

OFFER DOCUMENT DATED 22 SEPTEMBER 2017

THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Financial Adviser is acting for and on behalf of the Offeror and does not purport to advise any Shareholder and/or any other person. In preparing its letter to Shareholders on behalf of the Offeror, the Financial Adviser has not had any regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any Shareholder.

If you have sold or transferred all your Shares held through CDP, you need not forward this Offer Document and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Offer Document and FAA to be sent to the purchaser or transferee. If you have sold or transferred all your Shares not held through CDP, you should immediately hand this Offer Document and the accompanying FAT to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale, for onward transmission to the purchaser or transferee.

The views of the directors of the Company who are considered to be independent for the purposes of the Offer and their Independent Financial Adviser on the Offer will be made available to you in due course. You may wish to consider their views before taking any action in relation to the Offer.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Document.

MANDATORY CONDITIONAL CASH OFFER

by



ABN AMRO BANK N.V., SINGAPORE BRANCH

(Registration No. T09FC0110H)
(Incorporated in the Netherlands, with a branch office in Singapore)

for and on behalf of

ESTEEL ENTERPRISE PTE. LTD.

(Company Registration No. 201723571G)
(Incorporated in Singapore)

to acquire all the issued ordinary shares in the capital of

BRC ASIA LIMITED

(Company Registration No. 193800054G)
(Incorporated in Singapore)

other than those held in treasury and those already owned by the Concert Group

The procedures for acceptance are set out in **Appendix 2** and in the accompanying FAA and/or FAT.

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TABLE OF CONTENTS

DEFINITIONS	2
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS	7
LETTER TO SHAREHOLDERS	8
1. INTRODUCTION	8
2. TERMS OF THE OFFER	8
3. WARRANTY	9
4. DURATION OF THE OFFER	9
5. OPTIONS PROPOSAL	10
6. CONVERTIBLE BONDS PROPOSAL	11
7. DETAILS OF THE OFFER	12
8. PROCEDURES FOR ACCEPTANCE	12
9. INFORMATION ON THE OFFEROR AND AVIL	12
10. INFORMATION ON THE COMPANY	13
11. IRREVOCABLE UNDERTAKING	13
12. RATIONALE FOR THE OFFER	13
13. OFFEROR'S INTENTION FOR THE COMPANY	14
14. LISTING STATUS AND COMPULSORY ACQUISITION	14
15. FINANCIAL ASPECTS OF THE OFFER	15
16. DISCLOSURES	16
17. CONFIRMATION OF FINANCIAL RESOURCES	16
18. OVERSEAS SHAREHOLDERS	16
19. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS	17
20. GENERAL	18
21. RESPONSIBILITY STATEMENT	19
APPENDIX 1 – DETAILS OF THE OFFER	20
APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER	22
APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR AND AVIL	28
APPENDIX 4 – ADDITIONAL INFORMATION ON THE COMPANY	29
APPENDIX 5 – GENERAL INFORMATION	30

DEFINITIONS

Except where the content otherwise requires, the following definitions shall apply throughout this Offer Document, the FAA and the FAT:

- “Accepting Shareholder”** : A Shareholder who validly accepts the Offer
- “Acquisition”** : The acquisition by the Offeror on 8 September 2017 of an aggregate of 81,552,151 Shares from Lingco Marine Pte. Ltd., Lingco Holdings Pte. Ltd., Mr. Seah Kiin Peng, Sin Teck Guan (Pte) Ltd and Mr. Lim Siak Meng, representing approximately 43.77% of the Shares (excluding treasury Shares)
- “AVIL”** : Advance Venture Investments Limited
- “Bondholders”** : Shall have the meaning ascribed to it in **Section 2.3(c)**
- “Business Day”** : A day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore
- “CDP”** : The Central Depository (Pte) Limited
- “Closing Date”** : **5.30 p.m. (Singapore time) on 20 October 2017**, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgment of acceptances of the Offer, Options Proposal and Convertible Bonds Proposal
- “Code”** : The Singapore Code on Take-overs and Mergers
- “Companies Act”** : Companies Act, Chapter 50 of Singapore
- “Company”** : BRC Asia Limited
- “Company Securities”** : (a) Shares; (b) Options; (c) Convertible Bonds; (d) other securities which carry voting rights in the Company; and (e) other convertible securities, warrants, options or derivatives in respect of any Shares or securities which carry voting rights in the Company
- “Concert Group”** : The Offeror and parties acting or deemed to be acting in concert with the Offeror
- “Conditional Agreement”** : Shall have the meaning ascribed to it in **Section 11**
- “Convertible Bonds”** : Outstanding principal amount of S\$10,000,000 redeemable convertible bonds issued by the Company on 16 May 2014 which are convertible into 10,000,000 Shares at S\$1.00 per Share

DEFINITIONS

“Convertible Bonds Proposal”	:	Shall have the meaning ascribed to it in Section 6.1
“CPF”	:	Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who have purchased or purchase the Shares using their CPF contributions pursuant to the CPFIS
“Date of Receipt”	:	The date of receipt of the Relevant Acceptance Form by CDP or the Registrar (as the case may be)
“Despatch Date”	:	The date of despatch of this Offer Document
“Directors”	:	The directors of the Offeror as at the Latest Practicable Date, being the persons as set out in Paragraph 1 of Appendix 3
“Dissenting Shareholders”	:	Shall have the meaning ascribed to it in Section 14.2
“Distributions”	:	Shall have the meaning ascribed to it in Section 2.4(c)
“Encumbrances”	:	Shall have the meaning ascribed to it in Section 2.4(b)
“ESOS”	:	BRC Share Option Scheme 2011 (as amended from time to time)
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Offer which forms part of this Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
“FAT”	:	Form of Acceptance and Transfer for Offer Shares in respect of the Offer which forms part of this Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
“Financial Adviser”	:	ABN AMRO Bank N.V., Singapore Branch
“Group”	:	The Company and its subsidiaries
“HG Metal”	:	HG Metal Manufacturing Limited
“Independent Financial Adviser”	:	Independent financial adviser to the directors of the Company which are considered independent for the purposes of the Offer

