



## **SOMERLEY CAPITAL LIMITED**

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19 August 2021

*To the Independent Shareholders,*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
SOMERLEY CAPITAL LIMITED  
FOR AND ON BEHALF OF ACE SOURCE HOLDINGS LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
GOAL FORWARD HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
BY ACE SOURCE HOLDINGS LIMITED AND  
PARTIES ACTING IN CONCERT WITH IT)**

### **INTRODUCTION**

Reference is made to the Joint Announcement. On 29 June 2021 (after trading hours), the Vendor and Ace Source entered into the Share Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and Ace Source (or its nominee) has conditionally agreed to acquire, 520,000,000 Sale Shares (representing approximately 34.39% of the issued share capital of the Company as at the Latest Practicable Date), at a total cash consideration of HK\$78,000,000, being HK\$0.15 per Sale Share. On the same day, being 29 June 2021 (after trading hours), the Company and Ace Source entered into the Subscription Agreement, pursuant to which Ace Source has conditionally agreed to subscribe for, and the Company has agreed to allot and issue to Ace Source, 252,000,000 Subscription Shares (representing approximately 16.67% of the issued share capital of the Company as at the Latest Practicable Date), at a consideration of HK\$37,800,000, being HK\$0.15 per Subscription Share. Completion took place on 16 August 2021.

Immediately prior to Completion, Ace Source and parties acting in concert with it (excluding the Vendor) did not hold any Shares or control any voting rights over Shares. Upon Completion which took place on 16 August 2021 and as at the Latest Practicable Date, Ace Source was interested in 772,000,000 Shares, representing approximately 51.06% of the issued share capital of the Company. Ace Source is therefore required under Rule 26.1 of the Takeovers Code to make the Offer for all the issued Shares (other than those already owned by Ace Source and parties acting in concert with it). Somerley is making the Offer for and on behalf of Ace Source.

This letter forms part of this Composite Document and sets out, among other things, details of the Offer, information on Ace Source, and its intentions in relation to the Company. Further details on the terms and the procedures for acceptance of the Offer are set



out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser”, the appendices to this Composite Document and the accompanying Form of Acceptance, and to consult their own professional advisers before reaching a decision as to whether or not to accept the Offer.

## **THE OFFER**

Somerley, for and on behalf of Ace Source and pursuant to the Takeovers Code, is making the Offer on the following basis:

**For each Offer Share held . . . . . HK\$0.15 in cash**

The offer price per Offer Share is determined at a price equalling to the purchase price per Sale Share paid by Ace Source under the Share Purchase Agreement and the subscription price per Subscription Share paid by the Ace Source under the Subscription Agreement.

The Offer is unconditional in all respects and extended to all Shareholders other than Ace Source and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and acquired free from all Encumbrances and together with all rights attaching to them including the right to receive all dividends and distributions which may be declared, paid or made at any time on or after the date on which the Offer is made, being the date of despatch of this Composite Document. As at the Latest Practicable Date, the Company has not declared any dividend which remains unpaid, and the Company does not intend to declare, make or pay any dividend or other distributions prior to the close of the Offer.

Further details of the terms of the Offer and the procedures for acceptance are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

### **The Offer Price**

The offer price of HK\$0.15 per Offer Share represents:

- (i) a discount of approximately 11.76% to the closing price of HK\$0.170 per Share quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 7.14% over the closing price of HK\$0.14 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 4.46% to the average closing price of approximately HK\$0.157 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day;
- (iv) a discount of approximately 11.76% to the average closing price of approximately HK\$0.170 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day;



- (v) a discount of approximately 10.18% to the average closing price of approximately HK\$0.167 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to the Last Trading Day;
- (vi) a premium of approximately 102.70% over the audited consolidated net asset attributable to the owners of the Company of approximately HK\$0.074 per Share as at 31 March 2021 (calculated based on the audited consolidated equity attributable to the Shareholders of approximately HK\$93.28 million as at 31 March 2021 and 1,260,000,000 Shares in issue as at 31 March 2021); and
- (vii) a premium of approximately 50.00% over the adjusted unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.10 per Share as at 31 March 2021. The calculation of the adjusted unaudited consolidated net asset value attributable to the owners of the Company per Share as at 31 March 2021 is set out under the paragraph “Adjusted unaudited net asset value” in Appendix II to this Composite Document.

