

BRC ASIA LIMITED
(Company Registration No. 193800054G)
(Incorporated in Singapore)

22 June 2018

To: The Dissenting and Non-Assenting Shareholders of Lee Metal Group Ltd

Dear Shareholder,

COMPULSORY ACQUISITION OF SHARES IN LEE METAL GROUP LTD (“COMPANY”) PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE (“COMPANIES ACT”) BY BRC ASIA LIMITED (“OFFEROR”) AND RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

1. INTRODUCTION

1.1 **Offer.** The Offeror refers to the offer document dated 10 May 2018 (the “**Offer Document**”) in respect of the voluntary conditional cash offer (“**Offer**”) by United Overseas Bank Limited (“**UOB**”), for and on behalf of the Offeror, to acquire all the issued and paid-up ordinary shares in the capital of the Company (“**Shares**”) other than those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer.

All capitalised terms used in this Letter shall have the meanings ascribed to them in the Offer Document, unless otherwise defined.

If you have already (a) accepted the Offer in respect of all your Shares by completing and returning a valid Relevant Acceptance Form by 5.30 p.m. (Singapore time) on 21 June 2018, or (b) sold all your Shares on the SGX-ST prior to the date of this Letter, please disregard this Letter and the accompanying Form 57 and Form 58 (as defined below).

Otherwise, your Shares will be acquired as part of the Offeror’s right of compulsory acquisition.

1.2 **Acceptances as at 14 June 2018.** On 14 June 2018, UOB announced, for and on behalf of the Offeror, that as at 5.00 p.m. (Singapore time) on 14 June 2018, the Offeror had received valid acceptances in respect of an aggregate of 445,148,449 Shares pursuant to the Offer, representing approximately 93.80% of the total number of issued Shares¹.

1.3 **Right of Compulsory Acquisition.** As the Offeror had received valid acceptances pursuant to the Offer representing not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held by the Company in treasury), the Offeror is entitled, and as stated in the Offer Document and as announced on 14 June 2018, intends, to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire, at a price equal to the Offer Price of S\$0.42 for each Share and on the same terms as those offered under the Offer, all the Shares in respect of which acceptances have not been received by the Offeror as at the close of the Offer and/or has not been acquired by the Offeror as at the date of this Letter.

¹ References in this Letter to the total number of issued Shares are based on 474,551,093 Shares in issue.

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

- 2.1 **Dissenting Shareholders.** According to the records maintained by CDP and/or the Registrar, as the case may be, on 19 June 2018, you have not accepted the Offer in respect of your Shares. Accordingly, the Offeror is writing to inform you that the Offeror wishes to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all your Shares ("**Acquired Shares**") at a consideration of S\$0.42 in cash for each Acquired Share ("**Consideration**") and on the same terms as those offered under the Offer. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act ("**Form 57**").
- 2.2 **Compulsory Acquisition.** The Offeror will exercise its right of compulsory acquisition to acquire the Acquired Shares on or after 23 July 2018 ("**Exercise Date**"), being the day after the expiry of one (1) month after the date on which the Form 57 is given to you subject to and on the terms set out in the enclosed Form 57 and the provisions of Section 215(4) of the Companies Act.
- 2.3 **Registration.** On or after the Exercise Date, the Offeror will pay to the Company the Consideration for the Acquired Shares that it is acquiring from you. Upon payment of the Consideration to the Company as aforesaid, the Company will cause all the Acquired Shares to be transferred to the Offeror and will register the Offeror as the holder of the Acquired Shares as soon as practicable. The Consideration 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 2.4 below.
- 2.4 **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 Exercise Date:
- (a) if your Shares are held through a Securities Account maintained with CDP, CDP will, on behalf of the Company, despatch remittance in the form of a Singapore Dollar cheque drawn on a bank in Singapore for the appropriate amount of the Consideration payable in respect of the Acquired Shares to you by ordinary post, at your own risk, to your address as it appears in the records of CDP, or by such other manner as you may have agreed with CDP for the payment of any cash distributions; and
 - (b) if your Shares are held in scrip form, the Registrar will, on behalf of the Company, despatch remittance in the form of a Singapore Dollar cheque drawn on a bank in Singapore for the appropriate amount of the Consideration payable in respect of the Acquired Shares to you by ordinary post, at your own risk, to your address as it appears in the Register of the Company, as maintained by the Registrar.
- 2.5 **Action.** You need not take any action in relation to Form 57 to effect the transfer of your Shares and to entitle you to payment, which will be made to you in accordance with paragraphs 2.3 and 2.4 above.

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

- 3.1 **Non-Assenting Shareholders.** Under Section 215(3) of the Companies Act, you have the right to require the Offeror 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. Subject to and in accordance with Section 215 of the Companies Act, you may, within three (3) months from the giving of the Form 58 to you (that is, by 22 September 2018), require the Offeror to acquire your Shares, and the Offeror shall be

entitled and bound to acquire your Shares at the Consideration and on the same terms as those offered under the Offer (or otherwise in accordance with Section 215(3) of the Companies Act).

- 3.2 **Action.** As the Offeror will be proceeding to compulsorily acquire your Shares on the terms set out in the enclosed Form 57 and as described in paragraph 2 above, **you need not take any action in relation to Form 58. Nevertheless, if you wish to exercise your right under Section 215(3) of the Companies Act or if you are in any doubt, you should seek your own independent legal advice.**

4. GENERAL

If you are in any doubt about any of the matters referred to in this Letter or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Yours faithfully,
For and on behalf of
BRC ASIA LIMITED

A handwritten signature in black ink, appearing to read 'Xu Jiguo', is written over a faint, circular watermark logo.

Xu Jiguo
Director

Enclosures: Form 57 and Form 58