DEFINITIONS

“ Last Trading Day ”	:	8 September 2017, being the last full trading day of the Shares prior to the Offer Announcement
“ Latest Practicable Date ”	:	15 September 2017, being the latest practicable date prior to the printing of this Offer Document
“ Listing Manual ”	:	The Listing Manual of the SGX-ST
“ Market Day ”	:	A day on which the SGX-ST is open for trading in securities
“ Offer ”	:	The mandatory conditional cash offer made by the Financial Adviser, for and on behalf of the Offeror, on the Offer Announcement Date
“ Offer Announcement ”	:	The announcement relating to the Offer released by the Financial Adviser, for and on behalf of the Offeror, on the Offer Announcement Date
“ Offer Announcement Date ”	:	8 September 2017, being the date of the Offer Announcement
“ Offer Document ”	:	This document dated 22 September 2017, including the FAA and/or FAT, and any supplemental documents as may be issued from time to time
“ Offer Period ”	:	The period commencing from the Offer Announcement Date and expiring on the Closing Date
“ Offer Price ”	:	S\$0.925 in cash for each Offer Share
“ Offer Shares ”	:	Shall have the meaning ascribed to it in Section 2.3
“ Offeror ”	:	Estee Enterprise Pte. Ltd.
“ Option Holders ”	:	Shall have the meaning ascribed to it in Section 5.1
“ Options ”	:	Outstanding options granted to subscribe for new shares under the ESOS
“ Options Proposal ”	:	Shall have the meaning ascribed to it in Section 5.1
“ Overseas Shareholder ”	:	Shall have the meaning ascribed to it in Section 18.1
“ Register ”	:	The register of holders of Shares as maintained by the Registrar
“ Registrar ”	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) located at 80 Robinson Road #11-02 Singapore 068898

DEFINITIONS

“Relevant Acceptance Forms”	:	The FAA and/or the FAT (as the case may be)
“Relevant Day”	:	Shall have the meaning ascribed to it in Paragraph 3.1 of Appendix 1
“Relevant Period”	:	The period commencing on 9 March 2017, being the date falling six months prior to the Offer Announcement Date, and ending on the Latest Practicable Date
“Relevant Persons”	:	Shall have the meaning ascribed to it in Paragraph 3.9 of Appendix 2
“S\$” and “cents”	:	Singapore dollars and Singapore cents, respectively
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“See-Through CB Price”	:	Shall have the meaning ascribed to it in Section 6.1
“See-Through Option Price”	:	Shall have the meaning ascribed to it in Section 5.1
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered as holders of Shares in the Register and Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Issued ordinary shares in the capital of the Company
“Shut-Off Notice”	:	Shall have the meaning ascribed to it in Section 4.3
“SIC”	:	Securities Industry Council
“SRS”	:	The Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under SRS
“SRS Investors”	:	Investors who have purchased or purchase the Shares pursuant to SRS
“THPL”	:	Toptip Holding Pte. Ltd.
“VWAP”	:	Volume-weighted average price
“%” or “per cent”	:	Percentage or per centum

DEFINITIONS

Acting in Concert and Associates. The expressions “**acting in concert**” and “**associates**” shall have the meaning ascribed to them respectively in the Code.

Announcement, Notice, etc. References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Depositor, Depository Agent and Depository Register. The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Genders, etc. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Headings. The headings in this Offer Document are inserted for convenience only and shall be ignored in construing this Offer Document.

Shares. References in this Offer Document to the total number of Shares is a reference to a total of 186,335,089 Shares (excluding treasury Shares) in issue as at the Latest Practicable Date (based on the Company’s ‘Unaudited 9 Months and Third Quarter Financial Statement and Related Announcement for the period ended 30 June 2017’ dated 14 August 2017), unless the context otherwise requires.

Offer Document. References to “**Offer Document**” shall include the FAA and the FAT, unless the context otherwise requires.

Rounding. Any discrepancies in the tables in this Offer Document between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to “**you**”, “**your**” and “**yours**” in this Offer Document are, as the context so determines, to Shareholders.

Statutes. Any reference in this Offer Document to any enactment or statutory provision is a reference to that enactment or statutory provision as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual, the SFA or any modification thereof and used in this Offer Document shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the Listing Manual, the SFA or that modification, as the case may be.

Subsidiary, Related Corporations. The expressions “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of day and date in this Offer Document shall be a reference to Singapore time and date, unless otherwise specified.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Offer Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “**aim**”, “**seek**”, “**expect**”, “**anticipate**”, “**estimate**”, “**believe**”, “**intend**”, “**project**”, “**plan**”, “**strategy**”, “**forecast**” and similar expressions or future and conditional verbs such as “**will**”, “**would**”, “**should**”, “**could**”, “**may**” and “**might**”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of the Company should not place undue reliance on such forward looking statements. None of the Concert Group and the Financial Adviser guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS



ABN AMRO BANK N.V., SINGAPORE BRANCH

(Registration No. T09FC0110H)
(Incorporated in the Netherlands, with a branch office in Singapore)

Dear Shareholder

1. INTRODUCTION

Reference is made to the Offer Announcement.

This Offer Document contains the formal offer by the Financial Adviser, for and on behalf of the Offeror, to acquire all the Offer Shares. Shareholders are urged to read this Offer Document carefully.

2. TERMS OF THE OFFER

2.1 **Terms.** The Offer will be made for all the Offer Shares, subject to the terms and conditions set out in this Offer Document.

2.2 **Offer Price.** The Offer Price for each Offer Share will be as follows:

For each Offer Share: S\$0.925 in cash.

The Offeror does not intend to revise the Offer Price, except that the Offeror reserves the right to do so in a competitive situation.

2.3 **Offer Shares.** The Offer is extended to:

- (a) all Shares (other than those held in treasury and those already owned by the Concert Group);
- (b) all new Shares issued pursuant to the valid exercise of the Options granted under the ESOS; and
- (c) all new Shares issued pursuant to the valid conversion of the Convertible Bonds issued to the bondholders ("**Bondholders**") by the Company,

(collectively "**Offer Shares**").

2.4 **Rights and Encumbrances.** The Offer Shares will be acquired:

- (a) fully paid-up;
- (b) free from all claims, charges, pledges, mortgages, encumbrances, liens, options, equity, power of sale, declarations of trust, hypothecation, retention of title, rights of pre-emption, rights of first refusal, moratoriums or other third party rights or interests of any nature whatsoever ("**Encumbrances**"); and

LETTER TO SHAREHOLDERS

- (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and hereafter attaching thereto, including but not limited to all voting rights and the right to receive and retain all dividends, rights, distributions, returns of capital and/or other entitlements (if any) (“**Distributions**”) which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date.

If any Distributions is announced, declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such Distribution.