#### **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.194 per Share on 20 July 2021 and HK\$0.075 per Share on 11, 12, 15, 16 and 17 March 2021, respectively.

#### **The Vendor’s Undertakings**

Immediately after the Share Transfer Completion and as at the Latest Practicable Date, the Vendor held 200,000,000 Shares (the “**Retained Shares**”), representing approximately 13.23% of the issued share capital of the Company.

In accordance with terms of the Share Purchase Agreement, the Vendor has executed a deed of undertaking dated 16 August 2021 in favour of Ace Source, the SFC and the Stock Exchange, pursuant to which the Vendor has irrevocably and unconditionally undertaken that it will:–

- (i) not, and will not attempt to, whether directly or indirectly, sell, transfer or dispose of, charge, grant any option or right over, or otherwise create any encumbrance on or deal in all or any of the Retained Shares until the close of the offer period (as defined in the Takeovers Code) of the Offer; and
- (ii) not accept the Offer in respect of the Retained Shares.

Pursuant to the deed of undertaking, there are no circumstances in which the Vendor’s undertakings will cease to be binding.

Save as disclosed above, there are no restrictions on the disposition of the Retained Shares held by the Vendor under the terms of the Share Purchase Agreement after the close of the offer period (as defined in the Takeovers Code) of the Offer nor other arrangement between Ace Source and the Vendor regarding the Retained Shares.



### **Value of the Offer**

As at the Latest Practicable Date, the Company had 1,512,000,000 Shares in issue and the Company did not have any outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares. The Company also had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Shares as at the Latest Practicable Date.

Based on the offer price of HK\$0.15 per Offer Share and 1,512,000,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at approximately HK\$226.80 million. Upon Completion, 200,000,000 Shares have been retained by the Vendor which has undertaken, (i) not to accept the Offer in respect of the Retained Shares; and (ii) that it will not, and will not attempt to, whether directly or indirectly, sell, transfer or dispose of, charge, grant any option or right over, or otherwise create any encumbrance on or deal in all or any of the Retained Shares during the offer period (as defined in the Takeovers Code) of the Offer. The Offer is being made to the Independent Shareholders who in aggregate held 540,000,000 Shares as at the Latest Practicable Date. Based on the offer price of HK\$0.15 per Offer Share, the Offer is valued at HK\$81,000,000 assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer.

### **Confirmation of financial resources**

Ace Source intends to finance the consideration payable under the Offer by unsecured shareholder's loans from China Wantian. Ace Source does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) in relation to the shareholder's loans from China Wantian will depend to any significant extent on the business of the Group.

Somerley, being the financial adviser to Ace Source, is satisfied that sufficient resources are available to Ace Source to satisfy the total consideration payable by Ace Source in respect of full acceptance of the Offer.

### **PROCEDURES FOR ACCEPTANCE OF THE OFFER**

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms and conditions of the Offer.

The duly completed and signed Form of Acceptance should be lodged, together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), with the Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, marked "Goal Forward Holdings Limited – Offer" on the envelope, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as Ace Source may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.



No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

Your attention is drawn to "Further Terms and Procedures for Acceptance of the Offer" as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

#### **Effect of accepting the Offer**

As at the Latest Practicable Date, the Company has not declared any dividend which remains unpaid, and the Company does not intend to declare, make or pay any dividend or other distributions prior to the close of the Offer.

By accepting the Offer, the Shareholders will sell their Shares free from all Encumbrances and together with all rights attaching to them including the right to receive all dividends and distributions which may be declared, paid or made at any time on or after the date on which the Offer is made, being the date of despatch of this Composite Document.

Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, paid or made, if any, on or after the date on which the Offer is made. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

#### **Settlement of the Offer**

Remittances in respect of the cash consideration for the Offer Shares tendered under the Offer will be despatched to the accepting Shareholder(s) (to the address specified on the relevant Shareholder's Form of Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete and valid.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder (as the case may be) who accepts the Offer will be rounded up to the nearest cent.

