

# BEST GRACE HOLDINGS PTE. LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201825433Z)

22 August 2019

To: The Shareholders of Delong Holdings Limited

Dear Sir/Madam

## COMPULSORY ACQUISITION OF SHARES IN DELONG HOLDINGS LIMITED (THE "COMPANY") PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE (THE "COMPANIES ACT") BY BEST GRACE HOLDINGS PTE. LTD. (THE "OFFEROR") AND RIGHTS PURSUANT TO SECTION 215(3) OF THE COMPANIES ACT

### 1. Introduction

- 1.1 **Offer.** We, Best Grace Holdings Pte. Ltd., refer to the voluntary conditional cash offer (the "**Offer**") by Stirling Coleman Capital Limited ("**Stirling Coleman**"), for and on our behalf, for all the issued and paid up ordinary shares (the "**Shares**") in the capital of the Company other than Shares already held by the Offeror, its related corporations and their nominees at the date of the Offer (the "**Offer Shares**"). The Offer has since been declared unconditional in all respects on 15 August 2019.

*All capitalised terms used and not defined in this letter (the "**Letter**") shall have the same meanings ascribed to them in the offer document dated 13 August 2019 (the "**Offer Document**") despatched to the Shareholders containing the terms and conditions of the Offer, unless otherwise expressly stated or the context otherwise requires.*

**If you have already (i) validly accepted the Offer in respect of all your Offer Shares by completing and returning a FAA and/or a FAT; or (ii) sold all your Offer Shares on the SGX-ST prior to the date of this Letter, please disregard this Letter and the accompanying Form 57 and Form 58 (each as defined below). For the avoidance of doubt, the Offer is open for acceptance by Shareholders until 5.30 p.m. (Singapore time) on 10 September 2019.**

- 1.2 **Holdings of Shares.** As announced by Stirling Coleman, for and on our behalf, as at 5.30 p.m. (Singapore time) on 15 August 2019, the total number of Offer Shares owned, controlled or agreed to be acquired by us and parties acting in concert with us (including valid acceptances of the Offer) amount to an aggregate of 99,971,129 Shares, representing approximately 90.73% of the total number of Shares in the Company<sup>1</sup>.

### 2. Compulsory Acquisition under Section 215(1) of Companies Act

- 2.1 **Entitlement of the Offeror under Section 215(1) of the Companies Act.** As we already own, control or have agreed to acquire not less than 90% of the total number of Shares in the Company (other than those already held by us, our related corporations or our respective nominees as at the date of the Offer), we are entitled and, as stated in the Offer Document, intend to exercise our rights 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 Offer as at the date of this Letter (the "**Dissenting Shareholders**").
- 2.2 **Dissenting Shareholders.** According to the records maintained by CDP and/or the Registrar (as the case may be), you have not accepted the Offer in respect of your Offer Shares. Accordingly, we are writing to inform you that we wish to exercise our Compulsory Acquisition Right to acquire all the Offer Shares held by you at the consideration of S\$7.00 in cash for each Offer Share and on the same terms and conditions of the Offer (the "**Consideration**"). We enclose, for this purpose, a Notice to Dissenting Shareholders in the form prescribed under the Companies Act (the "**Form 57**").

<sup>1</sup> Unless otherwise stated, reference in this Letter to percentages or total number of Shares are based on a total of 110,182,709 Shares (with no Shares held in treasury).

- 2.3 **Compulsory Acquisition.** We will exercise the Compulsory Acquisition Right to acquire all the Offer Shares held by you on or about 23 September 2019 (the “**Transfer Date**”), being the date after the expiration of one (1) month from the date of the 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.
- 2.4 **Registration of Transfer.** Upon our delivery of the Consideration to the Company, the Company will cause to be transferred to us all the Offer Shares held by you and will register us as the holder of all those Offer Shares as soon as practicable. The Consideration will be held by the Company on trust for you in a separate bank account to be established by the Company, and it will be paid to you in accordance with the settlement procedures set out in paragraph 2.5 below.
- 2.5 **Settlement.** Subject to and in accordance with the provisions of Section 215 of the Companies Act and the terms set out in the 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 for the appropriate aggregate amount of the Consideration payable in respect of all your Offer Shares to you (or, if you hold Offer Shares which are not deposited with CDP, your designated agent(s), as you may direct) by ordinary post, at your own risk, to your address as it appears in the records of CDP, or by such other manner as you may have agreed with CDP for the payment of any cash distributions; and
  - (b) if your Shares are held in scrip form, the Registrar will, on the Offeror’s behalf, despatch a cheque for the appropriate aggregate amount of the Consideration payable in respect of all your Offer Shares to you by registered post, at your own risk, to your address as it appears in the Register, as maintained by the Registrar.
- 2.6 **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 2.4 and 2.5 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 (3) months from the date of the Form 58 (that is, by 22 November 2019), require us to acquire your Offer Shares and we shall be entitled and bound to acquire your Offer Shares at the Consideration and on the same terms and conditions as those offered under the Offer (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, you need not take any action in relation to the Form 58.** Shareholders who nevertheless wish to exercise their right under Section 215(3) of the Companies Act are advised to seek their 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 Shares (excluding treasury shares) is at all times held by the public (the “**Free Float Requirement**”). As announced on 15 August 2019 and based on the latest information available to the Offeror and to the best of the Offeror’s knowledge, the Free Float Requirement is no longer satisfied, and as stated in the Offer Document, we have no intention of preserving the listing status of the Company and undertaking or supporting any action to satisfy the Free Float Requirement or for any trading suspension by the SGX-ST to be lifted.

- 4.2 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. The Company will be delisted from the SGX-ST upon the completion of the compulsory acquisition exercise under Section 215(1) of the Companies Act as described in this Letter. 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.**

**6. Responsibility Statement**

The sole director of the Offeror has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter (other than those relating to or expressed by the Offeree) 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 has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the sole director of the Offeror 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 Letter. The sole director of the Offeror does not accept any responsibility for any information relating to or any opinion expressed by the Offeree Group.

The sole director of the Offeror accepts responsibility accordingly.

Yours faithfully  
For and on behalf of  
**Best Grace Holdings Pte. Ltd.**



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Director

Enc: Form 57 and Form 58