

WEST KNIGHTON LIMITED

(BVI Company No.: 1991027)
(Incorporated in the British Virgin Islands)

4 January 2019

To: The Shareholders of Cityneon Holdings Limited

Dear Sir / Madam

COMPULSORY ACQUISITION OF SHARES IN CITYNEON HOLDINGS LIMITED (THE “COMPANY”) PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE (THE “COMPANIES ACT”) BY WEST KNIGHTON LIMITED (THE “OFFEROR”) AND RIGHTS PURSUANT TO SECTION 215(3) OF THE COMPANIES ACT

1. INTRODUCTION

- 1.1 **Offer.** We refer to the offer document dated 14 November 2018 (the “**Offer Document**”) in relation to the mandatory unconditional cash offer (the “**Offer**”) by Credit Suisse (Singapore) Limited (“**Credit Suisse**”), for and on our behalf, for all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”).

All capitalised terms used and not defined herein shall have the same meanings given to them in the Offer Document.

If you have already (i) validly accepted the Offer in respect of all your Shares by completing and returning a FAA or FAT or (ii) sold all your Shares prior to the date of this Letter, please disregard this Letter and its enclosures.

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

- 2.1 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances of the Offer and/or acquires such number of Offer Shares from the date of despatch of the Offer Document otherwise than through valid acceptances of the Offer in respect of not less than 90% of the total number of issued Shares (excluding treasury shares and other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of the Dissenting Shareholders on the same terms as those offered under the Offer.

In view of the Offeror’s shareholding as at the date of the Offer, the compulsory acquisition threshold under Section 215(1) of the Companies Act for the Offer is 96.90% of the total number of issued Shares¹.

- 2.2 **Compulsory Acquisition Threshold Attained.** As at 5.00 p.m. (Singapore time) on 28 December 2018, the Offeror owns, controls or has agreed to acquire an aggregate of 242,076,229 Shares, representing approximately 98.95% of the total number of issued Shares. Accordingly, the Offeror is entitled to and is exercising its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of Dissenting Shareholders, at the Offer Price of S\$1.30 in cash for each Dissenting Shareholder’s Share (the aggregate amount payable, the “**Consideration**”).
- 2.3 **Dissenting Shareholder.** According to the records maintained by The Central Depository (Pte) Limited (“**CDP**”) and/or B.A.C.S. Private Limited (the “**Share Registrar**”), as the case may be, you have not accepted the Offer in respect of your Shares. Accordingly, we are writing to inform you that we are exercising our right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares held by you at the Offer Price of S\$1.30 in cash for each Share. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act (“**Form 57**”).

¹ In this Letter, unless otherwise stated, all references to percentage shareholdings of the total number of issued Shares are computed on the basis of 244,656,195 Shares as at the date of this Letter. Figures are rounded to the nearest 2 decimal places.

- 2.4 Exercise of Right.** We will exercise our right to compulsorily acquire all the Shares held by you on or after 5 February 2019 (the “**Transfer Date**”), being the date after the expiration of one (1) month from the date of Form 57, subject to and on the terms set out in the enclosed Form 57.
- 2.5 Registration of Transfer.** Upon our payment of the Consideration to the Company, the Company will cause all the Shares held by you to be transferred to us and register us as the holder of all those Shares as soon as practicable. The Consideration will be credited by the Company into a separate bank account and paid over to CDP or the Share Registrar (as the case may be) for remittance to you (see paragraph 2.6 (*Settlement*) below).
- 2.6 Settlement.** Subject to and in accordance with Section 215(1) of the Companies Act and the terms set out in Form 57, as soon as practicable after the Transfer Date, remittances in the form of S\$ cheques for the appropriate amount payable in respect of your Shares will be despatched (or in such other manner as you may have agreed with CDP, the Share Registrar and/or your designated agents for the payment of any cash distribution) to you by ordinary post, in each case at your own risk, to your address as it appears in the records of CDP, the Share Registrar, and/or your designated agents.
- 2.7 No Action Needed.** No action needs to be taken by you in relation to Form 57 to entitle you to payment, which will be made to you in accordance with paragraphs 2.5 (*Registration of Transfer*) and 2.6 (*Settlement*) above.

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

- 3.1 Non-Assenting Shareholder.** Under Section 215(3) of the Companies Act, you have the right to require us to acquire your Shares. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act (“**Form 58**”) is enclosed with this Letter. You may, within three (3) months from the date of Form 58 (that is, by 4 April 2019), require us to acquire your Shares and we shall be entitled and bound to acquire your Shares on the same terms as those offered under the Offer at the Offer Price of S\$1.30 in cash for each Share.
- 3.2 No Action Needed.** As we will be proceeding to compulsorily acquire your Shares pursuant to Section 215(1) of the Companies Act as described in paragraph 2 above, you need not take any action in relation to Form 58. If you nonetheless wish to exercise your right under Section 215(3) of the Companies Act, you are advised to seek your own independent legal advice.

4. DELISTING

- 4.1 Listing Status of the Company.** Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public (the “**Free Float Requirement**”). As announced by Credit Suisse on 5 December 2018, for and on our behalf, the Free Float Requirement is no longer satisfied. As stated in the Offer Document, it is our intention to privatise the Company and take steps to delist the Company from the SGX-ST following the close of the Offer and accordingly, we do not intend to undertake or support any action to satisfy the Free Float Requirement or for any trading suspension by the SGX-ST to be lifted. Pursuant to Rule 1303(1) of the Listing Manual, the SGX-ST will suspend trading of the Shares on the SGX-ST at the close of the Offer.
- 4.2 Application for Delisting.** An application has been or will be made to the SGX-ST for the delisting of the Company (the “**Delisting Application**”). The result of the Delisting Application will be announced in due course.

5. GENERAL

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

6. RESPONSIBILITY STATEMENT

The directors of the Offeror (including those who may have delegated detailed supervision of this Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter are fair and accurate and that no material facts have been omitted from this Letter, the omission of which would make any statement in this Letter misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, information relating to the Company), the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Letter.

Yours faithfully
For and on behalf of
West Knighton Limited



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Tan Aik Ti, Ron
Director

Enclosed: Form 57 and Form 58