Exit Offer Letter and the Delisting Circular

3 The Exit Offer Price exceeds the following benchmarks (Cont'd)

- The Exit Offer Price represents an attractive premium of 101.2% over the latest publicly available net asset value / net tangible asset value per Share of S\$0.2783 as at 31 March 2019.



4 Clean cash exit opportunity for Shareholders to realise their investments amidst low trading liquidity of Shares

The trading liquidity of the Shares on the SGX-ST in the past year has been generally thin. The average daily trading volume of the Shares is presented in the table below.

Period prior to and including the Last Full Market Day	Average Daily Trading Volume ⁽¹⁾	Approximate percentage of total number of Shares ⁽²⁾ (%)
Last one (1) month	55,273	0.016
Last three (3) months	48,394	0.014
Last six (6) months	45,990	0.013
Last 12 months	38,501	0.011

The Exit Offer presents an opportunity for Shareholders to realise their investments in the Shares without incurring any brokerage and other trading costs.

Notes:

- (1) The average daily trading volume is computed based on the total trading volume of the Shares for all Market Days for the relevant periods immediately prior to and including the Last Full Market Day, divided by the total number of Market Days during the respective periods. "Market Day" refers to a day on which the SGX-ST is open for the trading of securities.
- (2) Computed based on 345,207,961 Shares, being the total number of issued Shares as at the Latest Practicable Date.

HIGHLIGHTS OF THE EXIT OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Exit Offer Letter and the Delisting Circular

5

The Company is facing challenges due to weak retail sentiment and industry disruption, and may have to implement changes to its business to navigate the challenging retail environment. Dividends from the Company could be affected during such time

- The Company operates in a challenging electrical and electronics retail business environment in Singapore, where the market is saturated and competitive pressures may increase margin pressure. Coupled with weak retail sentiment and industry disruption resulting from the rise in e-commerce, the Company has experienced a consistent decline in revenue over the last five (5) years.
- In order to navigate the challenging business environment, the Offeror believes that the Company may have to implement changes to its business, which will require management commitment and allocation of resources in the near to mid-term. During such time, dividends from the Company could be affected.
- In addition, the Company had in previous years benefited as a result of the Productivity and Innovation Credit Scheme, pursuant to which its customers were entitled to tax deductions and allowances and other benefits in respect of certain qualifying purchases, such as information technology and automation equipment, from the Company. Following the expiry of the Productivity and Innovation Credit Scheme after the year of assessment 2018, there may be a resultant decline in the Company's sales, and the business and profits of the Company may be further impacted.

6

Irrevocable Undertakings

- Mr. Loo Leong Thye, Ms. Ong Sock Hwee, Ms. Loo Pei Fen and Mr. Loo Wei Kiat (collectively, "**Loo Family Group**") and Mr. Ng Leong Hai ("**NLH**") have given irrevocable undertakings to the Offeror to, *inter alia*, vote all their Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all their Shares.
- The Loo Family Group and NLH collectively hold an aggregate of 271,475,450 Shares representing approximately 78.64% of the total number of issued Shares as at the Latest Practicable Date.

7

The Company will be delisted if the Delisting Resolution is approved at the EGM

- The Company will be delisted if the Delisting Resolution is approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) and not voted against by 10% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, either in person or by proxy at the EGM.
- The Loo Family Group and NLH, who collectively hold approximately 78.64% of the total number of issued Shares of the Company as at the Latest Practicable Date, have undertaken to vote all their Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all their Shares.

INSTRUCTIONS TO ACCEPT THE EXIT OFFER

All capitalised terms used below shall bear the same meanings as ascribed to them in this Exit Offer Letter and the Delisting Circular

STEP 1 Locate the FAA and/or FAT

Locate the FAA (for scripless Shares) and/or FAT (for scrip Shares) in this package, or obtain:

- The FAA from The Central Depository (Pte) Limited,
- The FAT from Boardroom Corporate & Advisory Services Pte. Ltd., or
- Electronic copies of the FAA and/or FAT from the website of the SGX-ST at www.sgx.com.

STEP 2 Fill in your details and sign the FAA⁽¹⁾

- Under Part A, fill in the number of Offer Shares in the “Free Balance” of your CDP Securities Account that you wish to tender in acceptance of the Exit Offer.

I/We hereby irrevocably authorise CDP to effect the transfer from my/our Securities Account with CDP of the following number of Offer Shares to the Securities Account of the Offeror or the Transferee maintained with CDP:

Part A	Number of Offer Shares now standing to the credit of the “Free Balance” of my/our Securities Account in respect of which the Exit Offer is accepted	Please indicate the number of Offer Shares you wish to tender in acceptance of the Exit Offer
		1 Insert number here

NOTE: Please refer to paragraphs 2 and 3 of page 2 of this FAA for instructions on inserting the number of Offer Shares above.

- Please fill in the applicable date and proceed to sign off on the bottom right hand corner of the FAA.

2 Please date here	3 Please sign here
Date	Signature(s) / Thumbprint(s) of Depositor(s) / Joint Depositors. For corporations, please sign as per your signing mandate and where appropriate, the Common Seal to be affixed in accordance with your Constitution or relevant constitutive documents.

(1) Further instructions for completing the FAA are set out in the FAA and Appendix I to this Exit Offer Letter.

STEP 3 Return the completed FAA

Return the completed FAA in the enclosed pre-addressed envelope so that it arrives at The Central Depository (Pte) Limited **NOT LATER THAN 5.30 p.m. (Singapore time) on 11 July 2019, Thursday**.

The envelope is prepaid for posting in Singapore only. Please affix sufficient postage if posting from outside Singapore.

BUSINESS REPLY SERVICE PERMIT NO. 09296	Postage will be paid by addressee. For posting in Singapore only.
DIGILEAP CAPITAL LIMITED DBS BANK LTD. c/o THE CENTRAL DEPOSITORY (PTE) LIMITED ROBINSON ROAD POST OFFICE P.O. BOX 1984 SINGAPORE 903934	
LAST TIME AND DATE FOR ACCEPTANCE OF THE EXIT OFFER: 5.30 P.M. (SINGAPORE TIME) ON 11 JULY 2019 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF DIGILEAP CAPITAL LIMITED (THE “CLOSING DATE”)	
EXIT OFFER IN CONNECTION WITH THE PROPOSED VOLUNTARY DELISTING OF CHALLENGER TECHNOLOGIES LIMITED	

IMPORTANT NOTICE

- Completing and submitting the FAA and/or FAT **does not constitute voting at the EGM** with respect to the Delisting Resolution.
- To vote at the EGM in respect of the Delisting Resolution, you **must complete and submit** the Proxy Form enclosed with the Delisting Circular **or attend the EGM in person**. Further instructions for voting at the EGM are set out in the Delisting Circular.

HOW TO VOTE AT THE EGM

All capitalised terms used below shall bear the same meanings as ascribed to them in this Exit Offer Letter and the Delisting Circular

The EGM will be held at 1 Ubi Link, Challenger TechHub, Singapore 408553 on 27 June 2019 at 10.00 a.m. (Singapore time).

There are two (2) ways you can vote at the EGM:

1. Attend the EGM in person, or
2. If you are unable to attend in person, you may appoint a proxy to attend and vote on your behalf.

STEP 1 Locate the Proxy Form

The Proxy Form is enclosed with the Delisting Circular.

STEP 2 Complete the Proxy Form

PROXY FORM

CHALLENGER TECHNOLOGIES LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 198400182K)

**PROXY FORM
EXTRAORDINARY GENERAL MEETING**

I/We, _____ (Name), NRIC/Passport No. _____
of _____ (Address)
being a member/members of Challenger Technologies Limited (the "Company"), hereby appoint(s):

Name	Address	NRIC / Passport No.	Proportion of Shareholdings		Class of Shares
			No. of Shares	%	

and/or (delete as appropriate)

Name	Address	NRIC / Passport No.	Proportion of Shareholdings		Class of Shares
			No. of Shares	%	

or failing him/her/them, the chairman of the Extraordinary General Meeting ("EGM") as my/our proxy/ proxies to attend and vote for me/us on my/our behalf, at the EGM to be held at 1 Ubi Link, Challenger TechHub, Singapore 408553 on 27 June 2019 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Delisting Resolution to be proposed at the EGM as indicated hereunder. If no specific directions as to voting are given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

NO.	DELISTING RESOLUTION	No. of votes For*	No. of votes Against*
1.	Approval for the voluntary delisting of the Company pursuant to Rule 1307 and Rule 1309 of the Listing Manual		

* Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.

Dated this _____ day of _____ 2019.

Total No. of Shares In:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or
Common Seal of Member(s)
Duly Authorised Attorney/Officer of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

A Fill in your name and particulars

I/We, Tan Hock Seng (Name), NRIC/Passport No. S1234567A
of Blk 55 Siglap Hill #04-03 257869 (Address)
being a member/members of Challenger Technologies Limited (the "Company"), hereby appoint(s):

B You may fill in the details of your appointed proxy or leave this section blank. The Chairman of the EGM will be appointed as your proxy if this section is left blank.

Name	Address	NRIC / Passport No.	Proportion of Shareholdings No. of Shares %	Class of Shares

C Indicate the number of Shares you hold

Name	Address	NRIC / Passport No.	Proportion of Shareholdings No. of Shares %	Class of Shares

D Please indicate your vote "For" or "Against" with a tick (✓) within the box provided if you wish to exercise all your votes. Alternatively, please indicate the number of votes as appropriate.

