

3 February 2023

*To the Independent Shareholders:*

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
MIGHTY DIVINE SECURITIES LIMITED  
FOR AND ON BEHALF OF SOUTHERN HERITAGE LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
KHOON GROUP LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY SOUTHERN HERITAGE  
LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

We refer to this Composite Document dated 3 February 2023 jointly issued by the Company and the Offeror, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in this Composite Document.

We have been appointed to constitute the Independent Board Committee to consider the terms of the Offer and to advise you (i.e. the Independent Shareholders) as to whether or not the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation in respect of the acceptance of the Offer. VBG Capital Limited has been appointed as the Independent Financial Adviser to make recommendation to us in respect of the terms of the Offer and, in particular, whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and to make recommendation in respect of the acceptance of the Offer. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from the Independent Financial Adviser” on pages 24 to 42 of this Composite Document.

We also wish to draw your attention to the “Letter from the Board”, the “Letter from Mighty Divine” and the additional information set out in the appendices to this Composite Document.

## RECOMMENDATION

Taking into account the terms of the Offer and the Independent Financial Adviser's advice and recommendations, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to accept the Offer. Independent Shareholders are recommended to read the full text of the "Letter from the Independent Financial Adviser" set out in this Composite Document.

However, for those Independent Shareholders who are considering to realise all or part of their holdings in the Shares, they should closely monitor the market price and liquidity of the Shares during the Offer Period. Should the market price of the Shares exceed the Offer Price during the Offer Period, and the sale proceeds (net of transaction costs) exceed the net proceeds receivable under the Offer, the Independent Shareholders may wish to consider selling their Shares in the market instead of accepting the Offer.

In any case, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in this Composite Document and the accompanying Form of Acceptance.

Yours faithfully,  
For and on behalf of  
the Independent Board Committee of  
**Khoon Group Limited**



Ms. Leung Wing Chi Kylie,  
Mr. Yeo Kwang Maccann and  
Mr. Hon Chin Kheong (Han Zhenqiang)  
*Independent non-executive Directors*