- 2.5 **Acceptance Condition.** The Offer will be subject to the Offeror having received such Offer Shares by the Closing Date, together with Shares held by the Concert Group, as will result in the Concert Group holding more than 50% of the voting rights attributable to all Shares in issue (excluding treasury Shares) as at the Closing Date.

The Offer will therefore only become unconditional in the course of the Offer if the Offeror has received valid acceptances, which together with Shares owned by the Concert Group, amount to more than 50% of the maximum potential issued Shares of the Company (taking into account the Shares which may be issued under the ESOS and Convertible Bonds).

3. WARRANTY

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid-up; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached to them as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

4. DURATION OF THE OFFER

- 4.1 **First Closing Date.** The Offer is open for acceptance by Shareholders for at least 28 days after the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

The Offer will close at 5.30 p.m. (Singapore time) on 20 October 2017, being the Closing Date, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgment of acceptances of the Offer.

- 4.2 **Subsequent Closing Date(s).** If the Offer is extended, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days’ prior notice in writing before it may close the Offer.

LETTER TO SHAREHOLDERS

- 4.3 **Offer to Remain Open for 14 Days.** The Offer will remain open for a period of not less than 14 days after the date on which the Offer would otherwise have closed, unless the Offeror has given Shareholders at least 14 days' notice in writing ("**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:
- (a) the Offeror may not give a Shut-Off Notice in a competitive situation; and
 - (b) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

For these purposes, a "**competitive situation**" shall be regarded to have arisen if (i) a competing offer has been announced; or (ii) the SIC determines that a competitive situation has arisen.

- 4.4 **Revision.** The Offeror does not intend to revise the Offer Price, except that the Offeror reserves the right to do so in a competitive situation. Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each Shareholder, including those who had previously accepted the Offer.

5. OPTIONS PROPOSAL

- 5.1 **Options Proposal.** There are currently outstanding Options to subscribe for an aggregate 5,050,600 Shares, which the Option exercise prices vary between S\$0.81 to S\$0.90 per Share.

Under the rules of the ESOS, the Options are not transferable by the holders thereof. As such, the Offeror will not make an offer to acquire the Options, although the Offer will be extended to all new Shares issued pursuant to the valid exercise of any Options prior to the Closing Date. Instead, the Offeror will make a proposal ("**Options Proposal**") to the holders of the Options ("**Option Holders**") on the following terms:

- (a) subject to the Offer becoming or being declared unconditional; and
- (b) the Options continuing to be exercisable into new Shares,

pursuant to Rule 19 of the Code, the Offeror will pay to the Option Holders a cash amount ("**See-Through Option Price**") in consideration of them agreeing:

- (i) not to exercise any Options into new Shares; and
- (ii) not to exercise any of their rights as Option Holders,

from the date of their acceptance of the Options Proposal to the expiry dates of such Options. Further, if the Offer becomes or is declared unconditional, Option Holders who have accepted the Options Proposal will also be required to surrender all their Options for immediate cancellation. If the Offer lapses or is withdrawn or if the relevant Options cease to be exercisable into new Shares, the Options Proposal will lapse accordingly.

LETTER TO SHAREHOLDERS

The See-Through Option Price is computed on a “*see-through*” basis, such that the See-Through Option Price is the amount (if positive) of the Offer Price less the exercise price of the Option. If the exercise price of an Option is equal to or more than the Offer Price, the See-Through Option Price will be a nominal amount of S\$0.0000001.

Details of the Options Proposal are set out in the letter to Option Holders which has been despatched to Option Holders on the Despatch Date.

- 5.2 **Offer and Options Proposal Mutually Exclusive.** The Offer and the Options Proposal are separate and mutually exclusive. Whilst the Options Proposal is conditional upon the Offer becoming or being declared unconditional, the Offer will not be conditional upon acceptances received in relation to the Options Proposal. Option Holders who exercise their Options during the Offer Period shall not be entitled to the Options Proposal.

6. CONVERTIBLE BONDS PROPOSAL

- 6.1 **Convertible Bonds Proposal.** The Company has an aggregate outstanding principal amount of S\$10,000,000 Convertible Bonds due on 16 May 2019 held by the Bondholders which are convertible at a conversion price of S\$1.00 per Share into 10,000,000 new Shares. The Convertible Bonds bear interest at a fixed rate of 5% per annum.

The Offeror will make the Convertible Bonds proposal (“**Convertible Bonds Proposal**”) on the following terms:

- (a) subject to the Offer becoming or being declared unconditional; and
- (b) the Convertible Bonds continuing to be exercisable into new Shares,

pursuant to Rule 19 of the Code, the Offeror will pay to the Bondholders a cash amount (“**See-Through CB Price**”) in consideration of them transferring the Convertible Bonds to the Offeror:

- (i) fully paid and free from all Encumbrances; and
- (ii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and hereafter attaching thereto, including but not limited to the right to receive and retain all interest, payments, rights and other distributions declared, paid or made by the Company on or after the Offer Announcement Date (save for interest payable on the principal amount falling before the relevant settlement date for the Convertible Bonds Proposal).

In the event of any such interests, payments, rights or other distributions or if any right arises for any reason whatsoever (other than interest payable on the principal amount falling before the relevant settlement date for the Convertible Bonds Proposal) on or after the Offer Announcement Date for the benefit of the Bondholder who has accepted the Convertible Bonds Proposal, the Offeror reserves the right to reduce the See-Through CB Price payable to the accepting Bondholder by the amount of such interests, payments, rights or other distributions, subject to consultation with the SIC.

If the Offer lapses or is withdrawn or if the Convertible Bonds cease to be exercisable into new Shares, the Convertible Bonds Proposal will lapse accordingly.

LETTER TO SHAREHOLDERS

The See-Through CB Price is calculated on a “*see-through*” basis in accordance with the Code, such that the See-Through CB Price is the amount equal to the Offer Price multiplied by the number of new Shares (rounded down to the nearest whole number) into which such principal amount of Convertible Bonds may be converted.

Details of the Convertible Bonds Proposal are set out in the letter to Bondholders which has been despatched to Bondholders on the Despatch Date.

- 6.2 **Offer and Convertible Bonds Proposal Mutually Exclusive.** The Offer and the Convertible Bonds Proposal are separate and mutually exclusive. Whilst the Convertible Bonds Proposal is conditional upon the Offer becoming or being declared unconditional, the Offer will not be conditional upon acceptances received in relation to the Convertible Bonds Proposal. Bondholders who exercise their right of conversion of the Convertible Bonds into new Shares during the Offer Period shall not be entitled to the Convertible Bonds Proposal.