NO.	DELISTING RESOLUTION	No. of votes For*	No. of votes Against*
1.	Approval for the voluntary delisting of the Company pursuant to Rule 1307 and Rule 1309 of the Listing Manual		

E Indicate the date, the number of scripless Shares and/or scrip-based Shares you hold, and sign off on the bottom left hand corner.

Dated this _____ day of _____ 2019.

Signature(s) of Member(s) or
Common Seal of Member(s)
Duly Authorised Attorney/Officer of Member(s)

Total No. of Shares In:	No. of Shares
(a) CDP Register	
(b) Register of Members	

HOW TO VOTE AT THE EGM

All capitalised terms used below shall bear the same meanings as ascribed to them in this Exit Offer Letter and the Delisting Circular

STEP 3

Return the completed Proxy Form

- The completed and signed Proxy Form must be deposited in accordance with the instructions in the Delisting Circular and the Proxy Form at the office of the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 **NOT LATER THAN 10.00 a.m. (Singapore time) on 25 June 2019.**

STAMP
HAS BEEN
AFFIXED
HERE

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
50 RAFFLES PLACE
#32-01 SINGAPORE LAND TOWER
SINGAPORE 048623

LAST TIME AND DATE FOR SUBMISSION OF PROXY FORM: 10.00 A.M. (SINGAPORE TIME) ON 25 JUNE 2019

PROPOSED VOLUNTARY DELISTING OF CHALLENGER TECHNOLOGIES LIMITED.

CHECK YOUR SHAREHOLDING BALANCE

All capitalised terms used below shall bear the same meanings as ascribed to them in this Exit Offer Letter and the Delisting Circular

A

CONTACT THE CDP

You can check your shareholding balance with CDP at:

The Central Depository (Pte) Limited

9 North Buona Vista Drive

#01-19/20 The Metropolis

Singapore 138588

Tel. +65 6535 7511

Fax. +65 6535 0775

Operating hours:

Monday to Friday: 8.30 a.m. to 5.00 p.m.

Saturday: 8.30 a.m. to 12.00 p.m.

Closed on Sundays & Public Holidays

B

CONTACT INTERMEDIARIES

If you own Shares through a bank, broker or any other intermediaries, you can check your shareholding by contacting your bank, broker, or intermediary directly.

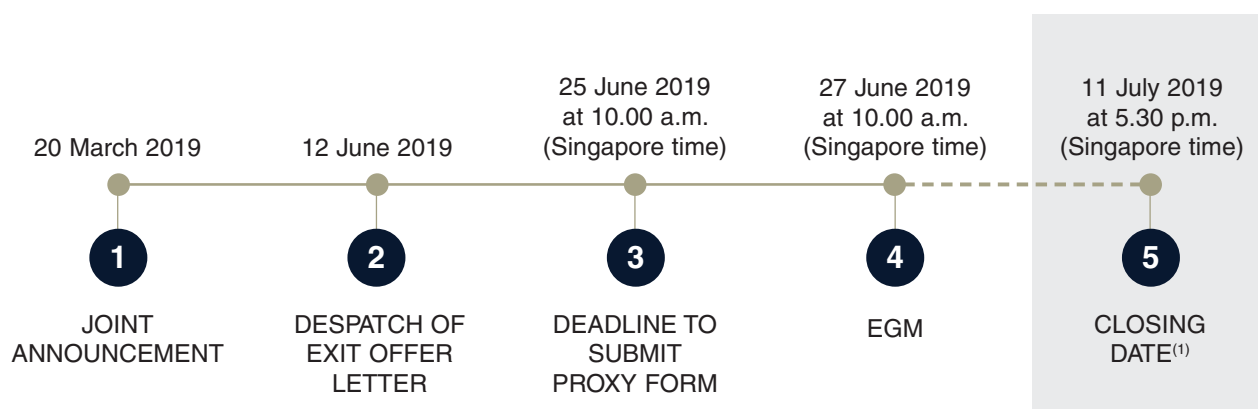
C

CONTACT CPF AGENT BANKS / SRS AGENT BANKS

If you are a CPFIS Investor / SRS Investor, please consult your CPF Agent Bank / SRS Agent Bank (being DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited or United Overseas Bank Limited) for further information.

INDICATIVE TIMELINE

All capitalised terms used below shall bear the same meanings as ascribed to them in this Exit Offer Letter and the Delisting Circular



(1) On this date or such later date(s) as may be announced from time to time by or on behalf of the Offeror

INVESTOR CONTACT

Please call DBS Bank's Help Line at +65 6878 6212 during normal business hours if you have any enquiries about the Exit Offer or if you need assistance to complete the FAA and/or FAT.

IMPORTANT NOTICE

The information in this section (save for the section on "How to Vote at the EGM") is a summary of this Exit Offer and is qualified by, and should be read in conjunction with, the full information contained in the rest of this Exit Offer Letter. The information in the section on "How to Vote at the EGM" is a summary of Section 18.1 of the Delisting Circular and the instructions on the Proxy Form and is qualified by, and should be read in conjunction with, the full information contained in the Delisting Circular.

Nothing in this section is intended to be, or shall be taken as, advice, recommendation or solicitation to the Shareholders or any other party. DBS is acting for and on behalf of the Offeror and does not purport to advise any Shareholder.

Shareholders are advised to exercise caution when dealing in their Shares and refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Non-conflicted Directors of the Company as well as the advice of the IFA as set out in the Delisting Circular. Shareholders are encouraged to read this Exit Offer Letter and the Delisting Circular carefully and in their entirety.

12 June 2019

To: The Shareholders of Challenger Technologies Limited

Dear Sir/Madam

PROPOSED VOLUNTARY DELISTING OF CHALLENGER TECHNOLOGIES LIMITED – EXIT OFFER LETTER

1. INTRODUCTION

1.1 Joint Announcement

On 20 March 2019 (the “**Joint Announcement Date**”), Challenger Technologies Limited (the “**Company**”) and Digileap Capital Limited (the “**Offeror**”) jointly announced (the “**Joint Announcement**”) that the Offeror has presented to the board of directors of the Company (the “**Directors**”) a proposal to seek the voluntary delisting of the Company (the “**Delisting**”) from the Official List of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) pursuant to Rules 1307 and 1309 of the Listing Manual of the SGX-ST (the “**Listing Manual**”).

1.2 Extraordinary General Meeting

The Company will be convening an extraordinary general meeting (“**EGM**”) on 27 June 2019 to seek the approval of the shareholders of the Company (the “**Shareholders**”) for the Delisting (“**Shareholders’ Approval**”).

1.3 Exit Offer Letter

This letter (the “**Exit Offer Letter**”) contains the terms of the exit offer (the “**Exit Offer**”) made by DBS Bank Ltd. (“**DBS**”), for and on behalf of the Offeror, to acquire all the issued ordinary shares in the capital of the Company (“**Shares**”)¹, other than those held by the Company as treasury shares and those held, directly or indirectly, by the Offeror as at the date of the Exit Offer (“**Offer Shares**”).

PLEASE NOTE THAT THE DELISTING AND THE EXIT OFFER WILL BE CONDITIONAL UPON THE DELISTING RESOLUTION APPROVAL CONDITIONS (AS DEFINED IN PARAGRAPH 2.4 BELOW) BEING SATISFIED.

IF ANY OF THE DELISTING RESOLUTION APPROVAL CONDITIONS IS NOT FULFILLED, (A) THE DELISTING WILL NOT PROCEED AND THE COMPANY WILL REMAIN LISTED ON THE SGX-ST, AND (B) THE EXIT OFFER WILL ALSO LAPSE AND ALL ACCEPTANCES OF THE EXIT OFFER WILL BE RETURNED. PLEASE REFER TO PARAGRAPH 2.4 FOR MORE DETAILS.

IN THE EVENT THAT THE EXIT OFFER LAPSES, PURSUANT TO RULE 33.1 OF THE CODE (AS DEFINED IN PARAGRAPH 1.5 BELOW), NEITHER THE OFFEROR, ANY PERSONS WHO ACTED IN CONCERT WITH IT IN THE COURSE OF THE EXIT OFFER NOR ANY OTHER PERSON WHO IS SUBSEQUENTLY ACTING IN CONCERT WITH ANY OF THEM MAY, EXCEPT WITH THE CONSENT OF THE SIC (AS DEFINED IN PARAGRAPH 2.6 BELOW), WITHIN 12 MONTHS FROM THE DATE ON WHICH THE EXIT OFFER LAPSES (I) ANNOUNCE AN OFFER OR POSSIBLE OFFER FOR THE COMPANY OR (II) ACQUIRE ANY VOTING RIGHTS OF THE COMPANY IF THE OFFEROR OR PERSONS ACTING IN CONCERT WITH IT WOULD THEREBY BECOME OBLIGED UNDER RULE 14 OF THE CODE TO MAKE AN OFFER.

¹ In this Exit Offer Letter, unless otherwise stated, all references to the total number of Shares shall be to 345,207,961 Shares as at the Latest Practicable Date (as defined herein).

The Exit Offer may only be accepted by the relevant Shareholder to whom this Exit Offer Letter is addressed.

Subject to paragraph 9 below entitled “Overseas Shareholders”, this Exit Offer Letter containing the terms of the Exit Offer, together with the Form of Acceptance and Authorisation (“**FAA**”) for Offer Shares and/or the Form of Acceptance and Transfer (“**FAT**”) for Offer Shares, as the case may be (collectively, the “**Acceptance Forms**”), are despatched to you by DBS, for and on behalf of the Offeror.