#### **Nominee registration**

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order



for beneficial owners of Shares whose investments are registered in the names of nominees, to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their nominees.

### **Overseas Shareholders**

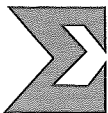
Ace Source intends to make the Offer available to all Independent Shareholders, including the Overseas Shareholders. As the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions, the Overseas Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions).

Ace Source, the parties acting in concert with it, the Company, Somerley, the Independent Financial Adviser, the Registrar, the company secretary of the Company and any of their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes as such persons may be required to pay.

**Any acceptance by any Overseas Shareholders and overseas beneficial owners of the Shares will be deemed to constitute a representation and warranty from such Overseas Shareholders or overseas beneficial owners of the Shares, as applicable, to Ace Source that the local laws and requirements have been complied with. Overseas Shareholders and overseas beneficial owners of the Shares should consult their own professional advisers if in doubt.**

### **Hong Kong stamp duty**

Seller's Hong Kong ad valorem stamp duty at a rate of 0.13% of the consideration payable in respect of the relevant acceptances of the Offer by the Shareholders or if higher, the market value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) will be deducted from the amount payable to Shareholders who accept the Offer. Ace Source will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).



## **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of Ace Source, parties acting in concert with it, the Company, Somerley, the Independent Financial Adviser, the Registrar, the company secretary of the Company and any of their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **INFORMATION ON ACE SOURCE**

Ace Source is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, save for entering into of the Share Purchase Agreement and the Subscription Agreement, Ace Source has not engaged in any substantial business activities. As at the Latest Practicable Date, Mr. Hooy, Mr. Zhong and Mr. Lau Yau Chuen Louis were the directors of Ace Source.

As at the Latest Practicable Date, Ace Source was owned by China Wantian, Yap Global and Hooy Investment as to 81%, 12% and 7% equity interest, respectively.

China Wantian is an investment holding company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, China Wantian was owned by Wise Global Holding Limited and Courage Rise Holdings Limited as to 60% and 40% equity interest, respectively. As at the Latest Practicable Date, Mr. Hooy, Mr. Zhong and Mr. Lau Yau Chuen Louis were the directors of China Wantian.

Each of Wise Global Holding Limited and Courage Rise Holdings Limited is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, Mr. Hooy was the sole beneficial owner and sole director of Wise Global Holding Limited, while Mr. Zhong was the sole beneficial owner and sole director of Courage Rise Holdings Limited.

Yap Global is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, Yap Global was beneficially owned by each of Ms. Yap Hong Akiw and Ms. Yap Hong Kek as to approximately 16.67% equity interest, and each of Ms. Yap Yuk Kiew, Mr. Yap Fong Kee, Ms. Yap Hong Leng, Mr. Yap Kong Meng, Ms. Yap Siew Chow, Ms. Yap Siew Ngoh, Ms. Yap Su Chai and Mr. Yek Hon Su as to approximately 8.33% equity interest. As at the Latest Practicable Date, Ms. Yap Yuk Kiew and Ms. Yap Su Chai were the directors of Yap Global.

Hooy Investment is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, Hooy Investment was beneficially owned by each of Mr. Hooy Say Kai and Mr. Hooy Kwok Pun as to approximately 28.57% equity interest, and each of Mr. Hooy Kok Kuen, Ms. Hooy Siew Kuen and Ms. Leong Kwai Ho as to approximately 14.29% equity interest. As at the Latest Practicable Date, Mr. Hooy Kwok Pun, Mr. Hooy Say Kai and Ms. Hooy Siew Kuen were the directors of Hooy Investment.



Mr. Hooy Say Kai and Ms. Leong Kwai Ho are the parents of Mr. Hooy; each of Mr. Hooy Kwok Pun, Ms. Hooy Siew Kuen and Mr. Hooy Kok Kuen is a sibling of Mr. Hooy; Ms. Yap Yuk Kiew (“Mrs. Hooy”) is the spouse of Mr. Hooy; each of Ms. Yap Hong Akiw, Ms. Yap Hong Kek, Mr. Yap Fong Kee, Ms. Yap Hong Leng, Mr. Yap Kong Meng, Ms. Yap Siew Chow, Ms. Yap Siew Ngoh, Ms. Yap Su Chai and Mr. Yek Hon Su is a sibling of Mrs. Hooy and a sibling-in-law of Mr. Hooy.

