

STRICTLY CONFIDENTIAL

Mar 12, 2020

To whom this may concern,

On behalf of Happy family (the “**Seller**”), SellerAdvisorCo (the “**Financial Advisor**”) would like to thank you for your interest in the potential acquisition of their 60% stake in HappyHour Co. (“**HappyHour**”, the “**Company**”) (the “**Transaction**”).

HappyHour is an Asia based producer and marketer of beer, spirits and non-alcoholic beverages. Founded in 1975, the Company is headquartered in Singapore and has recently expanded operations in China. The majority owner and co-founder Ms. Happy is retiring and is looking to exit the shares she and her family owned in the Company. The rest of the shareholders, Hour family and Co family, want to use this opportunity to bring in a global strategic player as a partner for the next journey.

The purpose of this letter is to invite selected recipients (each a “**Bidder**”) to submit an Indicative Bid, and to provide further details regarding the overall process.

Any communication or inquiry relating to the Transaction should be directed to the representatives of the Financial Advisor.

I. Process:

The Transaction is likely to follow a two-phase approach:

Indicative Bid Phase

In this phase, you will be granted access to the Transaction information memorandum (the “**Information Memorandum**”), vendor due diligence reports and financial forecasts on a strictly no reliance basis (together the “**Indicative Bid Documents**”). The release of such accesses will take place on Mar 19, 2020.

The Indicative Bid Documents have been prepared to enable Bidders to submit an indicative bid in respect of this Transaction (“**Indicative Bid**”) and will be available via an online data room.

The Indicative Bid Phase will include a question and answer process whereby Bidders will have the opportunity to submit a limited number of questions via the form outlined in Appendix I to Financial Advisor (“**Indicative Bid Q&A Process**”). Participation in the Indicative Bid Q&A Process is subject to the following rules:

- Bidders may submit no more than 20 questions via the form provided at Appendix I to Financial Advisor after 9am on Apr 9, 2020 and no later than Apr 13, 2020 at 5pm (Hong Kong Time)
- Responses to the questions submitted by the Bidders will be provided to all Bidders via the online dataroom. The source of each question will remain confidential

Your Indicative Bid should be received no later than May 13, 2020 at 5pm (Hong Kong Time).

Final Bid Phase

This phase will follow the Indicative Bid Phase and is anticipated to start in late May 2020 with the release of Process Letter Two. A short list of Bidders will be chosen to progress to the Final Bid Phase (“**Shortlisted Bidders**”). In this phase, Shortlisted Bidders will be required to submit full and legally binding bids (“**Final Bid**”) in late July 2020. During this Final Bid Phase, Shortlisted Bidders will be provided with:

- Further access to the electronic data room populated with due diligence materials;
- Guided site visits;
- Presentations from HappyHour’s management team;
- An additional question and answer process; and
- Transaction implementation documentation.

II. Indicative Bid requirements

In order for HappyHour, Seller and Financial Advisor to effectively evaluate your Indicative Bid, we ask that you be as detailed as possible and include the following information:

1. **Purchaser:** The identity of the purchaser and any other participants that would be involved in a potential transaction. Your Indicative Bid should include a brief overview of the purchasing entity (including the principal shareholders and ultimate parent company thereof) as well as the financial condition and financial capacity of your organization.
2. **Purchase Price:** An indication of the total cash consideration in U.S. dollars, on an enterprise value basis, that you are prepared to pay for the Company.
3. **Assumptions:** A description of all material assumptions that form the basis of your Indicative Bid and any key issues that could have a material impact on the value you would be prepared to pay for the Company. Include an explanation of how you valued the Company, together with underlying methodologies and the key financial metric(s) which form the basis for your Indicative Bid.
4. **Sources of Funds:** Please confirm that you currently have sufficient cash on hand and / or available credit facilities to complete the Transaction.
5. **Due Diligence:** A description of the additional information you need to complete your due diligence, including an outline of topics or documents you would like to review, in order to submit a Final Bid. We ask that you provide as much specificity as possible regarding the work that you have done as well as work you intend to complete in the Final Bid Phase, as this will be a key criterion in selecting parties to perform further diligence.
6. **Timing and Contingencies:** Your proposed timetable for consummating a Transaction and any material considerations affecting your timing, including a description of approvals or consents necessary to complete a transaction. Your Indicative Bid should also include any significant pre-conditions or contingencies that might impact your ability to consummate a Transaction on a timely basis.
7. **Structure:** An explanation of how the Company will fit into your structure following completion of the Transaction (including short and long-term strategy and possible integration).
8. **Advisors:** The names of any advisors (financial, legal, accounting, etc.) you plan to engage to assist you in evaluating this Transaction.
9. **Additional Information:** Any additional information that may be helpful in qualifying you to continue your investigation of the Company.

III. Confidentiality and others

The Seller expressly reserves the right, in their sole discretion, to evaluate the terms and conditions of any Indicative Bid, to accept or reject any such Indicative Bid for further consideration without notice to you and without specifying reasons therefor, and to alter or terminate this process at any time. The existence and content of this letter should be kept strictly confidential. In no event should you directly contact the Company, its shareholders, management, employees, advisors (other than Financial Advisor) or business relationships, and all such contact must be arranged through Financial Advisor. You will be responsible for all of your own expenses incurred during the investigation of the Transaction, including those of your advisors and agents.

Yours sincerely,

SellerAdvisorCo

Appendix 1

Questions ID	Question	Reference to Indicative Bid Document (if applicable)
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