1.4 Delisting Circular

A copy of the circular issued by the Company to the Shareholders in relation to the Delisting (the “**Delisting Circular**”) is despatched on the same date as this Exit Offer Letter.

Electronic copies of this Exit Offer Letter and the Delisting Circular are available on the website of the SGX-ST at www.sgx.com.

1.5 Terms and References

The expression “**acting in concert**” shall have the meaning ascribed to it in the Singapore Code on Take-overs and Mergers (the “**Code**”). The term “**depositor**” shall have the meaning ascribed to it in Section 81SF of the Securities and Futures Act (Chapter 289 of Singapore) (the “**SFA**”).

All references to a time of day or date in this Exit Offer Letter are references to Singapore time and date, unless otherwise stated. For the purposes of this Exit Offer Letter, the latest practicable date prior to the printing of this Exit Offer Letter is 4 June 2019 (“**Latest Practicable Date**”).

1.6 Caution

Please read this Exit Offer Letter and the Delisting Circular (including (a) the advice of Deloitte & Touche Corporate Finance Pte Ltd (the “**IFA**”), the independent financial adviser to the Directors who are considered to be independent for the purposes of making recommendations to the Shareholders (“**Non-conflicted Directors**”) on the Delisting and the Exit Offer, and (b) the recommendations of the Non-conflicted Directors on the Delisting and the Exit Offer) carefully and in their respective entirety.

2. **THE EXIT OFFER**

DBS, for and on behalf of the Offeror, hereby offers to acquire all the Offer Shares, on the terms and subject to the conditions set out in this Exit Offer Letter (including the Acceptance Forms), and on the following basis:

2.1 Exit Offer Price

The offer price for each Offer Share (the “Exit Offer Price”) is S\$0.560 in cash, which is the Exit Offer Price before the FY2018 Final Dividend (as defined in paragraph 2.3 below) of S\$0.020 was paid out on 3 June 2019.

THE OFFEROR DOES NOT INTEND TO REVISE THE EXIT OFFER PRICE.

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

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

The Offeror shall pay the Exit Offer Price in cash for the Offer Shares which are validly tendered in acceptance of the Exit Offer, save for the 188,407,950 Offer Shares, representing approximately 54.58% of the total number of issued Shares, held by the Loo Family Group (as defined in paragraph 3.2 below).

2.2 Rights and Encumbrances of Shares

The Offer Shares will be acquired fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date, and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions ("**Distributions**") which may be announced, declared, paid or made thereon by the Company, on or after the Joint Announcement Date).

2.3 Adjustment for FY2018 Final Dividend and other Distributions

Without prejudice to the foregoing, the Exit Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be announced, declared, paid or made by the Company on or after the Joint Announcement Date.

In the event any Distribution is or has been announced, declared, paid or made by the Company on or after the Joint Announcement Date to a Shareholder who validly accepts or has validly accepted the Exit Offer, the Exit Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution depending on when the settlement date in respect of the Offer Shares tendered in acceptance by such accepting Shareholder pursuant to the Exit Offer falls, as follows:

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "**Books Closure Date**"), the Offeror shall pay the relevant accepting Shareholders the unadjusted Exit Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; or
- (b) if such settlement date falls after the Books Closure Date, the Exit Offer Price shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company.

As stated in the announcement by the Company dated 29 April 2019, the Shareholders approved the payment of a final one-tier tax exempt dividend (the "**FY2018 Final Dividend**") of S\$0.020 per Share for the financial year ended 31 December 2018 at the Annual General Meeting of the Company held on 29 April 2019. The Books Closure Date for the determination of entitlements to the FY2018 Final Dividend was on 17 May 2019, and the FY2018 Final Dividend was paid by the Company to Shareholders on 3 June 2019.

As the Books Closure Date for the determination of entitlements to the FY2018 Final Dividend has passed as at the date of this Exit Offer Letter, the Exit Offer Price payable to a Shareholder who validly accepts the Exit Offer will be reduced by the amount of the FY2018 Final Dividend to **S\$0.540 for each Offer Share**.

2.4 Conditions

The Delisting and the Exit Offer will be conditional on:

- (a) the resolution to approve the Delisting (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 to be convened for Shareholders to vote on the Delisting Resolution (the Directors and controlling Shareholders need not abstain from voting on the Delisting Resolution); and
- (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,

(collectively, the "**Delisting Resolution Approval Conditions**").

As at the Latest Practicable Date, the Offeror and parties acting in concert with it hold Shares representing more than 50% of the total number of issued Shares. Accordingly, the Delisting and the Exit Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.

Under Rule 1307(2) of the Listing Manual, the Directors and the controlling Shareholders are not required to abstain from voting on the Delisting Resolution. Accordingly, each member of the Loo Family Group and Mr. Ng Leong Hai ("**NLH**") (collectively, the "**Undertaking Shareholders**") are entitled to, and have undertaken pursuant to their respective Irrevocable Undertakings (as defined in paragraph 2.8 below) to, vote all their Shares in favour of the Delisting Resolution at the EGM and to accept the Exit Offer in respect of all their Shares. The respective shareholdings of the relevant Undertaking Shareholders in the Company are set out in paragraph 8.1 of Appendix II of this Exit Offer Letter. Further details of the Irrevocable Undertakings are set out in paragraph 2.8 of this Exit Offer Letter.

An application was made by the Company to the SGX-ST on 29 April 2019 to delist the Company from the Official List of the SGX-ST. The Company had on 4 June 2019 received confirmation from the SGX-ST that the SGX-ST has no objection to the Delisting, subject to compliance with Rule 1307 of the Listing Manual. The SGX-ST's decision is not to be taken as an indication of the merits of the Delisting.

Shareholders are to note that if any of the above conditions listed in this paragraph 2.4 is not fulfilled, the Delisting will not proceed and the Company will remain listed on the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.

2.5 Warranty

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

2.6 Regulatory Approvals

An application was made by the Offeror to the Securities Industry Council ("**SIC**") to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer. The SIC has ruled, *inter alia*, that:

(a) the Exit Offer is exempted from compliance with the following provisions of the Code:

- (i) Rule 20.1 to keep offer open for 14 days after it is revised;
- (ii) Rule 22 on offer timetable;
- (iii) Rule 28 on acceptances; and
- (iv) Rule 29 on the right of acceptors to withdraw their acceptances,

subject to:

(A) the Exit Offer remaining open for at least:

- (I) 21 days after the date of the despatch of the Exit Offer Letter if the Exit Offer Letter, together with the relevant Acceptance Form(s), are despatched after Shareholders' Approval has been obtained; or

- (II) 14 days after the date of the announcement of Shareholders' Approval if the Exit Offer Letter, together with the relevant Acceptance Form(s), are despatched on the same date as the Delisting Circular; and
- (B) disclosure in the Delisting Circular of:
 - (I) the consolidated net tangible assets ("**NTA**") per Share of the group comprising the Company, its subsidiaries and associated companies based on the latest published accounts prior to the date of the Delisting Circular; and
 - (II) particulars of all known material changes as of the latest practical date which may affect the consolidated NTA per Share referred to in paragraph 2.6(a)(B)(I) above or a statement that there are no such known material changes; and
- (b) Mr. Loo Leong Thye ("**LLT**") is exempted from the requirement to make a recommendation to the Shareholders on the Exit Offer as LLT, being a Director and a party acting in concert with the Offeror, will face an irreconcilable conflict of interest in doing so. Nevertheless, LLT must still assume responsibility for the accuracy of the facts stated in documents or advertisements issued by, or on behalf of, the Company in connection with the Exit Offer.

2.7 Duration and Closing Date

The Exit Offer is open for acceptance from the date of despatch of this Exit Offer Letter. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances would be conditional and if the Delisting Resolution Approval Conditions are not fulfilled, the Exit Offer will lapse, and all the Shareholders as well as the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

If the Delisting Resolution Approval Conditions are fulfilled, the Exit Offer will continue to be open for acceptance by the Shareholders for at least 14 days after the date of the announcement of the fulfillment of the Delisting Resolution Approval Conditions.

Accordingly, the Exit Offer will close at 5.30 p.m. on 11 July 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the "Closing Date").

2.8 Irrevocable Undertakings

As at the Latest Practicable Date, the Offeror has obtained irrevocable undertakings (the "**Irrevocable Undertakings**") from each member of the Loo Family Group, who collectively hold an aggregate of 188,407,950 Shares representing approximately 54.58% of the total number of issued Shares, pursuant to which each member of the Loo Family Group has undertaken and/or agreed, *inter alia*, the following:

- (a) to vote all his/her Shares (the "**Relevant Shares**") in favour of the Delisting Resolution and accept the Exit Offer in respect of all of the Relevant Shares;
- (b) that the total cash consideration payable by the Offeror to him/her pursuant to his/her acceptance of the Exit Offer in respect of the Relevant Shares will be regarded as an interest-free related party loan (a "**Related Party Loan**") extended by him/her to the Offeror, such that no cash shall be payable by the Offeror to him/her pursuant to his/her acceptance of the Exit Offer in respect of the Relevant Shares; and
- (c) to waive his/her rights under Rule 30 of the Code to receive any cash settlement or payment for his/her acceptance of the Exit Offer in respect of the Relevant Shares.