As at the Latest Practicable Date, Mr. Zhong was not a family member or close relative of any of the ultimate beneficial shareholders of Ace Source.

As disclosed in the Joint Announcement, since Ace Source has expressed its intention to obtain not less than 50.1% of the issued Shares during the negotiations among the parties to the Agreements, there is an understanding between the Vendor and Ace Source to enable Ace Source to consolidate control of the Company. The Vendor and Ace Source are therefore acting in concert.

#### **INFORMATION ON THE GROUP**

Your attention is drawn to the sections headed “Information on the Group” in the “Letter from the Board” as set out on pages 21 to 28 of this Composite Document.

#### **INTENTIONS OF ACE SOURCE IN RELATION TO THE GROUP**

Ace Source intends to continue the principal business of the Group and has no intention to dispose of the Company’s businesses immediately after completion of the Offer. Following the closing of the Offer, Ace Source will conduct a detailed review of the business operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the result of the review and should suitable investment or business opportunities arise, Ace Source may consider diversifying the business of the Group with an objective to broaden its income source. However, as at the Latest Practicable Date, no such investment or business opportunities had been identified nor had Ace Source entered into any agreements, arrangements, understandings, intention or negotiation in relation to injecting any assets or business into the Group. As at the Latest Practicable Date, Ace Source had not entered into any agreement, arrangements, understandings, intention or negotiations in relation to redeployment of the employees, disposal and/or redeployment of the assets of the Group, or termination or scaling-down of any of the Group’s business.

Save for the intentions of Ace Source regarding the Group as set out above, Ace Source has no intention to make material changes to the business of the Group, to discontinue the employment of any employees (save for the proposed changes to the Board as set out below) or to dispose of or re-deploy any fixed assets of the Group other than those in its ordinary course of business.





## CHANGES TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board was made up of two executive Directors, being Mr. Liu and Ms. Wu Shuk Kwan, a non-executive Director, being Mr. Wong Chung Yeung and three independent non-executive Directors, being Ms. Li On Lei, Mr. Ng Ki Man and Mr. Lo Siu Kit. Save for Mr. Liu who will remain as an executive Director, Ace Source intends for the aforesaid Directors to remain in their office after the close of the Offer until such time suitable candidates are identified for nomination to the Board in their place.

To facilitate the business operation, management and strategy of the Group, Ace Source had nominated (i) Mr. Hooy as an executive Director, the chairman of the Board and the chairman of the nomination committee of the Board; and (ii) Mr. Zhong as an executive Director. The Board had approved such nominations, and the aforesaid appointments of Mr. Hooy and Mr. Zhong shall take effect after the posting of this Composite Document on 19 August 2021. Mr. Liu will be redesignated from the chairman to vice chairman of the Board with effect after the posting of this Composite Document on 19 August 2021. Mr. Liu has given notice to resign as the chairman of the nomination committee of the Board effective after the posting of this Composite Document on 19 August 2021.

The biographical details of Mr. Hooy and Mr. Zhong are as follows:

**Mr. Hooy Kok Wai** (許國偉), aged 62, is a controlling shareholder and a director of Ace Source, which owned 51.06% of the issued share capital of the Company as at the Latest Practicable Date. Mr. Hooy is a Singaporean Chinese entrepreneur and has extensive experience in investment and company management. He is one of the founders and has served as the vice-chairman of Perfect (China) Co., Ltd\* (完美(中國) 有限公司) (“**Perfect China**”) since 1995. Perfect China is principally engaged in research, development, manufacturing, and sale of personal care products, cosmetics, health food, and household cleaning necessities through direct sales in the PRC. His role in Perfect China is to oversee the operation and management of the company. Mr. Hooy has also been a director of Yen Lee Holdings Pte Ltd. since April 1980, a corporation based in Singapore which is principally engaged in wholesale and retail of various industrial tools, firefighting, safety, rescue and life-saving equipment in Southeast Asia. Mr. Hooy is the founding president of Guangdong-Hong Kong-Macau Greater Bay Area Industry and Commerce Federation (粵港澳大灣區工商聯合會) and the honorary president of Chung Shan Association (Singapore).