7. DETAILS OF THE OFFER

Appendix 1 to this Offer Document sets out further details on:

- (a) the settlement of the consideration for the Offer;
- (b) the requirements relating to the announcement of the level of acceptances of the Offer; and
- (c) the right of withdrawal of acceptances of the Offer.

8. PROCEDURES FOR ACCEPTANCE

The procedures for acceptance of the Offer are set out in **Appendix 2** and the accompanying FAA and/or FAT (as the case may be).

9. INFORMATION ON THE OFFEROR AND AVIL

- 9.1 **Introduction.** The Offeror is a private company limited by shares incorporated in Singapore for investment holding on 18 August 2017 with its registered address at 10 Anson Road #33-07/08 International Plaza, Singapore 079903. The Offeror has been incorporated specifically for the Acquisition and Offer, and has an issued and paid-up share capital of S\$10,000,000 divided into 10,000,000 ordinary shares. As at the Latest Practicable Date, the directors of the Offeror are set out in **Paragraph 1 of Appendix 3**.

Appendix 3 to this Offer Document sets out additional information on the Offeror.

- 9.2 **Shareholders of the Offeror.** As at the Latest Practicable Date, the shareholders of the Offeror are AVIL (80.1%) and THPL (19.9%).

AVIL is a private company limited by shares incorporated in the British Virgin Islands for investment holding on 2 January 2015 with its registered address at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. It has an issued and paid-up share capital of US\$1.00 divided into 1 ordinary share. The sole director and shareholder of AVIL is You Zhenhua.

LETTER TO SHAREHOLDERS

THPL is an exempt private company limited by shares incorporated in Singapore for activities including, *inter alia*, ship chartering and general wholesale trade on 25 March 2008 with its registered address at 8 Temasek Boulevard #28-02 Suntec Tower Three Singapore 038988. It has an issued and paid-up share capital of US\$5,000,000 divided into 10,000,000 ordinary shares. The sole director and shareholder of THPL is Liu Bin.

10. INFORMATION ON THE COMPANY

- 10.1 **Introduction.** Based on publicly available information, the Company was incorporated in Singapore on 14 December 1938 and listed on the SGX-ST Main Board on 24 July 2000. It is in the business of building construction as well as the manufacture of basic iron and steel, engaging in the prefabrication of steel reinforcement for use in concrete in Singapore, Malaysia and the People's Republic of China.
- 10.2 **Directors of the Company.** As at the Latest Practicable Date, the directors of the Company are Lim Siak Meng (Group Managing Director), Sia Ling Sing (Non-Executive Chairman), Seah Kiin Peng (Executive Director), Lau Eng Tiong (Non-Executive Director), Foo Sey Liang (Non-Executive Director), Ooi Seng Soon (Independent Director) and Tan Lee Meng (Independent Director).
- 10.3 **Share Capital of the Company.** As at the Latest Practicable Date, based on the Company's 'Unaudited 9 Months and Third Quarter Financial Statement and Related Announcement for the period ended 30 June 2017' dated 14 August 2017 which is available to the Offeror, the Company has only one class of shares in issue, being ordinary shares in the Company and there are 186,335,089 Shares and 1,626,600 treasury Shares.

Appendix 4 to this Offer Document sets out additional information on the Company.

11. IRREVOCABLE UNDERTAKING

The Offeror and HG Metal, which is listed on the SGX-ST and holds 42,145,518 Shares as at the Latest Practicable Date, representing approximately 22.62% of the issued Shares, have entered into a conditional agreement on 9 September 2017 ("**Conditional Agreement**") for HG Metal to accept the Offer in respect of all its Shares, subject to the approval of its shareholders at an extraordinary general meeting to be held in accordance with the Listing Manual by no later than two calendar months from 9 September 2017, being the signing date of the Conditional Agreement. Pending the results of the aforesaid extraordinary general meeting, HG Metal shall not transfer, sell or otherwise dispose of or encumber any of the Shares.

Subject to, and upon, the aforesaid acceptance into the Offer by HG Metal, the Offer will become unconditional in all respects.

12. RATIONALE FOR THE OFFER

The Offer is made by the Offeror to comply with Rule 14.1 of the Code.

LETTER TO SHAREHOLDERS

13. OFFEROR'S INTENTION FOR THE COMPANY

The Offeror has no current intention to (a) make material changes to the existing business of the Group, (b) re-deploy the Group's fixed assets, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves.

14. LISTING STATUS AND COMPULSORY ACQUISITION

- 14.1 **Listing Status.** Under Rule 1105 of the SGX-ST Listing Manual, upon the announcement by the Offeror that valid acceptances have been received pursuant to the Offer that bring the holdings of the Shares owned by the Concert Group to above 90% of the total number of issued Shares (excluding any treasury Shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of issued Shares (excluding treasury Shares) are held by at least 500 Shareholders who are members of the public.

Under Rule 1303(1) of the SGX-ST Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury Shares), thus causing the percentage of the total number of issued Shares (excluding treasury Shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares at the close of the Offer.

Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury Shares) is at all times held by the public. In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury Shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted.

The Offeror currently intends to preserve the listing status of the Company on the SGX-ST Main Board, but maintains the flexibility to assess its options in the event the public float falls below 10%.

14.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances of the Offer or acquires or agrees to acquire such number of Offer Shares during the Offer period otherwise than through valid acceptances of the Offer in respect of not less than 90% of the total number of issued Shares (excluding treasury Shares), other than those already held by the Offeror, its related corporations or their respective nominees as at the Offer Announcement Date, the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") on the same terms as those offered under the Offer.

LETTER TO SHAREHOLDERS

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with treasury Shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the Closing Date. **Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90% threshold under Section 215(3) of the Companies Act does not exclude treasury Shares or Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.

As stated above, the Offeror currently intends to preserve the listing status of the Company on the SGX-ST Main Board, but maintains the flexibility to assess its options in the event the public float falls below 10%.