The Offeror has also obtained an Irrevocable Undertaking from NLH, who holds 83,067,500 Shares representing approximately 24.06% of the total number of issued Shares, pursuant to which NLH has undertaken and/or agreed, *inter alia*, to vote all his Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all his Shares.

In aggregate, the Undertaking Shareholders hold 271,475,450 Shares, representing approximately 78.64% of the total number of issued Shares.

The Irrevocable Undertakings shall terminate, lapse and cease to have any effect on the earlier of: (i) the conclusion of the EGM convened to obtain Shareholders' Approval, if the Delisting Resolution is not approved at such EGM, and (ii) the date on which the Exit Offer is withdrawn, lapses or closes.

The respective shareholdings of each member of the Loo Family Group in the Company are set out in paragraph 8.1 of Appendix II of this Exit Offer Letter.

Save as disclosed in this Exit Offer Letter, neither the Offeror nor any of the parties acting in concert with it has received any irrevocable undertaking from any party to (A) vote for or against the Delisting Resolution, and/or (B) accept or reject the Exit Offer.

2.9 Procedures for Acceptance and further details of the Exit Offer

Appendix I of this Exit Offer Letter sets out the procedures for the acceptance of the Exit Offer and additional information on the settlement of the consideration for the Exit Offer.

3. **INFORMATION ON THE OFFEROR AND THE PARTIES ACTING IN CONCERT WITH IT**

3.1 The Offeror

The Offeror is a special purpose vehicle incorporated in the Cayman Islands for the purposes of the Delisting and the Exit Offer. Its principal activity is that of investment holding. As at the Latest Practicable Date, 70% of the Offeror is held by Dekatech Investments ("**Loo SPV**") and the remaining 30% is held by Asia Consumer Electronics Limited ("**Dymon SPV**"). Further information on Loo SPV and Dymon SPV is set out in paragraphs 3.2 and 3.3 below. The board of directors of the Offeror comprises:

- (a) LLT; and
- (b) Mr. Tan Keng Soon (Keith).

As at the Latest Practicable Date, the Offeror owns 3,427,100 Shares, representing approximately 0.99% of the total number of issued Shares.

3.2 Loo SPV and the Loo Family Group

Loo SPV is an investment holding company which is incorporated in the Cayman Islands. Its directors are LLT (Chief Executive Officer and Executive Director of the Company) and Ms. Loo Pei Fen (Group Chief Marketing Officer of the Company and daughter of LLT) ("**LPF**"), and its shareholders are (a) LLT, (b) Ms. Ong Sock Hwee (spouse of LLT) ("**OSH**"), (c) LPF, and (d) Mr. Loo Wei Kiat (son of LLT) ("**LWK**"). The respective shareholdings of each of LLT, OSH, LPF and LWK (collectively, the "**Loo Family Group**") in Loo SPV are as follows:

LLT	:	76%
OSH	:	18%
LPF	:	5%
LWK	:	1%

As at the Latest Practicable Date, the members of the Loo Family Group have an aggregate interest in 188,407,950² Shares, representing approximately 54.58% of the total number of issued Shares. Loo SPV does not own or have control over any Shares as at the Latest Practicable Date.

3.3 Dymon SPV

Dymon SPV is incorporated in the Cayman Islands, and is the general partner of Asia Consumer Electronics L.P. Dymon SPV is a special purpose vehicle incorporated by Dymon Asia Private Equity (S.E. Asia) Fund II Pte. Ltd. ("**Dymon Asia**") for the purposes of this exercise.

² For the avoidance of doubt, this figure does not include the 3,427,100 Shares held by the Offeror as at the Latest Practicable Date, details of which are set out in paragraph 3.1 above.

Dymon Asia is managed by Dymon Asia Capital (Singapore) Pte. Ltd., a Singapore-based fund manager licensed by the Monetary Authority of Singapore which manages several alternative investment funds. Dymon Asia has commitments of US\$450 million and invests in small and medium-sized companies across Southeast Asia.

As at the Latest Practicable Date, Dymon SPV does not own or have control over any Shares.

3.4 Shareholders' Agreement

Loo SPV, Dymon SPV, the members of the Loo Family Group and the Offeror have entered into a shareholders' agreement (the "**Shareholders' Agreement**") in relation to, *inter alia*, the establishment and business of the Offeror and the regulation of the relationship between Loo SPV and Dymon SPV as shareholders of the Offeror and the making of the Exit Offer. The Shareholders' Agreement includes provisions such as those relating to board matters and board and shareholder reserved matters (granting Dymon SPV veto/consent rights on certain board and shareholder matters in relation to the Offeror and its subsidiaries (which will include the Company if the Exit Offer becomes or is declared to be unconditional in all respects and the Undertaking Shareholders tender their Shares in acceptance of the Exit Offer)).

Under the Shareholders' Agreement, the funding required by the Offeror to satisfy all valid acceptances pursuant to the Exit Offer will be provided by way of the Related Party Loans, an interest-free shareholder's loan from Dymon SPV and the Relevant Financing Arrangements (as defined in paragraph 8.5 of Appendix II below).

- 3.5 Further disclosures on the Offeror and the parties acting in concert with the Offeror can be found in Appendix II to this Exit Offer Letter entitled "Additional Information on the Offeror and the Parties Acting in Concert with It".

4. **RATIONALE FOR THE DELISTING AND THE OFFEROR'S INTENTIONS**

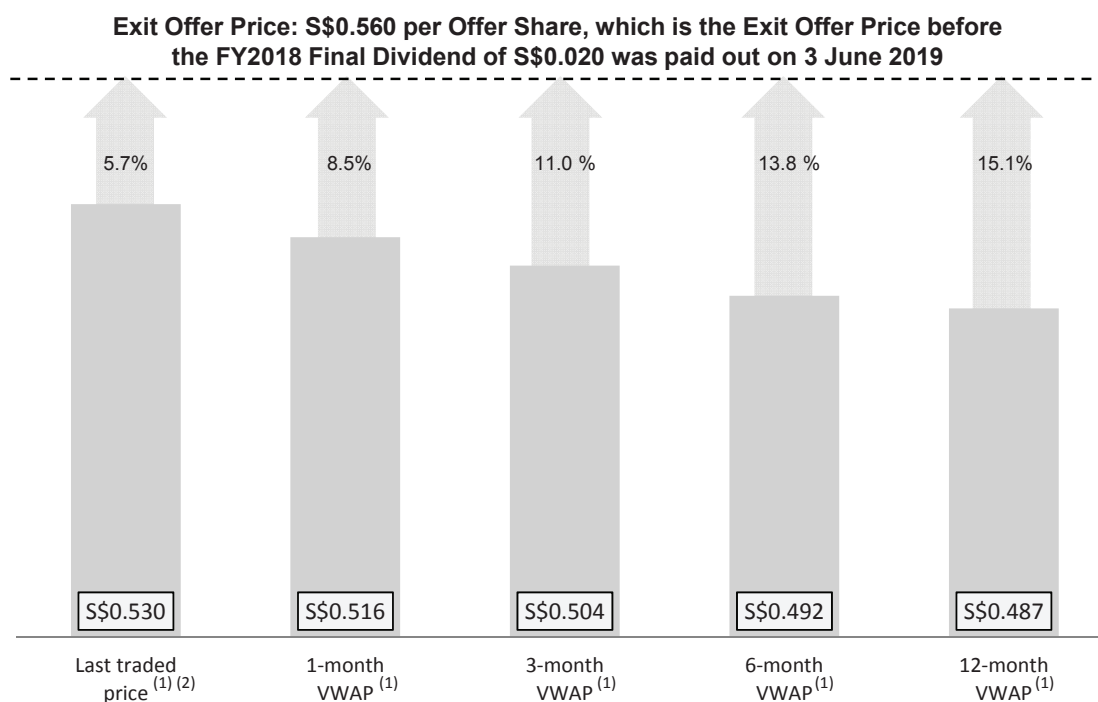
4.1 Background to the Delisting

In October 2017, LLT received an unsolicited offer from a minority Shareholder, Pangolin Investment Management Pte. Ltd. ("**Pangolin**"), to sell its stake in the Company to LLT at S\$0.435 per Share. In March 2018, Pangolin again made a subsequent offer to sell its Shares to LLT without stating the price at which it would be willing to sell its Shares, which prompted LLT to consider exploring the possibility of the Delisting. Instead of only entering into a transaction with a single Shareholder, LLT wanted to make an offer to all Shareholders, and started looking for a partner to commence such a process.

4.2 Opportunity for Shareholders who are not prepared to bear business risks to realise a clean cash exit at a premium

Shareholders who do not wish to bear the business risks outlined in paragraph 4.5 below will have an opportunity to realise their investments in the Company for a cash consideration at a premium over the historical transacted prices of the Shares on the SGX-ST, without incurring any brokerage and other trading costs.

- (a) The Exit Offer Price of S\$0.560, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019, exceeds the highest closing price of the Shares since 9 May 2014, being more than four (4) years prior to 15 March 2019, being the last full day of trading ("**Last Full Market Day**") in the Shares on the SGX-ST immediately prior to the date of the trading halt by the Company on 18 March 2019.
- (b) The Exit Offer Price of S\$0.560, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019, represents a premium of approximately 5.7% over the last traded price of S\$0.530 per Share on the Last Full Market Day and a premium of approximately 8.5%, 11.0%, 13.8% and 15.1% over the volume weighted average price ("**VWAP**") of the Shares over the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively up to and including the Last Full Market Day.