Mr. Hooy has not entered into any service contract with the Company nor has he been appointed for a specified length of service period but will be subject to retirement by rotation and eligible for re-election pursuant to the articles of association of the Company. He is entitled to a director’s fee to be determined by the remuneration committee of the Company with reference to his duties and responsibilities in the Company and the market benchmark.

**Mr. Zhong Xueyong** (鍾學勇), aged 37, is a shareholder and a director of Ace Source, which owned 51.06% of the issued share capital of the Company as at the Latest Practicable Date. Mr. Zhong is the founder and has served as the chairman of Guangdong Wangu Industrial Development Company Limited\* (廣東萬谷實業發展有限公司) (“**Guangdong**”).

\* For identification purposes only



Wangu”) since 2014. Guangdong Wangu is principally engaged in property development and investment, hotel and catering operations in the PRC. Mr. Zhong is the co-founding chairman of Guangdong-Hong Kong-Macau Greater Bay Area Industry and Commerce Federation (粵港澳大灣區工商聯合會). In 2020, he was accredited as Outstanding Young Entrepreneur of Zhongshan\* (中山市優秀青年企業家).

Mr. Zhong has not entered into any service contract with the Company nor has he been appointed for a specified length of service period but will be subject to retirement by rotation and eligible for re-election pursuant to the articles of association of the Company. He is entitled to a director’s fee to be determined by the remuneration committee of the Company with reference to his duties and responsibilities in the Company and the market benchmark.

As at the Latest Practicable Date, (a) Ace Source was owned by China Wantian, Yap Global and Hooy Investment as to 81%, 12% and 7% equity interest, respectively; (b) China Wantian was owned by Wise Global Holding Limited and Courage Rise Holdings Limited as to 60% and 40% equity interest, respectively; (c) Mr. Hooy is the sole beneficial owner and sole director of Wise Global Holding Limited, while Mr. Zhong is the sole beneficial owner and sole director of Courage Rise Holdings Limited; and (d) Mrs. Hooy, being the spouse of Mr. Hooy, holds 8.33% equity interest in Yap Global. Please refer to the paragraph headed “Information on Ace Source” above for further details of the shareholding structure of Ace Source.

Save as disclosed above, each of Mr. Hooy and Mr. Zhong (i) does not hold any other position with the Company or any of its subsidiaries; (ii) has not held any other directorship in public companies the securities of which are listed on any security market in Hong Kong or overseas in the three years prior to the Latest Practicable Date; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined under the Listing Rules) of the Company; (iv) does not have any interest in the Shares or underlying Shares (within the meaning of Part XV of the SFO). There is no other information in relation to the appointments of Mr. Hooy and Mr. Zhong that is required to be disclosed nor are/were they involved in any of the matters required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

## **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) that there are insufficient Shares in public hands to maintain an orderly market; it will consider exercising its discretion to suspend dealings in the Shares.



Ace Source intends the Company to remain listed on the Stock Exchange. The Directors, the new Directors to be appointed to the Board (namely Mr. Hooy and Mr. Zhong), and the directors of Ace Source have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

#### **COMPULSORY ACQUISITION**

Ace Source does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired pursuant to the Offer after the close of the Offer.

#### **GENERAL**

All documents and remittances in respect of cash consideration payable for the Offer Shares tendered under the Offer will be sent to the accepting Shareholders by ordinary post at such Shareholders' own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or in the case of joint Shareholders, to the Shareholder whose name appears first in the said register of members, unless otherwise specified in the accompanying Form of Acceptance completed, returned and received by the Registrar. None of Ace Source, parties acting in concert with it, the Company, Somerley, the Independent Financial Adviser, the Registrar, the company secretary of the Company and any of their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer will be responsible for any loss in postage or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.



#### **ADDITIONAL INFORMATION**

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. In addition, your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" contained in this Composite Document.

Yours faithfully,  
For and on behalf of  
**Somerley Capital Limited**

*M. N. Sabine*

**M. N. Sabine**  
*Chairman*