15. FINANCIAL ASPECTS OF THE OFFER

The Offer Price represents the following premia over the historical market prices of the Shares over various periods:

	Benchmark Price⁽¹⁾⁽²⁾	Premium of Offer Price over Benchmark Price⁽³⁾
Last traded price per Share as quoted on the SGX-ST on 8 September 2017, being the Last Trading Day	S\$0.860	7.56%
VWAP of the Shares as quoted on the SGX-ST for the one month period up to and including the Last Trading Day	S\$0.843	9.76%
VWAP of the Shares as quoted on the SGX-ST for the three months' period up to and including the Last Trading Day	S\$0.841	9.95%
VWAP of the Shares as quoted on the SGX-ST for the six months' period up to and including the Last Trading Day	S\$0.837	10.58%

Notes:

- (1) The figures set out in the table above are based on data extracted from Bloomberg L.P..
- (2) Computed based on the Share prices rounded to the nearest three decimal places.
- (3) Percentages rounded to the nearest two decimal places.

LETTER TO SHAREHOLDERS

16. DISCLOSURES

16.1 **Offeror and the Concert Group.** As at the Latest Practicable Date, save for the Acquisition and the Conditional Agreement, none of the Offeror, its directors and the Concert Group:

- (a) owns, controls or has agreed to acquire any Company Securities; or
- (b) has dealt for value in any Company Securities during the Relevant Period.

16.2 **No other Arrangements.** As at the Latest Practicable Date, save for the Acquisition and Conditional Agreement, none of the Offeror, its directors and the Concert Group has:

- (a) entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Company Securities which may be an inducement to deal or refrain from dealing;
- (b) received any irrevocable undertaking from any party to accept the Offer in respect of any Company Securities;
- (c) granted any security interest in respect of any Company Securities in favour of any other person, whether through a charge, pledge or otherwise;
- (d) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (e) lent any Company Securities to any person.

17. CONFIRMATION OF FINANCIAL RESOURCES

The Financial Adviser has confirmed that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer Shares under the Offer, the Options Proposal and the Convertible Bonds Proposal.

18. OVERSEAS SHAREHOLDERS

18.1 **Overseas Shareholders.** This Offer Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Offer would not be in compliance with the laws of such jurisdiction. Where there are potential restrictions on sending this Offer Document and the Relevant Acceptance Forms to any overseas jurisdictions, the Offeror and the Financial Adviser reserve the right not to send this Offer Document and the Relevant Acceptance Forms to such overseas jurisdictions. The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each, an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders including those to whom this Offer Document and the Relevant Acceptance Forms have not been, or will not be, sent.

LETTER TO SHAREHOLDERS

- 18.2 **Copies of the Offer Document.** Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain copies of this Offer Document, the Relevant Acceptance Forms and any related documents, during normal business hours up to the Closing Date from Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) (if he is a scrip holder) at 80 Robinson Road #11-02 Singapore 068898 or The Central Depository (Pte) Limited (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) write to the Offeror at Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) (if he is a scrip holder) at 80 Robinson Road #11-02 Singapore 068898 or The Central Depository (Pte) Limited (if he is a Depositor) at Robinson Road Post Office P.O. Box 1984, Singapore 903934, to request for this Offer Document, the Relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.
- 18.3 **Compliance with Applicable Laws.** It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Offer Document, the Relevant Acceptance Forms and/or any related documents; or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including the Financial Adviser, CDP and the Registrar) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any acquisition of Shares pursuant to Section 215(1) or 215(3) of the Companies Act. In (i) requesting for this Offer Document, the Relevant Acceptance Forms and/or any related documents; and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, the Financial Adviser, CDP and the Registrar that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.
- 18.4 **Notice.** The Offeror and the Financial Adviser each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.

19. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

LETTER TO SHAREHOLDERS

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who validly accept the Offer will receive the payment for their Offer Shares in their respective CPF investment accounts and SRS investment accounts.

20. GENERAL

- 20.1 **Disclaimer and Discretion.** The Offeror and the Financial Adviser each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated herein or in the Relevant Acceptance Forms, or if made otherwise than in accordance with the provisions herein and instructions printed on the Relevant Acceptance Forms.
- 20.2 **Governing Law and Jurisdiction.** The Offer, this Offer Document, the Relevant Acceptance Forms, and all acceptances of the Offer and all contracts made pursuant thereto and actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Offeror and each Accepting Shareholder submit to the non-exclusive jurisdiction of the Singapore courts.
- 20.3 **No Third Party Rights.** Unless expressly provided to the contrary in this Offer Document and the Relevant Acceptance Forms, a person who is not a party to any contracts made pursuant to the Offer, this Offer Document and the Relevant Acceptance Forms has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- 20.4 **Accidental Omission.** Accidental omission to despatch this Offer Document, the Relevant Acceptance Forms or any notice or announcement required to be given under the terms of the Offer or any failure to receive the same by any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way.
- 20.5 **Independent Advice.** The Financial Adviser is acting for and on behalf of the Offeror and does not purport to advise the Shareholders and/or any other person. In preparing this Letter to Shareholders on behalf of the Offeror, the Financial Adviser has not had regard to the general or specific investment objectives, tax positions, risk profiles, financial situation or particular needs and constraints of any individual Shareholder. The views of the directors of the Company who are considered to be independent for the purposes of the Offer and their Independent Financial Adviser on the Offer will be made available to Shareholders in due course and in any event, they are required under the Code to despatch their views within 14 days after the posting of this Offer Document. Shareholders may wish to consider their advice before taking any action in relation to the Offer.
- 20.6 **General Information.** Appendix 5 to this Offer Document sets out additional general information relating to the Offer.

LETTER TO SHAREHOLDERS

21. RESPONSIBILITY STATEMENT

The directors of the Offeror, AVIL and THPL (including any who may have delegated detailed supervision of this Offer Document) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offer Document are fair and accurate and that no material facts have been omitted from this Offer Document, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or publicly available sources (including, without limitation, in relation to the Company), the sole responsibility of the directors of the Offeror, AVIL and THPL 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 Offer Document.

Yours faithfully,

ABN AMRO BANK N.V., SINGAPORE BRANCH

For and on behalf of
ESTEEL ENTERPRISE PTE. LTD.

22 September 2017

Any inquiries relating to this Offer Document or the Offer should be directed during office hours to the Financial Adviser at telephone number +65 6597 0853.

APPENDIX 1 – DETAILS OF THE OFFER

1. DURATION OF THE OFFER

The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 20 October 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

2. SETTLEMENT OF THE OFFER

Subject to the Offer becoming or being unconditional in all respects and the receipt by the Offeror from Accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document and in the Relevant Acceptance Forms, and in the case of a Depositor, the receipt by the Offeror of a confirmation satisfactory to it that the Shares stand to the credit of the “Free Balance” of the Depositor’s Securities Account at the relevant time, remittances in the form of S\$ cheques for the appropriate amounts will be despatched (or by such other manner as the Accepting Shareholders may have agreed with CDP for the payment of any cash distribution), pursuant to Rule 30 of the Code, to the Accepting Shareholders (or in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by ordinary post, at the risk of the Accepting Shareholders as soon as practicable and in any case within seven Business Days of the date of such receipt.