Notes:

(1) The historical market prices and the corresponding premiums are computed based on data extracted from Bloomberg L.P.

(2) Last transacted price per Share on the Last Full Market Day.

- (c) The Exit Offer Price of S\$0.560, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019, also represents an attractive premium of 101.2% over the latest publicly available net asset value / net tangible asset value per Share of S\$0.2783 as at 31 March 2019 (as reported in the unaudited consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the three (3)-month period ended 31 March 2019).

4.3 Opportunity for Shareholders to realise their investments amidst low trading liquidity of Shares

The trading liquidity of the Shares on the SGX-ST in the past year has been generally thin. The average daily trading volume of the Shares for the one (1)-month, three (3)-month, six (6)-month and 12-month periods prior to and including the Last Full Market Day are as follows:

Period prior to and including the Last Full Market Day	Average Daily Trading Volume ⁽¹⁾	Approximate percentage of total number of Shares ⁽²⁾ (%)
Last one (1) month	55,273	0.016
Last three (3) months	48,394	0.014
Last six (6) months	45,990	0.013
Last 12 months	38,501	0.011

Source: Bloomberg L.P.

Notes:

(1) The average daily trading volume is computed based on the total trading volume of the Shares for all Market Days for the relevant periods immediately prior to and including the Last Full Market Day, divided by the total number of Market Days during the respective periods. “**Market Day**” refers to a day on which the SGX-ST is open for the trading of securities.

(2) Computed based on 345,207,961 Shares, being the total number of issued Shares as at the Latest Practicable Date.

In view of the low trading liquidity during the periods prior to and including the Last Full Market Day, the Offeror believes that the Exit Offer represents an opportunity for Shareholders to realise their investments in Shares at a price (without incurring any brokerage and other trading costs) which may not otherwise be readily available.

4.4 Greater management flexibility

The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational changes without the attendant costs, regulatory restrictions and compliance issues associated with its listed status on the SGX-ST.

4.5 The Company is facing challenges due to weak retail sentiment and industry disruption, and may have to implement changes to its business to navigate the challenging retail environment. Dividends from the Company could be affected during such time

The Company operates in a challenging electrical and electronics retail business environment in Singapore, where the market is saturated and competitive pressures may increase margin pressure. Coupled with weak retail sentiment and industry disruption resulting from the rise in e-commerce, the Company has experienced a consistent decline in revenue over the last five (5) years.

In order to navigate the challenging business environment, the Offeror believes that the Company may have to implement changes to its business, which will require management commitment and allocation of resources in the near to mid-term. During such time, dividends from the Company could be affected.

In addition, the Company had in previous years benefited as a result of the Productivity and Innovation Credit Scheme, pursuant to which its customers were entitled to tax deductions and allowances and other benefits in respect of certain qualifying purchases, such as information technology and automation equipment, from the Company. Following the expiry of the Productivity and Innovation Credit Scheme after the year of assessment 2018, there may be a resultant decline in the Company's sales, and the business and profits of the Company may be further impacted.

4.6 No Need for Access to Capital Markets

Since 2007, the Company has not carried out any corporate exercise to raise cash funding on the SGX-ST. The Company is also unlikely to require access to the Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.

4.7 Compliance Costs of Maintaining Listing

In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.

4.8 Offeror's Intentions

Following the close of the Exit Offer, the Offeror will undertake a review of the businesses, organisation and operations of the Group. This review will help the Offeror determine the optimal business strategy for the Group and thereafter, the Offeror may implement changes to the business of the Group to navigate the challenging retail business environment.

Save as disclosed above, the Offeror has no current intention to (a) introduce any major changes to the business of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business.

Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Group.

4.9 Compulsory Acquisition

In the event the Offeror acquires not less than 90% of the issued Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and which, for the avoidance of doubt, excludes any issued and paid-up ordinary shares held by the Company as treasury shares) pursuant to the Exit Offer, the Offeror will be entitled to exercise the right of compulsory acquisition under Section 215(1) of the Companies Act (Chapter 50 of Singapore) ("**Companies Act**") to acquire all the remaining issued Shares at the Exit Offer Price.

The Offeror intends to exercise its right of compulsory acquisition in the event that the Offeror acquires at least 90% of the issued Shares (not held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer and which, for the avoidance of doubt, excludes any issued and paid-up ordinary shares held by the Company as treasury shares). If so, and upon completion of the compulsory acquisition, the Company will then become a wholly-owned subsidiary of the Offeror.

In addition, Shareholders who do not accept the Exit Offer would have a corresponding right, under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Exit Offer Price by serving notice requiring the Offeror to do so, in the event that the Shares acquired by the Offeror pursuant to the Exit Offer, together with (a) any other Shares held by the Offeror, its related corporations and their respective nominees and (b) any issued and paid-up ordinary shares held by the Company as treasury shares, comprise 90% or more of the Shares and any issued and paid-up ordinary shares held by the Company as treasury shares.

Shareholders who have not accepted the Exit Offer and who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

Shareholders should read carefully Section 8 of the Letter to Shareholders entitled "Implications of Compulsory Acquisition and Delisting for Shareholders" set out in the Delisting Circular.

5. **MARKET QUOTATIONS**

5.1 Closing Prices of the Shares

The following table sets out the last closing prices of the Shares on the SGX-ST on (a) a monthly basis from September 2018 (being the six (6) calendar months prior to the Joint Announcement Date), (b) 15 March 2019, being the Last Full Market Day prior to the Joint Announcement Date, and (c) the Latest Practicable Date:

Month	Closing price (S\$)
September 2018	0.475
October 2018	0.470
November 2018	0.480
December 2018	0.470
January 2019	0.510
February 2019	0.515
15 March 2019, being the Last Full Market Day	0.530
4 June 2019, being the Latest Practicable Date	0.545

Source: Bloomberg L.P.

5.2 Highest and Lowest Prices of the Shares

The highest and lowest closing prices of the Shares on the SGX-ST during the period commencing six (6) calendar months prior to the Joint Announcement Date and ending on the Latest Practicable Date are as follows:

	Price (S\$)	Date(s)
Highest closing price	0.575	3 April 2019, 4 April 2019
Lowest closing price	0.465	26 November 2018

Source: Bloomberg L.P.

6. **CONFIRMATION OF FINANCIAL RESOURCES**

DBS, being the Offeror's financial adviser for the Delisting and in connection with the Exit Offer, has confirmed that, taking into account the Irrevocable Undertakings, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer on the basis of the Exit Offer Price.

7. **DISCLOSURES**

7.1 Interests in Shares

Please refer to Appendix II to this Exit Offer Letter which sets out the interests of the Offeror, the directors of the Offeror (the "**Offeror Directors**"), and parties acting or deemed to be acting in concert with the Offeror in any (a) Shares or securities which are being offered for or which carry voting rights in the Company, or (b) Convertible Securities, Warrants, Options and Derivatives (both (a) and (b) collectively, the "**Relevant Securities**") as at the Latest Practicable Date.

Save as disclosed in this Exit Offer Letter, as at the Latest Practicable Date, none of the Offeror, the Offeror Directors or any of the parties acting or deemed to be acting in concert with the Offeror owns, controls or has agreed to acquire any Relevant Securities.

For the purposes of this Exit Offer Letter:

"**Convertible Securities**" means securities convertible or exchangeable into shares or securities which carry voting rights in the Company;

"**Derivatives**" includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities, in this case, the shares or securities which carry voting rights in the Company;

"**Options**" means options to subscribe for or purchase shares or securities which carry voting rights in the Company; and

"**Warrants**" means rights to subscribe for or purchase shares or securities which carry voting rights in the Company.

7.2 Dealings in Relevant Securities

Please refer to Appendix II to this Exit Offer Letter which sets out the dealings in the Relevant Securities by the Offeror, the Offeror Directors, and parties acting or deemed to be acting in concert with them during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

Save as disclosed in this Exit Offer Letter, none of the Offeror, the Offeror Directors, or any of the parties acting or deemed to be acting in concert with them, has dealt for value in any Relevant Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

7.3 Further Disclosures

Save as disclosed in this Exit Offer Letter and in the information on the Company that is publicly available (including without limitation, the annual report of the Company for the financial year ended 31 December 2018, the unaudited consolidated financial statements of the Group for the three (3)-month period ended 31 March 2019, and the announcements released by the Company on the SGX-ST), there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the Company since 31 December 2018, being the date of the last balance sheet laid before the Shareholders in a general meeting.

Further disclosures by the Offeror and parties acting or deemed to be acting in concert with the Offeror can be found in Appendix II to this Exit Offer Letter entitled “Additional Information on the Offeror and the Parties Acting in Concert with It”.

8. **ACTIONS TO BE TAKEN BY THE SHAREHOLDERS**

This Exit Offer Letter and the Acceptance Forms are despatched on the same date as the Delisting Circular. If you have Offer Shares standing to the credit of the “Free Balance” of your securities account (not including a securities sub-account) (“**Securities Account**”) maintained with The Central Depository (Pte) Limited (“**CDP**”), you should receive a FAA together with this Exit Offer Letter. If you do not receive a FAA, you may obtain a copy of such 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.

If you hold Offer Shares which are not deposited with CDP, you should receive a FAT together with this Exit Offer Letter. If you do not receive a FAT, you may obtain a copy of such FAT, upon production of satisfactory evidence that you are a Shareholder, from the office of the Offeror’s receiving agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

The Exit Offer may only be accepted by the relevant Shareholder to whom this Exit Offer Letter is addressed.

