

PACIFIC MOMENT HOLDINGS LTD.

(Incorporated in the British Virgin Islands)

(Company Registration No. 1891928)

3 July 2020

To: The Shareholders of Huan Hsin Holdings Ltd

Dear Sir/Madam

COMPULSORY ACQUISITION OF SHARES IN HUAN HSIN HOLDINGS LTD PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE ("COMPANIES ACT") BY PACIFIC MOMENT HOLDINGS LTD. (THE "OFFEROR") AND RIGHTS PURSUANT TO SECTION 215(3) OF THE COMPANIES ACT

1. INTRODUCTION

- 1.1 **Exit Offer.** We, Pacific Moment Holdings Ltd. (the "**Offeror**"), refer to the exit offer letter (the "**Exit Offer Letter**") dated 14 May 2020 in relation to the conditional cash exit offer (the "**Exit Offer**") by us for all of the issued and paid-up ordinary shares (the "**Shares**") in the capital of Huan Hsin Holdings Ltd (the "**Company**"), excluding treasury shares and those already held directly or indirectly by the Offeror as at the date of the Exit Offer (the "**Offer Shares**"), in connection with the directed delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Exit Offer was declared unconditional in all respects on 8 June 2020.

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

If you have already validly accepted the Exit Offer in respect of all your Offer Shares by completing and returning a valid Form of Acceptance and Authorisation and/or a valid Form of Acceptance and Transfer prior to the date of this Letter, please disregard this Letter and the accompanying Form 57 and Form 58 (each as defined below).

If you have sold or otherwise transferred any or all of your Offer Shares prior to the date of this Letter, please forward this Letter and the accompanying Form 57 and Form 58 immediately to the purchaser or transferee or to the bank, stockbroker, or another agent through whom the sale was effected for onward transmission to the purchaser or the transferee.

- 1.2 **Close of Exit Offer.** As announced on 26 June 2020 (the "**Close of Exit Offer Announcement**"), the Exit Offer had closed at 5.30 p.m. (Singapore time) on 26 June 2020, and is no longer open for acceptance. Any acceptances received after 5.30 p.m. (Singapore time) on 26 June 2020 will **not** be accepted.
- 1.3 **Holdings of Shares.** As also announced in the Close of Exit Offer Announcement, as at 5.30 p.m. (Singapore time) on 26 June 2020, the total number of Shares owned, controlled or agreed to be acquired by us and the Concert Parties (including valid acceptances of the Exit Offer) amount to an aggregate of 370,068,870 Shares, representing approximately 92.52% of the total number of issued Shares¹ of the Company.

¹ Unless otherwise stated, references in this Letter to percentages or the total number of Shares are based on a total of 400,000,000 Shares (excluding treasury shares).

- 1.4 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, as we have received valid acceptances pursuant to the Exit Offer from the date of despatch of the Exit Offer Letter in respect of not less than 90% of the total number of issued Shares (other than those already held by us, our related corporations or our respective nominees as at the date of the Exit Offer and excluding any Shares held as treasury shares), we are entitled, and as stated in the Exit Offer Letter and announced on 10 June 2020, intend, to exercise our right of compulsory acquisition under Section 215(1) of the Companies Act (the “**Compulsory Acquisition Right**”) to compulsorily acquire all the Offer Shares of Shareholders who have not accepted the Exit Offer at the Exit Offer Price of S\$0.016 in cash for each Offer Share (the “**Consideration**”) and on the same terms and conditions of the Exit Offer. Upon completion of the Compulsory Acquisition exercise, we will then proceed to delist the Company from the Official List of the SGX-ST.