3. ANNOUNCEMENTS

3.1 **Timing and Contents.** Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the Market Day (“**Relevant Day**”) immediately after the day on which the Offer is due to expire or becomes or is declared unconditional as to acceptances, or the Offer is revised or extended, the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (excluding treasury Shares) (as nearly as practicable):

- (a) for which acceptances of the Offer have been received;
- (b) held by the Concert Group before the Offer Period; and
- (c) acquired or agreed to be acquired by the Concert Group during the Offer Period.

and will specify the percentages of the total number of Shares represented by such numbers.

3.2 **Suspension.** If the Offeror is unable, within the time limit, to comply with any of the requirements in **Paragraph 3.1** of this **Appendix 1**, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.

3.3 **Valid Acceptances to Offer Shares.** Under Rule 28.1 of the Code, in computing the number of Offer Shares represented by acceptances received by the Offeror, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.

APPENDIX 1 – DETAILS OF THE OFFER

4. RIGHT OF WITHDRAWAL

Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable and may not be withdrawn.

If the Offer has become or been declared unconditional as to acceptances, but the Offeror fails to comply with any of the requirements of Rule 28.1 of the Code by 3.30 p.m. on the Relevant Day, then immediately thereafter:

- (a) Shareholders holding Offer Shares which are deposited with CDP and accepting the Offer will be entitled to withdraw their acceptance by written notice to Esteel Enterprise Pte. Ltd., c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588; and
- (b) Shareholders holding Offer Shares which are not deposited with CDP and accepting the Offer will be entitled to withdraw their acceptance by written notice to Esteel Enterprise Pte. Ltd., c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd), 80 Robinson Road #11-02, Singapore 068898.

Such notice of withdrawal shall be effective only when actually received by the Offeror.

Subject to Rule 22.9 of the Code, this right of withdrawal may be terminated not less than eight days after the Relevant Day by the Offeror confirming (if that be the case) that the Offer is still unconditional and complying with Rule 28.1 of the Code.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

1. DEPOSITORS

- 1.1 **Depositors whose Securities Accounts are credited with Offer Shares.** If you have Offer Shares standing to the credit of your Securities Account, you should receive this Offer Document together with the FAA.

If you wish to accept the Offer, you should:

- (a) complete the FAA in accordance with the provisions of this Offer Document and the instructions printed on the FAA. Please note that you must insert the number of Offer Shares in respect of which you wish to accept the Offer. If you:
- (i) do not specify such number; or
 - (ii) specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt, or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt must fall on or before the Closing Date),

you shall be deemed to have accepted the Offer in respect of all the Offer Shares already standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date.

- (b) sign the FAA in accordance with the provisions of this Offer Document and the instructions printed on the FAA; and
- (c) deliver the completed and signed FAA in its entirety (no part may be detached or otherwise mutilated):
- (i) **by hand**, to Esteel Enterprise Pte. Ltd., c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588; or
 - (ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to Esteel Enterprise Pte. Ltd., c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting from outside of Singapore.

If you have sold or transferred all your Offer Shares through CDP, you need not forward the Offer Document and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Offer Document and FAA to be sent to the purchaser or transferee.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- 1.2 **Depositors whose Securities Accounts will be credited with Offer Shares.** If you have Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Offer Document together with the FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

If you wish to accept the Offer in respect of such Offer Shares, you should, **AFTER** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares purchased:

- (a) complete the FAA in accordance with the provisions of this Offer Document and the instructions printed on the FAA; and
- (b) deliver the completed and signed FAA in its entirety (no part may be detached or otherwise mutilated):
 - (i) **by hand**, to Esteele Enterprise Pte. Ltd. c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588; or
 - (ii) **by post**, in the enclosed pre-addressed envelope at your own risk, to Esteele Enterprise Pte. Ltd. c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,

in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAA is delivered by post to the Offeror, please note that the enclosed pre-addressed envelope is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting from outside of Singapore.

- 1.3 **Rejection.** If upon receipt by CDP of the FAA, it is established that such Offer Shares have not been or will not be credited to the “Free Balance” of your Securities Account (for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected. None of the Offeror, the Financial Adviser or CDP (or, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability in relation to such rejections, including the consequences thereof.

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) if the Date of Receipt is on the Closing Date. None of the Offeror, the Financial Adviser or CDP accepts any responsibility or liability for such a rejection, including the consequences thereof.

- 1.4 **Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited to your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- 1.5 **Acceptance via SGX-SSH service.** Depository Agents may accept the Offer via the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Offeror to receive acceptances on its behalf. Such acceptances will be deemed irrevocable and subject to each of the terms and conditions contained in this Offer Document and the FAA as if the FAA had been properly completed in all respects, originally signed and delivered to CDP.
- 1.6 **General.** No acknowledgment of receipt will be given by CDP for submissions of the FAA made by hand or by post or deposited into boxes located at CDP's premises. All communications, notices, documents and payments will be sent by ordinary post at your own risk to your mailing address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify the number of Offer Shares credited to your Securities Account through: (a) CDP Online if you have registered for the CDP Internet Access Service; or (b) CDP Phone Service if you have a T-PIN.
- 1.7 **Suspense Account.** Upon receipt of the FAA which is complete and valid in all respects, CDP will transfer the Offer Shares in respect of which you have accepted the Offer from the "Free Balance" of your Securities Account to a "Suspense Account". Such Offer Shares will be held in the "Suspense Account" until the consideration for such Offer Shares has been despatched to you.
- 1.8 **Return of Offer Shares.** In the event the Offer does not become or is not declared unconditional in all respects in accordance with its terms, the relevant Offer Shares in respect of which you have accepted the Offer will be returned to the "Free Balance" of your Securities Account as soon as possible but, in any event not later than 14 days from the lapse of the Offer.
- 1.9 **Notification.** In the event the Offer becomes or is declared unconditional in all respects in accordance with its terms, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Offer Price by means of a S\$ cheque drawn on a bank in Singapore for the appropriate amount and sent by ordinary mail to your mailing address as recorded with CDP, or in such other manner as you may have agreed with CDP for the payment of any cash distribution, at your own risk.
- 1.10 **No Securities Account.** If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.