Shareholders may choose to submit the relevant Acceptance Form(s) to accept the Exit Offer before the EGM. However, please note that such acceptance is conditional upon the Delisting Resolution Approval Conditions being satisfied. In the event that any of the Delisting Resolution Approval Conditions is not fulfilled, the Exit Offer will lapse and all of the Shareholders as well as the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder. Those 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 the Acceptance Forms.

If you wish to accept the Exit Offer, you should complete, sign and return the relevant Acceptance Form(s) in accordance with the provisions and instructions in this Exit Offer Letter and the relevant Acceptance Form(s) during the period commencing from the date of despatch of this Exit Offer Letter and ending at 5.30 p.m. on the Closing Date.

If you hold share certificate(s) of the Offer Shares beneficially owned by you 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 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.

If you decide not to accept the Exit Offer, you do not have to take any action. In the event that the Delisting Resolution Approval Conditions are satisfied, you will continue to hold unlisted Shares in the Company as an unlisted company. If you hold Shares that are deposited with CDP, a share certificate in respect of your Shares that are deposited with CDP will be sent, by ordinary post and at your own risk, to your address as it appears in the records of CDP, after the Company has been delisted from the Official List of the SGX-ST.

The detailed procedures for acceptance and additional information on settlement of the Exit Offer are set out in Appendix I to this Exit Offer Letter for your information.

9. OVERSEAS SHAREHOLDERS

9.1 Overseas Shareholders

The availability of the Exit Offer to the Shareholders whose addresses are outside Singapore, as shown on the Register of Members of the Company or, as the case may be, in the records of CDP ("**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 in their own jurisdictions, and exercise caution in relation to the Exit Offer, as this Exit Offer Letter, the Acceptance Forms and the Delisting Circular have not been reviewed by any regulatory authority in any overseas jurisdiction. **Where there are potential restrictions on sending this Exit Offer Letter, the Acceptance Forms and the Delisting Circular to any overseas jurisdiction, the Offeror, DBS, CDP and the Company each reserves the right not to send these documents to such overseas jurisdictions.** For the avoidance of doubt, the Exit Offer is open to all the Shareholders holding Offer Shares, including those to whom this Exit Offer Letter, the Acceptance Forms and the Delisting Circular have not been, or may not be, sent.

Copies of this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any other formal documentation relating to the Exit Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the applicable law of that jurisdiction ("**Restricted Jurisdiction**"). The Exit Offer will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Exit Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facility.

9.2 Copies of the Exit Offer Letter, Acceptance Forms and Delisting Circular

Overseas Shareholders may, nonetheless, obtain copies of this Exit Offer Letter, the relevant Acceptance Form(s), the Delisting Circular and any related documents, during normal business hours, from the date of this Exit Offer Letter and up to the Closing Date, from the receiving agent of the Offeror and share registrar of the Company, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may write in to Boardroom Corporate & Advisory Services Pte. Ltd. at the address listed above to request for this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk (the last day for despatch in respect of such request shall be a date falling three (3) Market Days prior to the Closing Date).

9.3 Overseas Jurisdictions

It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Exit Offer Letter, the relevant Acceptance Form(s), the Delisting Circular and/or any related documents, and/or (b) accept 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 any governmental or other consent 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, DBS, CDP, the Company and/or any person acting on its 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, DBS, CDP, the Company and/or any person acting on its behalf may be required to pay. In (i) requesting for

this Exit Offer Letter, the relevant Acceptance Form(s), the Delisting Circular and/or any related documents, and/or (ii) accepting the Exit Offer, the Overseas Shareholder represents and warrants to the Offeror, DBS, CDP and the Company 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.

OVERSEAS SHAREHOLDERS WHO ARE IN DOUBT ABOUT THEIR POSITIONS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS IN THE RELEVANT JURISDICTIONS.

9.4 Notice

The Offeror and DBS each reserves the right to (a) reject any acceptance of the Exit Offer where it believes, or has reason to believe, that such acceptance may violate the applicable laws of any jurisdiction, and (b) notify any matter, including the despatch of this Exit Offer Letter, any formal documentation relating to the Exit Offer, and the fact that the Exit Offer has been made, to any or all of the Shareholders (including the Overseas Shareholders) by announcement to the SGX-ST and if necessary, paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

10. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

Investors who have purchased Shares using (a) their Central Provident Fund (“**CPF**”) savings under the CPF Investment Scheme (“**CPFIS**”) (“**CPFIS Investors**”) or (b) using their Supplementary Retirement Scheme (“**SRS**”) contributions pursuant to the SRS (“**SRS Investors**”) should receive further information on how to accept the Exit Offer from their respective banks approved by CPF to be its agent banks, being DBS, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited (collectively, the “**CPF Agent Banks**”) or respective agent banks included under the SRS (“**SRS Agent Banks**”) shortly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Exit Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date. CPFIS Investors and SRS Investors will receive the Exit Offer Price payable in respect of their Offer Shares validly tendered in acceptance of the Exit Offer through appropriate intermediaries in their respective CPF investment accounts and SRS investment accounts.

11. GENERAL

11.1 Valid Acceptances

The Offeror and DBS each 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 herein or in the relevant Acceptance Forms, or if made otherwise than in accordance with the provisions herein and instructions printed on the relevant Acceptance Forms.

11.2 Announcements/Notices

In this Exit Offer Letter, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by DBS or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone or facsimile or through SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

11.3 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 actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Offeror and each accepting Shareholder agree to submit to the non-exclusive jurisdiction of the Singapore courts.

11.4 No Third Party Rights

Unless expressly provided to the contrary in this Exit Offer Letter and the relevant Acceptance Forms, a person who is not a party to any contracts made pursuant to the Exit Offer, this Exit Offer Letter, and the relevant Acceptance Forms has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any term of such contracts. Notwithstanding any term herein, 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.

11.5 Accidental Omission

Accidental omission to despatch this Exit Offer Letter, the relevant Acceptance Forms or any notice 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.

11.6 Independent Advice

The advice of the IFA to the Non-conflicted Directors on the Exit Offer, and the recommendations of the Non-conflicted Directors on the Delisting and the Exit Offer, are available in the Delisting Circular. Shareholders may wish to consider their advice before taking any action in relation to the Exit Offer.

11.7 Costs and Expenses

All costs and expenses of or incidental to the Exit Offer including the preparation and circulation of this Exit Offer Letter, the FAA and the FAT (other than professional fees and other costs relating to the Exit Offer incurred or to be incurred by the Company) and stamp duty and transfer fees resulting from acceptances of the Exit Offer will be paid by the Offeror.

11.8 Consent by DBS

DBS, as financial adviser to the Offeror in connection with the Exit Offer, has given and has not withdrawn its written consent to the issue of this Exit Offer Letter with the inclusion herein of its name and all references thereto in the form and context in which they appear in this Exit Offer Letter.

12. **DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at 1 Ubi Link, Challenger TechHub, Singapore 408553 during normal business hours for the period for which the Exit Offer remains open for acceptance:

- (a) the Memorandum and Articles of Association of the Offeror;
- (b) the Joint Announcement;
- (c) the Irrevocable Undertakings referred to in paragraph 2.8 above entitled "Irrevocable Undertakings"; and
- (d) the letter of consent from DBS referred to in paragraph 11.8 of this Exit Offer Letter.

13. RESPONSIBILITY STATEMENT

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

If you are in doubt as to any of the matters referred to in this Exit Offer Letter and/or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Issued by

DBS Bank Ltd.

For and on behalf of

DIGILEAP CAPITAL LIMITED

Any enquiries relating to the Exit Offer or this Exit Offer Letter should be directed during office hours to:

DBS Bank Ltd.

Strategic Advisory

Tel: (65) 6878 6212

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”, “target” 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. 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 and investors should not place undue reliance on such forward-looking statements, and none of the Offeror or DBS 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/or any other regulatory or supervisory body or agency.

APPENDIX I

PROCEDURES FOR ACCEPTANCE AND OTHER DETAILS OF THE EXIT OFFER

1. THE EXIT OFFER

1.1 Depositors

- (a) **Depositors whose Securities Accounts are credited with Offer Shares.** If you have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you should receive this Exit Offer Letter together with a FAA. If you do not receive a FAA, you may obtain a copy of such 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:

- (i) complete the FAA in accordance with this Exit Offer Letter and the instructions printed on the FAA. In particular, you must state in **Part A** of the FAA the number of Offer Shares already standing to the credit of the “Free Balance” of your Securities Account in respect of which you wish to accept the Exit Offer.

(A) If you:

- (1) do not specify such number; or
- (2) specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account on the date of receipt of the FAA by CDP (the “**Date of Receipt**”) or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt is 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 on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date).

