

HERCULES PTE. LTD.
(Company Registration No. 201913578M)
(Incorporated in Singapore)

18 September 2019

To: The shareholders of Hupsteel Limited (the "**Shareholders**")

Dear Sir/ Madam

COMPULSORY ACQUISITION OF SHARES IN HUPSTEEL LIMITED (THE "COMPANY") BY HERCULES PTE. LTD. (THE "OFFEROR") PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT (CHAPTER 50 OF SINGAPORE) (THE "COMPANIES ACT") AND RIGHTS PURSUANT TO SECTION 215(3) OF THE COMPANIES ACT

1. INTRODUCTION

1.1 **Offer.** We, Hercules Pte. Ltd., refer to the voluntary conditional cash offer (the "**Offer**") by us to acquire all the issued and paid-up ordinary shares (the "**Shares**") in the capital of the Company, other than any Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer (the "**Offer Shares**").

Unless otherwise defined, all capitalised terms used and not defined in this letter (the "**Letter**") shall have the same meanings ascribed to them in the offer document dated 19 July 2019 despatched to Shareholders containing, *inter alia*, the terms of the Offer.

PLEASE DISREGARD THIS LETTER AND THE ACCOMPANYING FORM 57 AND FORM 58 (AS DEFINED BELOW) IF YOU HAVE ALREADY (I) VALIDLY ACCEPTED THE OFFER IN RESPECT OF ALL YOUR SHARES OR (II) SOLD ALL YOUR SHARES PRIOR TO THE DATE OF THIS LETTER.

1.2 **Aggregate Shareholding.** As announced by OCBC, for and on our behalf, as at 5.30 p.m. (Singapore time) on 13 September 2019, we have received valid acceptances pursuant to the Offer representing approximately 95.506% of the total number of issued Shares (other than those already held by us, our related corporations or our respective nominees and excluding any Shares held in treasury as at the date of the Offer).

1.3 **Compulsory Acquisition.** As we already own, control or have agreed to acquire 90% or more of the issued Shares (other than those already held by us, our related corporations or our respective nominees as at the date of the Offer), we are entitled to, and intend to exercise our right of compulsory acquisition under Section 215(1) of the Companies Act at the consideration of **S\$1.20** in cash for each Offer Share (the aggregate amount payable, the "**Consideration**").

1.4 **Shareholders Who Have Not Accepted the Offer.** According to the records maintained by The Central Depository (Pte) Limited ("**CDP**") and/or RHT Corporate Advisory Pte. Ltd. (the "**Registrar**"), as the case may be, you have not accepted the Offer in respect of your Shares as at 13 September 2019. Accordingly, we are writing to inform you that we wish to exercise our right of compulsory acquisition to acquire all the Shares held by you at the Offer Price of **S\$1.20** in cash for each Share. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act ("**Form 57**").

1.5 **Consultation.** If you are in any doubt about this Letter and/or your rights and obligations under Section 215 of the Companies Act, and the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

1.6 **General.** If you have sold or otherwise transferred any or all of your Shares, please forward this Letter and the accompanying Form 57 and Form 58 (as defined below) immediately to the

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purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale was effected for onward transmission to the purchaser or transferee.

2. COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT

2.1 **Compulsory Acquisition.** We will exercise our right of compulsory acquisition to acquire all the Shares held by you on or after 21 October 2019 (the "**Transfer Date**"), being the date after the expiry of one (1) month from the date on which Form 57 is given, subject to and on the terms set out in the enclosed Form 57.

2.2 **Registration of Transfer.** Upon the payment of the Consideration to the Company by us, the Company will cause to be transferred to us all the Shares held by you and register us as the holder of all those Shares as soon as practicable. The Consideration in respect of all the Shares held by you will be credited by the Company into a separate bank account and held by the Company in trust for you and paid to you in accordance with the settlement procedures set out in paragraph 2.3 below.

2.3 **Settlement.** Subject to and in accordance with the provisions of Section 215(1) of the Companies Act and the terms set out in the enclosed Form 57, as soon as practicable after the Transfer Date:

- (a) if your Shares are held through a Securities Account maintained with CDP, CDP will, on behalf of the Company, despatch remittances in the form of S\$ cheques for the Consideration in respect of your Shares to your address as it appears on the records of CDP by ordinary post, or by such other manner as you may have agreed with CDP for the payment of any cash distribution (or, if you hold Shares which are not deposited with CDP, to your designated agents, as you may direct), in each case at your own risk; and
- (b) if your Shares are held in scrip form, the Registrar will, on behalf of the Company, despatch a cheque for the appropriate amount of the Consideration payable in respect of your Shares to you by registered post, at your own risk, to your address as it appears in the register of holders of the Shares, as maintained by the Registrar.

2.4 **No Action Needed. NO ACTION NEEDS TO BE TAKEN BY YOU IN RELATION TO FORM 57 TO ENTITLE YOU TO PAYMENT, WHICH WILL BE MADE TO YOU IN ACCORDANCE WITH PARAGRAPHS 2.2 AND 2.3 ABOVE.**

3. RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

3.1 **Non-Assenting Shareholder.** Under Section 215(3) of the Companies Act, you have the right to require us to acquire your Shares. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act ("**Form 58**") is enclosed with this Letter. You may, within three (3) months from the date of Form 58 (that is, by 18 December 2019), require us to acquire your Shares and we shall be entitled and bound to acquire your Shares on the same terms as those offered under the Offer.

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- 3.2 **No Action Needed. AS WE WOULD BE PROCEEDING TO COMPULSORILY ACQUIRE YOUR SHARES PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT AS DESCRIBED IN PARAGRAPH 2 ABOVE, YOU NEED NOT TAKE ANY ACTION IN RELATION TO FORM 58.**

Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal and financial advice.

Yours faithfully,
for and on behalf of
HERCULES PTE. LTD.



Lim Beo Peng
Director
18 September 2019

Enclosed: Form 57 and Form 58