2. SCRIP HOLDERS

- 2.1 **Shareholders whose Offer Shares are not deposited with CDP.** If you hold Offer Shares which are not deposited with CDP ("**in scrip form**"), you should receive this Offer Document together with the FAT.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

If you wish to accept the Offer, you should:

- (a) complete the FAT in accordance with the provisions of this Offer Document and the instructions printed on the FAT. Please note that you must insert the number of Offer Shares in respect of which you wish to accept the Offer. If you:
 - (i) do not specify such number in the FAT; or
 - (ii) specify a number which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the FAT,

you shall be deemed to have accepted the Offer in respect of all the Offer Shares represented by the share certificate(s) accompanying the FAT.

- (b) sign the FAT in accordance with this Offer Document and the instructions printed on the FAT; and
- (c) deliver:
 - (i) the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);
 - (ii) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Registrar relating to the Offer Shares in respect of which you wish to accept the Offer. If you are recorded in the Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the constitution of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this **Appendix 2** and the FAT; and
 - (iii) where such Offer Shares are not registered in your name, at your own risk, the relevant share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Registrar relating to the Offer Shares in respect of which you wish to accept the Offer, accompanied with a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person authorised by it);

either **by hand or by post**, in the enclosed pre-addressed envelope at your own risk, to Esteele Enterprise Pte. Ltd., c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd), 80 Robinson Road #11-02, Singapore 068898, **in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date**. If the completed and signed FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

If your share certificate(s), transfer form(s) and/or any other relevant document(s) required by the Offeror, is/are not readily available or is/are lost, please contact Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd) at 80 Robinson Road #11-02, Singapore 068898.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- 2.2 **Receipt.** No acknowledgment of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) or any other accompanying document(s) will be given by the Offeror, the Financial Adviser or the Registrar.
- 2.3 **Return of Offer Shares.** In the event the Offer does not become or is declared unconditional in all respects in accordance with its terms, the FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you as soon as possible but, in any event, not later than 14 days from the lapse of the Offer.

3. GENERAL

- 3.1 **Disclaimer and Discretion.** The Offeror, the Financial Adviser, the Registrar and/or CDP will be entitled, at their sole and absolute discretion, to reject any acceptance of the Offer which is not entirely in order or which does not comply with the terms of this Offer Document and the Relevant Acceptance Forms or which is otherwise incomplete, incorrect, unsigned or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the FAA and/or the FAT, as the case may be, is/are properly completed in all respects, originally signed and all required documents, where applicable, are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror, the Financial Adviser, the Registrar and/or CDP accepts any responsibility or liability for such a decision (including the consequences thereof).

The Offeror and the Financial Adviser each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Offer Document and in the FAA and/or the FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Offer Document and in the FAA and/or the FAT, as the case may be.

- 3.2 **Scrip and Scripless Offer Shares.** If you hold some Offer Shares in scrip form and others with CDP, you should complete a FAT for the former and a FAA for the latter in accordance with the respective procedures set out in this **Appendix 2** and the Relevant Acceptance Forms if you wish to accept the Offer in respect of such Offer Shares.
- 3.3 **Deposit Time.** If you hold Offer Shares in scrip form, you should not deposit the share certificate(s) with CDP on or after the Despatch Date as the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Offer. If you wish to accept the Offer in respect of such Offer Shares, you should complete a FAT and follow the procedures set out in **Paragraph 2** of this **Appendix 2**.
- 3.4 **Acceptances received on Saturday, Sunday and public holidays.** Acceptances in the form of the FAA and/or the FAT, as the case may be, to CDP and/or the Registrar on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.
- 3.5 **Correspondences.** All communications, certificates, notices, documents and remittances to be delivered or sent to you (or in the case of scrip holders, your designated agent or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first named in the records of CDP or the Register, as the case may be) will be sent by ordinary post to your respective addresses as they appear in the records of CDP or the Register, as the case may be, at the risk of the person entitled thereto (or for the purposes of remittances only, to such different name and addresses as may be specified by you in the FAA and/or the FAT, as the case may be, at your own risk).

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

- 3.6 **Evidence of Title.** Delivery of the duly completed and signed FAA and/or FAT, together with the relevant share certificate(s) and/or other documents of title (where applicable) and/or other relevant document(s) required by the Offeror, CDP and/or the Registrar, to the Offeror, CDP and/or the Registrar, as the case may be, shall be conclusive evidence in favour of the Offeror, CDP and/or the Registrar, as the case may be, of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates.
- 3.7 **Loss in Transmission.** The Offeror, the Financial Adviser, the Registrar and/or CDP, as the case may be, shall not be liable for any loss in transmission of the FAA and/or the FAT.
- 3.8 **Acceptance Irrevocable.** Except as expressly provided in this Offer Document and the Code, the acceptance of the Offer made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable.
- 3.9 **Personal Data Privacy.** By completing and delivering a Relevant Acceptance Form, each person (a) consents to the collection, use and disclosure of his personal data by CDP, the Registrar, the Offeror, the Financial Adviser, and CPF Board and the Company (“**Relevant Persons**”) for the purpose of facilitating his acceptance of the Offer, and in order for the Relevant Persons to comply with any applicable laws, regulations, listing rules and/or guidelines; (b) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable laws, regulations, listing rules and/or guidelines; and (c) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR AND AVIL

1. DIRECTORS

The names, addresses and descriptions of the Directors of the Offeror as at the Latest Practicable Date are set out below.

Name	Address	Description
You Zhenhua	c/o 10 Anson Road, #33-07/08 International Plaza, Singapore 079903	Director
Jiang Hairong	c/o 10 Anson Road, #33-07/08 International Plaza, Singapore 079903	Director
Liu Bin	c/o 10 Anson Road, #33-07/08 International Plaza, Singapore 079903	Director

2. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

2.1 The Offeror

The Offeror is a private company limited by shares incorporated in Singapore for investment holding on 18 August 2017. The Offeror has been incorporated specifically for the Acquisition and Offer, and has an issued and paid-up share capital of S\$10,000,000 divided into 10,000,000 ordinary shares. Its shareholders are AVIL and THPL.

2.2 AVIL

AVIL is a company which is incorporated in the British Virgin Islands for investment holding on 2 January 2015. It owns 8,010,000 shares in the Offeror, representing 80.1% of the total issued and paid-up share capital of the Offeror as at the Latest Practicable Date. You Zhenhua is the sole shareholder and director of AVIL.