- (B) If paragraph 1.1(a)(i)(A)(2) above applies and at the time of verification by CDP of the FAA on the Date of Receipt, there are outstanding settlement instructions with CDP to receive further Offer Shares into the “Free Balance” of your Securities Account (“**Unsettled Buy Position**”), and the Unsettled Buy Position settles such that the Offer Shares in the Unsettled Buy Position are transferred to the “Free Balance” of your Securities Account at any time during the period the Exit Offer is open, up to 5.30 p.m. (Singapore time) on the Closing Date (“**Settled Shares**”), you shall be deemed to have accepted the Exit Offer in respect of the balance number of Offer Shares inserted in Part A of the FAA which have not yet been accepted pursuant to paragraph 1.1(a)(i)(A)(2) above, or the number of Settled Shares, whichever is less;

- (ii) sign the FAA in accordance with this **Appendix I** and the instructions printed on the FAA; and

- (iii) deliver the completed and signed FAA:

- (A) **by hand**, to **DIGILEAP CAPITAL LIMITED** c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or

- (B) **by post**, in the enclosed pre-addressed envelope at your own risk, to **DIGILEAP CAPITAL LIMITED** c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

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

If you are a depository agent as defined in Section 81SF of the SFA, you may accept the Exit Offer via the SGX-SFG service provided by CDP as listed in the Terms and Conditions for User Services for Depository Agents ("**Electronic Acceptance**"). CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf and such Electronic Acceptances must be submitted not later than 5.30 p.m. (Singapore time) on the Closing Date. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Exit Offer Letter as if the FAA had been completed and delivered to CDP.

- (b) **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, this Exit Offer Letter and a FAA in respect of such Offer Shares bearing your name and Securities Account number will be sent to you by CDP. If you do not receive a FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder or have purchased the Offer Shares on the SGX-ST, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

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:

- (i) complete and sign the FAA in accordance with paragraph 1.1(a) of this **Appendix I** and the instructions printed on the FAA; and
- (ii) deliver the completed and signed FAA:
 - (A) **by hand**, to **DIGILEAP CAPITAL LIMITED** c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
 - (B) **by post**, in the enclosed pre-addressed envelope at your own risk, to **DIGILEAP CAPITAL LIMITED** c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope which is enclosed with the FAA, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

Rejection. If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been or will not be credited to the "Free Balance" of your Securities Account (as, for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected. None of the Offeror, DBS or CDP accepts any responsibility or liability in relation to such a rejection, including the consequences thereof.

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by the Date of Receipt or by 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date), unless paragraph 1.1(a)(i)(A)(2) read together with paragraph 1.1(a)(i)(B) of this **Appendix I** apply. If the Unsettled Buy Position does not settle by 5.30 p.m. (Singapore time) on the Closing Date, your acceptance in respect of such Offer Shares will be rejected. None of the Offeror, DBS or CDP accepts any responsibility or liability in relation to such a rejection, including the consequences thereof.

- (c) **Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited to your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to 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 Offer Shares.
- (d) **FAAs received on Saturday, Sunday and public holidays.** For the avoidance of doubt, FAAs received by CDP on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next business day.
- (e) **General.** No acknowledgement will be given by CDP for submissions of FAAs. All communications, notices, documents and payments to be delivered or sent to you will be sent by ordinary post at your own risk to your 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 credited to your Securities Account. You can verify the number of Offer Shares in your Securities Account: (i) through CDP Online if you have registered for the CDP Internet Access Service; or (ii) through the CDP Phone Service using SMS OTP, under the option “To check your securities balance”.
- (f) **Blocked Balance.** Upon receipt of the FAA which is complete and valid in all respects, CDP will transfer the Offer Shares in respect of which you have accepted the Exit Offer from the “Free Balance” of your Securities Account to the “Blocked Balance” of your Securities Account. Such Offer Shares will be held in the “Blocked Balance” until the consideration for such Offer Shares has been despatched to you.
- (g) **Notification.** If you have accepted the Exit Offer in accordance with the provisions contained in this **Appendix I** and the FAA, upon the Exit Offer becoming or being declared to be 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 aggregate Exit Offer Price in respect of such Offer Shares by way of a cheque in Singapore currency drawn on a bank in Singapore for the appropriate amount, or in such other manner as you may have agreed with CDP for the payment of any cash distributions, at your own risk, as soon as practicable and in any event:
 - (i) 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 to be unconditional in all respects in accordance with its terms, within seven (7) business days of that date; or
 - (ii) 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 to be unconditional in all respects in accordance with its terms, but on or before the Closing Date, within seven (7) business days of the date of such receipt.

- (h) **Return of Offer Shares.** In the event the Exit Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, CDP will return the aggregate number of Offer Shares in respect of which you have accepted the Exit Offer and tendered for acceptance under the Exit Offer to the “Free Balance” of your Securities Account as soon as possible but in any event within 14 days from the lapse or withdrawal of the Exit Offer.
- (i) **No Securities Account.** If you do not have an existing Securities Account in your own name at the time of acceptance of the Exit Offer, your acceptance as contained in the FAA will be rejected.

1.2 Holders of Offer Shares in Scrip Form

- (a) **Shareholders whose Offer Shares are not deposited with CDP.** If you hold Offer Shares which are not deposited with CDP (“**in scrip form**”), you should receive this Exit Offer Letter together with a FAT. If you do not receive a FAT, you may obtain a copy of such FAT, upon production of satisfactory evidence that you are a Shareholder, from Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.
- (b) **Acceptance.** If you wish to accept the Exit Offer, you should:
 - (i) complete the FAT in accordance with this Exit Offer Letter and the instructions printed on the FAT. In particular, you must state in **Part A** of the FAT the number of Offer Shares in respect of which you wish to accept the Exit Offer and state in **Part B** of the FAT the share certificate number(s) of the relevant share certificate(s). If you:
 - (A) do not specify such number in **Part A** of the FAT; or
 - (B) specify a number in **Part A** of the FAT which exceeds the number of Offer Shares represented by the share certificate(s) accompanying the FAT,
 you shall be deemed to have accepted the Exit Offer in respect of the total number of Offer Shares represented by the share certificate(s) accompanying the FAT;
 - (ii) sign the FAT in accordance with this **Appendix I** and the instructions printed on the FAT; and
 - (iii) deliver:
 - (A) the completed and signed FAT;
 - (B) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or Boardroom Corporate & Advisory Services Pte. Ltd. relating to the Offer Shares in respect of which you wish to accept the Exit Offer. If you are recorded in the Register of Members of the Company as holding Offer Shares but you 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 the FAT;
 - (C) 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 any person nominated in writing by the Offeror or a person authorised by either); and
 - (D) any other relevant document(s),

either:

- (1) **by hand**, to **DIGILEAP CAPITAL LIMITED** c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
- (2) **by post**, in the enclosed pre-addressed envelope at your own risk, to **DIGILEAP CAPITAL LIMITED** c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623,

in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore.

- (c) **Receipt.** No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other document(s) required by the Offeror will be given by the Offeror, DBS or Boardroom Corporate & Advisory Services Pte. Ltd.
- (d) **FATs received on Saturday, Sunday and public holidays.** For the avoidance of doubt, FATs received by the Offeror, DBS and/or Boardroom Corporate & Advisory Services Pte. Ltd. on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next business day.
- (e) **Return of Offer Shares.** In the event the Exit Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you by ordinary post to the address stated in the FAT or if none is stated, to you (or in the case of joint accepting Shareholders, to the one first named in the Register of Members of the Company) by ordinary post at the relevant address maintained in the Register of Members of the Company, at your own risk as soon as possible but in any event within 14 days from the lapse or withdrawal of the Exit Offer.

2. SETTLEMENT FOR THE EXIT OFFER

When Settlement of the Exit Offer Consideration is Due. Subject to the Exit Offer becoming or being declared to be unconditional in all respects in accordance with its terms and to the receipt by the Offeror of valid acceptances and all relevant documents required by the Offeror which are complete and valid in all respects and in accordance with such requirements as may be stated in this Exit Offer Letter and the relevant FAA or FAT (as the case may be), including, without limitation, (in the case of a Shareholder holding Offer Shares in scrip form) the receipt by the Offeror of share certificate(s) relating to the Offer Shares tendered by such Shareholder in acceptance of the Exit Offer and (in the case of a depositor) the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Offer Shares tendered by such depositor in acceptance of the Exit Offer are standing to the credit of the "Free Balance" of the depositor's Securities Account at the relevant time, then pursuant to Rule 30 of the Code, remittances in the form of cheques in Singapore currency drawn on a bank in Singapore for the aggregate Exit Offer Price in respect of the Offer Shares validly tendered in acceptance of the Exit Offer will be despatched to the accepting Shareholders (or, in the case of Shareholders holding Offer Shares in scrip form, their designated agents, as they may direct) by ordinary post, at the risk of the accepting Shareholders or in such other manner as they may have agreed with CDP for the payment of any cash distributions, as soon as practicable and in any event:

- (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 to be unconditional in all respects in accordance with its terms, within seven (7) business days of that date; or

- (b) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received after the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but on or before the Closing Date, within seven (7) business days of the date of such receipt.