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

- 2.1 **Dissenting Shareholders.** According to the records maintained by The Central Depository (Pte) Limited (“**CDP**”) and/or Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Share Registrar cum Receiving Agent**”) as at 5.00 p.m. (Singapore time) on 29 June 2020 (being the latest practicable date prior to the printing of this Letter), you have not accepted the Exit Offer in respect of your Offer Shares. Accordingly, we are writing to inform you that we are exercising our Compulsory Acquisition Right to acquire all the Offer Shares held by you at the Consideration and on the same terms and conditions of the Exit Offer. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act (the “**Form 57**”).
- 2.2 **Compulsory Acquisition.** We will exercise our Compulsory Acquisition Right to acquire all the Offer Shares held by you on or after 4 August 2020 (the “**Transfer Date**”), being the date after the expiration of one month from the date of Form 57, subject to and on the terms set out in the enclosed Form 57 and the provisions of Section 215(4) of the Companies Act.
- 2.3 **Registration of Transfer.** Upon the settlement of the aggregate amount of the Consideration to the Company by us, the Company will cause to be transferred to us all the Offer Shares held by you and register us as the holder of all those Offer Shares as soon as practicable. The aggregate amount of the Consideration will be credited by the Company into a separate bank account and held by the Company on trust for you.
- 2.4 **Settlement.** Subject to and in accordance with the provisions of Section 215(1) of the Companies Act and the terms set out in the enclosed Form 57, as soon as practicable after the Transfer Date:
- (a) if your Offer Shares are held through a Securities Account maintained with CDP, CDP will, on our behalf, despatch remittances in the form of S\$ crossed cheques drawn on a bank in Singapore for the appropriate aggregate amount of the Consideration payable in respect of all your Offer Shares to you by ordinary post, at your own risk, to your address as it appears in the records of CDP, or in such other manner as you may have agreed with CDP for the payment of any cash distributions; and
 - (b) if your Offer Shares are held in scrip form, the Share Registrar cum Receiving Agent will, on our behalf, despatch a S\$ crossed cheque drawn on a bank in Singapore for the appropriate aggregate amount of the Consideration payable in respect of all your Offer Shares to you by ordinary post, at your own risk, to your address as it appears in the register of members of the Company, as maintained by the Share Registrar cum Receiving Agent.

- 2.5 **No Action Needed.** No action needs to be taken by you in relation to Form 57 to effect the transfer of your Offer Shares and entitle you to payment, which will be made to you in accordance with paragraphs 2.3 and 2.4 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 Offer Shares. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act (the “**Form 58**”) is enclosed with this Letter. You may, within three months from the date of Form 58 (that is, by 3 October 2020), require us to acquire your Offer Shares and we shall be entitled and bound to acquire your Offer Shares at the Consideration (or otherwise in accordance with Section 215(3) of the Companies Act).
- 3.2 **No Action Required. As we will be proceeding to compulsorily acquire your Offer Shares pursuant to Section 215(1) of the Companies Act on the terms set out in the enclosed Form 57 and as described in paragraph 2 above, you need not take any action in relation to Form 58.** Nevertheless, if you 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 As stated in the Exit Offer Letter and the Delisting Notification, the Company will be mandatorily delisted from the Official List of the SGX-ST following the completion of the Exit Offer, which, as announced in the Close of Exit Offer Announcement, had closed on 26 June 2020.
- 4.2 As announced on 10 June 2020 and stated in paragraph 1.4 of this Letter, as we have received valid acceptances of the Exit Offer in respect of not less than 90% of the total number of issued Shares from the date of despatch of the Exit Offer Letter (other than those already held by us, our related corporations or our respective nominees as at the date of the Exit Offer and excluding any Shares held as treasury shares), we are entitled, and intend, to exercise our Compulsory Acquisition Right.
- 4.3 **As we will be proceeding to exercise our Compulsory Acquisition Right on the Transfer Date, the Company will only be delisted from the Official List of the SGX-ST after the Transfer Date. The date on which the Company will be delisted from the SGX-ST 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.

If you have sold or otherwise transferred any or all of your Offer Shares, please forward this Letter and the accompanying Form 57 and Form 58 immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser or the transferee.

6. RESPONSIBILITY STATEMENT

The Offeror Directors (including any Offeror Director who may have delegated detailed supervision of this Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein are fair and accurate and that there are no other material facts not contained in this Letter, the omission of which would make any statement in this Letter misleading. Where any information in this Letter has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company (including without limitation, information relating to the Company), the sole responsibility of the Offeror Directors 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. The Offeror Directors jointly and severally accept responsibility accordingly.

Yours faithfully

For and on behalf of

PACIFIC MOMENT HOLDINGS LTD.

Hsu Hung Chun

Director

Enclosed: Form 57 and Form 58