3. FINANCIAL SUMMARY

As the Offeror has been incorporated on 18 August 2017, no financial statements of the Offeror have been prepared to date.

Further, as AVIL is incorporated for purposes of investment holding and is not required to prepare any financial statements under the laws of its incorporation, no financial statements of AVIL have been prepared to date.

4. MATERIAL CHANGES IN FINANCIAL POSITION

Save for the Offeror financing the Acquisition and the Offer, there have been no material changes in the financial position of the Offeror since its incorporation.

5. REGISTERED OFFICE

The registered office of the Offeror is at 10 Anson Road, #33-07/08 International Plaza, Singapore 079903.

APPENDIX 4 – ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

The names, addresses and descriptions of the Directors of the Company as at the Latest Practicable Date are set out below.

Name	Address	Description
Lim Siak Meng	c/o 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530	Group Managing Director
Sia Ling Sing	c/o 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530	Non-Executive Chairman
Seah Kiin Peng	c/o 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530	Executive Director
Lau Eng Tiong	c/o 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530	Non-Executive Director
Foo Sey Liang	c/o 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530	Non-Executive Director
Ooi Seng Soon	c/o 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530	Independent Director
Tan Lee Meng	c/o 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530	Independent Director

2. SHARE CAPITAL

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$68,011,000 comprising 186,335,089 Shares¹ (excluding treasury Shares).

3. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Offer Document and save for information on the Group, which is publicly available (including without limitation, the announcements released by the Company on the SGX-ST) and as may be announced by the Company from time to time, there have not been, to the best knowledge of the Offeror, any material changes in the financial position or prospects of the Company since 30 September 2016, being the date of the last audited consolidated financial statements of the Company.

4. REGISTERED OFFICE

The registered office of the Company is at 350 Jalan Boon Lay, Jurong Industrial Estate, Singapore 619530.

¹ Based on the Company's 'Unaudited 9 Months and Third Quarter Financial Statement and Related Announcement for the period ended 30 June 2017' dated 14 August 2017.

APPENDIX 5 – GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

- 1.1 **No Indemnity Arrangements.** To the best knowledge of the Directors as at the Latest Practicable Date, save as disclosed in this Offer Document, none of the Concert Group has entered into any arrangement with any person of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities.
- 1.2 **No Agreement having any Connection with or Dependence upon the Offer.** As at the Latest Practicable Date, save for the Conditional Agreement and as disclosed in this Offer Document, there is no agreement, arrangement or understanding between (a) the Concert Group; and (b) any of the current or recent directors of the Company or any of the current or recent Shareholders having any connection with or dependence upon the Offer.
- 1.3 **Transfer of Offer Shares.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any Offer Shares acquired pursuant to the Offer will be transferred to any other person. The Offeror, however, reserves the right to transfer any of the Offer Shares to any of its related corporations (as defined in the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to it.
- 1.4 **No Payment or Benefit to Directors of the Company.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any director of the Company or any of its related corporations (as defined in the Companies Act) as compensation for loss of office or otherwise in connection with the Offer.
- 1.5 **No Agreement Conditional upon Outcome of the Offer.** As at the Latest Practicable Date, save as disclosed in this Offer Document, there is no agreement or arrangement between (a) the Concert Group; and (b) any of the directors of the Company or any other person in connection with or conditional upon the outcome of the Offer or is otherwise connected with the Offer.
- 1.6 **Transfer Restrictions.** The constitution of the Company does not contain any restrictions on the right to transfer the Offer Shares, which has the effect of requiring Shareholders, before transferring them, to first offer them for purchase to other Shareholders or any other person.

2. NO MATERIAL CHANGE ON INFORMATION

Save as disclosed in this Offer Document, as far as the Offeror is aware, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

3. GENERAL

- 3.1 **Costs and Expenses.** All costs and expenses of or incidental to the preparation and circulation of this Offer Document and the Relevant Acceptance Forms (other than professional fees and other costs incurred or to be incurred by the Company relating to the Offer) and stamp duty and transfer fees resulting from acceptances of the Offer will be paid by the Offeror.

APPENDIX 5 – GENERAL INFORMATION

3.2 **Consent.** The Financial Adviser and the Registrar have each given and have not withdrawn their written consent to the issue of this Offer Document with the inclusion of their names and all references to their names in the form and context in which it appears in this Offer Document.

4. MARKET QUOTATIONS

4.1 **Closing Prices.** The closing price of the Shares on the SGX-ST (as reported by Bloomberg L.P.) on the Latest Practicable Date was S\$0.910.

The following table sets out the closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) on (a) the Latest Practicable Date; (b) the Last Trading Day; and (c) the last Market Day on which there was trading in the Shares on the SGX-ST for each of the six calendar months preceding the Offer Announcement Date, and the corresponding premia based on the Offer Price of S\$0.925:

Date	Closing Price ⁽¹⁾	Premium of Offer Price over Closing Price ⁽²⁾
15 September 2017 (Latest Practicable Date)	S\$0.910	1.6%
8 September 2017 (Last Trading Date)	S\$0.860	7.6%
31 August 2017	S\$0.835	10.8%
31 July 2017	S\$0.875	5.7%
30 June 2017	S\$0.765	20.9%
31 May 2017	S\$0.825	12.1%
28 April 2017	S\$0.620	49.2%
28 March 2017	S\$0.590	56.8%

Notes:

(1) Source: Bloomberg L.P.

(2) Percentages rounded to the nearest one (1) decimal place.

4.2 **Highest and Lowest Closing Prices.** The highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) during the period between the start of the six months preceding the Offer Announcement Date and ending on the Latest Practicable Date and the corresponding premia based on the Offer Price are as follows:

	Closing Price for Share ⁽¹⁾	Date(s) Transacted ⁽¹⁾	Premium of Offer Price over Closing Price ⁽²⁾
Highest Closing Price	S\$0.910	11, 12, 13, 14 and 15 September 2017	1.6%
Lowest Closing Price	S\$0.575	3 and 6 April 2017	60.9%

Notes:

(1) Source: Bloomberg L.P.

(2) Percentages rounded to the nearest one (1) decimal place.

APPENDIX 5 – GENERAL INFORMATION

5. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Offeror at 10 Anson Road, #33-07/08 International Plaza, Singapore 079903 during normal business hours on any Business Day while the Offer remains open for acceptance.

- (a) the constitution of the Offeror;
- (b) the letters of consent of the Financial Adviser and the Registrar;
- (c) the Offer Announcement; and
- (d) the Conditional Agreement.

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