3. GENERAL

- 3.1 Disclaimer.** The Offeror, DBS, CDP and/or Boardroom Corporate & Advisory Services Pte. Ltd. will be authorised and entitled, in their sole and absolute discretion, to reject any acceptance of the Exit Offer through the FAA and/or 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, unsigned, 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 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, DBS, CDP or Boardroom Corporate & Advisory Services Pte. Ltd. accepts any responsibility or liability for such a decision, including the consequences of such a decision.
- 3.2 Discretion.** The Offeror and DBS each 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 FAA and FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Exit Offer Letter and the FAA and FAT, as the case may be. Any decision to reject or treat such acceptances as valid will be final and binding and none of the Offeror, DBS, CDP and/or Boardroom Corporate & Advisory Services Pte. Ltd. accepts any responsibility or liability for such a decision, including the consequences of such a decision.
- 3.3 Scripless and Scrip Offer Shares.** If you hold some Offer Shares with CDP and others in scrip form, you should complete the FAA for the former and the FAT for the latter in accordance with the respective procedures set out in this **Appendix I** and the respective Acceptance Forms if you wish to accept the Exit Offer in respect of such Offer Shares.
- 3.4 Deposit Time.** If you hold Offer Shares in scrip form, the Offer Shares may not be credited to your Securities Account with CDP in time for you to accept the Exit Offer 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, you should complete the FAT and follow the procedures set out in paragraph 1.2 of this **Appendix I**.
- 3.5 Correspondences.** All communications, certificates, notices, documents, payments and remittances to be delivered or sent to you (or, in the case of scrip holders, your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the Register of Members of the Company) will be sent by ordinary post to your respective addresses as they appear in the records of CDP or Boardroom Corporate & Advisory Services Pte. Ltd., as the case may be, at the risk of the person entitled thereto (or, for the purposes of remittances only, to such different name and address as may be specified by you in the FAA or FAT, as the case may be, at your own risk).
- 3.6 Evidence of Title.** Delivery of the duly completed and signed FAA and/or FAT, as the case may be, together with the relevant share certificate(s) and/or other document(s) of title and/or other relevant document(s) required by the Offeror, to the Offeror, CDP and/or Boardroom Corporate & Advisory Services Pte. Ltd., shall be conclusive evidence in favour of the Offeror, DBS, CDP and Boardroom Corporate & Advisory Services Pte. Ltd. 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.
- 3.7 Loss in Transmission.** The Offeror, DBS, CDP and/or Boardroom Corporate & Advisory Services Pte. Ltd., as the case may be, shall not be liable for any loss in transmission of the FAA and/or FAT.

- 3.8 Acceptances Irrevocable.** Except as expressly provided in this Exit Offer Letter and the Code, the acceptance of the Exit Offer made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable and any instructions or subsequent FAA(s) and/or FAT(s) received by CDP and/or Boardroom Corporate & Advisory Services Pte. Ltd., as the case may be, after the FAA and/or FAT, as the case may be, has been received shall be disregarded.
- 3.9 Personal Data Privacy.** By completing and delivering a FAA and/or FAT, each person (a) consents to the collection, use and disclosure of his personal data by the Offeror, DBS, CDP, Boardroom Corporate & Advisory Services Pte. Ltd., the Company, CPF Board, and the SGX-ST (collectively, the **“Relevant Persons”**) for the purpose of facilitating his acceptance of the Exit Offer, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (b) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (c) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of such warranty.

APPENDIX II

ADDITIONAL INFORMATION ON THE OFFEROR AND THE PARTIES ACTING IN CONCERT WITH IT

1. DIRECTORS OF THE OFFEROR

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

<u>Name</u>	<u>Address</u>	<u>Designation</u>
Mr. Loo Leong Thye	c/o 1 Ubi Link, Challenger TechHub, Singapore 408553	Director
Mr. Tan Keng Soon (Keith)	c/o One Temasek Avenue, #11-01 Millenia Tower, Singapore 039192	Director

2. REGISTERED OFFICE OF THE OFFEROR

The registered office of the Offeror is at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

3. PRINCIPAL ACTIVITIES OF THE OFFEROR

The Offeror is a special purpose vehicle incorporated in the Cayman Islands for the purposes of the Delisting and the Exit Offer. The principal activity of the Offeror is that of investment holding.

4. SHARE CAPITAL

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$1,000 comprising 1,000 ordinary shares, 70% of which is held by Loo SPV and the remaining 30% of which is held by Dymon SPV.

5. SUMMARY OF FINANCIAL INFORMATION

As the Offeror was incorporated on 4 February 2019, no audited or unaudited financial statements of the Offeror have been prepared since the date of its incorporation.

6. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as a result of the making and financing of the Exit Offer, there has been no known material change in the financial position of the Offeror since 4 February 2019, being the date of its incorporation.

7. 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.

8. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

8.1 Shareholdings in the Company

Save as set out in the table below, none of the Offeror, the Offeror Directors or any of the parties acting or deemed to be acting in concert with the Offeror owns, controls or has agreed to acquire any Relevant Securities as at the Latest Practicable Date.

<u>Name</u>	<u>Shareholding Interest</u>	
	Number of Shares	%⁽¹⁾
The Offeror	3,427,100	0.99
Offeror Directors		
Mr. Loo Leong Thye	148,352,250	42.97
Mr. Tan Keng Soon (Keith)	—	—
Other Parties Acting or deemed to be Acting in Concert		
Ms. Ong Sock Hwee	34,924,350	10.12
Ms. Loo Pei Fen	4,492,500	1.30
Mr. Loo Wei Kiat	638,850	0.19
Ms. Ong Sock Quan ⁽²⁾	205,000	0.06
Total Shareholding Interest	192,040,050	55.63

Notes:

- (1) The percentage shareholding interest is based on the issued share capital of 345,207,961 Shares as at the Latest Practicable Date, and rounded to two (2) decimal places. The Company does not have any treasury shares.
- (2) Ms. Ong Sock Quan is the sister of Ms. Ong Sock Hwee and the aunt of Ms. Loo Pei Fen and Mr. Loo Wei Kiat.

8.2 Dealings in Shares

- (a) Save as disclosed below, none of the Offeror, the Offeror Directors, or any of the parties acting or deemed to be acting in concert with the Offeror have dealt for value in any Relevant Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

Name	Date of Transaction	Number of Shares acquired (disposed)	Transacted Price per Share (S\$)
Offeror	21 March 2019	1,586,400	0.560
Offeror	22 March 2019	1,257,100	0.560
Offeror	25 March 2019	260,000	0.560
Offeror	26 March 2019	21,600	0.560
Offeror	27 March 2019	10,100	0.560
Offeror	28 March 2019	72,000	0.560
Offeror	29 March 2019	37,500	0.560
Offeror	1 April 2019	172,400	0.560
Offeror	11 April 2019	9,000	0.560
Offeror	12 April 2019	1,000	0.560

- (b) None of the Undertaking Shareholders has dealt for value in any Relevant Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

8.3 No Other Undertakings

Save as set out in paragraph 2.8 of this Exit Offer Letter entitled “Irrevocable Undertakings”, as at the Latest Practicable Date, neither the Offeror nor any party acting in concert with it has received any irrevocable undertaking from any party to vote for or against the Delisting Resolution and/or to accept or reject the Exit Offer.

8.4 Indemnity Agreements

As at the Latest Practicable Date, save for the Irrevocable Undertakings, details of which are set out in paragraph 2.8 of this Exit Offer Letter entitled “Irrevocable Undertakings”, neither the Offeror nor any party acting in concert with it has any arrangement of the kind referred to under Note 7 to Rule 12 of the 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.

8.5 Security Interests and Borrowed Securities

Save as disclosed below, as at the Latest Practicable Date, neither the Offeror nor any party acting in concert with it has:

- (a) granted a security interest over any Relevant Securities to another person, whether through a charge, pledge or otherwise;
- (b) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); or
- (c) lent any Relevant Securities to another person.

The Offer Shares to be acquired by the Offeror (i) pursuant to the Exit Offer or otherwise during the period of the Exit Offer, and (ii) pursuant to the exercise of the compulsory acquisition rights under Section 215(1) of the Companies Act and/or as required by Shareholders under Section 215(3) of the Companies Act, will be charged in favour of DBS pursuant to a share charge entered into between the Offeror and DBS as security for the financing arrangements granted by DBS for the purpose of financing the Exit Offer (the “**Relevant Financing Arrangements**”).

9. **GENERAL**

9.1 Agreement having any Connection with or Dependence upon the Exit Offer

Save for (a) the Irrevocable Undertakings provided by the Undertaking Shareholders, details of which are set out in paragraph 2.8 of this Exit Offer Letter entitled “Irrevocable Undertakings”, (b) the Shareholders’ Agreement, details of which are set out in paragraph 3.4 of this Exit Offer Letter entitled “Shareholders’ Agreement”, (c) the Relevant Financing Arrangements, and (d) as otherwise disclosed in this Exit Offer Letter, there is no agreement, arrangement or understanding as at the Latest Practicable Date between (i) the Offeror or any party acting in concert with the Offeror and (ii) 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.

9.2 Payment or Benefit to the Directors

As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or any director of a corporation deemed to be related to the Company by virtue of Section 6 of the Companies Act as compensation for loss of office or as consideration for or in connection with his retirement from office or otherwise in connection with the Exit Offer.

9.3 Transfer of Shares

Save for the Relevant Financing Arrangements, as at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any Shares acquired pursuant to the Exit Offer will be transferred to any other person.

9.4 Arrangements

Save for (a) the Irrevocable Undertakings, details of which are set out in paragraph 2.8 of this Exit Offer Letter entitled “Irrevocable Undertakings”, (b) the Shareholders’ Agreement, details of which are set out in paragraph 3.4 of this Exit Offer Letter entitled “Shareholders’ Agreement”, and (c) the Relevant Financing Arrangements, as at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Offeror and any of the Directors or any other person in connection with or conditional upon the outcome of the Exit Offer or otherwise connected with the Exit Offer.

9.5 Transfer Restrictions

The Memorandum and Articles of Association comprising the Constitution of the Company does not contain any restrictions on the right to transfer Offer Shares, which has the effect of requiring the holders of the Offer Shares, before transferring them, to first offer them for purchase to Shareholders or to any other person.

9.6 Material Change in Information

Save as disclosed in this Exit Offer Letter and save for the information relating to the Offeror and the Exit Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Joint Announcement Date and ending on the Latest Practicable Date.

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