



Joint Financial Advisers to BHL Limited

30 August 2016

To the RSU Holders

Dear Sir or Madam

**RSU OFFER
IN RELATION TO
PROPOSED PRIVATISATION OF
BRACELL LIMITED
BY BHL LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 99 OF THE COMPANIES ACT OF BERMUDA**

A scheme document dated the same date as this letter issued jointly by the Offeror and the Company (the “**Scheme Document**”) and a form of acceptance are provided to you together with this letter. Terms used but not defined in this letter shall have the same meanings as in the Scheme Document. This letter should be read in conjunction with the Scheme Document.

On 17 June 2016, the respective boards of directors of the Offeror and the Company jointly announced that, on 15 June 2016, the Offeror requested that the Board put forward to the Scheme Shareholders a proposal to privatise the Company by way of a scheme of arrangement under Section 99 of the Companies Act involving the cancellation of all the Scheme Shares for a cancellation consideration of HK\$1.78 for each Scheme Share and allotment and issue of new Shares to the Offeror. On 3 August 2016, the respective boards of directors of the Offeror and the Company jointly announced that the Offeror proposed to revise the terms of the Proposal. Under the terms of the revised Proposal, each Scheme Shareholder will receive a Cancellation Consideration of HK\$2.28 for each Scheme Share. It was subsequently jointly announced on 22 August 2016 that the revised Cancellation Consideration would not be increased by the Offeror and the Offeror does not reserve the right to do so and accordingly, the Cancellation Consideration will remain at HK\$2.28 for each Scheme Share.

Shareholders and potential investors of the Company should be aware that, following the making of the statement that the Cancellation Consideration would not be increased, the Offeror will not be allowed to increase the Cancellation Consideration and the RSU Offer Price except in wholly exceptional circumstances in accordance with Rule 18.3 of the Takeovers Code.

As stated in the announcement of 17 June 2016, the Offeror will make an appropriate offer to the RSU Holders, subject to and conditional upon the Scheme becoming effective.

This letter explains the terms of the RSU Offer and the actions you may take in relation to any RSUs held by you. You are advised to refer to the Scheme Document for further details when considering the RSU Offer.

Your attention is also drawn to the notice of grant under which each of your RSUs was granted (including the rules of the RSU Scheme).

TERMS OF THE RSU OFFER

On behalf of the Offeror, we offer to pay you, in accordance with the existing vesting date and subject to the other terms of your RSUs, the amount as set out below (the “**RSU Offer Price**”) for the cancellation of each of the RSUs that you hold as at the Record Time, which is 4:00 p.m. (Hong Kong time) on the Effective Date, which is expected to be Tuesday, 18 October 2016.

For each RSU

HK\$2.28

In consideration for our agreement to pay you the RSU Offer Price set out above, your RSUs will be cancelled following the closing date of the RSU Offer.

None of the RSUs held by you will vest on or prior to the Record Time and pursuant to the rules of the RSU Scheme, the Board has determined that if the Scheme is approved by the Scheme Shareholders at the Court Meeting, none of the RSUs will vest earlier than their existing vesting date.

Conditions of the RSU Offer

The RSU Offer is conditional upon the Scheme becoming effective. The RSU Offer will become unconditional immediately upon the Scheme becoming effective, which will be prior to the withdrawal of the listing of the Shares from the Stock Exchange.

The Conditions of the Proposal and the Scheme are set out in “*Conditions Precedent to the Proposal*” in the Explanatory Statement on pages 41 to 45 in the Scheme Document. You are further advised to refer to “*Registration and Payment*” and “*Overseas Shareholders and RSU Holders*” in the Explanatory Statement on pages 50 and 51 and pages 52 and 53, respectively, in the Scheme Document.

Payments under the RSU Offer

The RSU Offer Price will be paid in accordance with the existing vesting date of your RSUs, net of any applicable taxes. Payment in respect of each RSU will be made by the Offeror within seven (7) Business Days following the vesting date of the relevant RSU. The vesting date for your RSUs is set out in the notice of grant relating to your RSUs. Your entitlement to the RSU Offer Price under the RSU Offer will continue to be subject to the conditions to the vesting of your RSUs under the terms of grant of your RSUs, including the requirement to remain in employment or service of the Group.

Payment of the RSU Offer Price under the RSU Offer will be made either by way of (a) electronic bank transfer into a bank account as customarily used by you to receive compensation from the Group

or (b) physical delivery to you of a cheque. Payment will be made in Hong Kong dollars or in the foreign currency of where you ordinarily reside. You should inform the HR Department of the Company of your preferred method of payment and preferred currency no later than two weeks prior to the vesting date of your RSUs. If you elect to receive payment in your preferred foreign currency, arrangements will be made to convert the RSU Offer Price under the RSU Offer into your preferred currency at the relevant foreign exchange spot rate on the payment date. All foreign exchange and transfer fees (if applicable) will be deducted from the RSU Offer Price under the RSU Offer accordingly.

In the case of physical delivery of a cheque to you, (a) the cheque will be delivered at your risk and none of the Offeror, Gold Silk, the Company, Credit Suisse, Anglo Chinese, Morgan Stanley, Rothschild, any of their respective directors, officers, employees, agents, affiliates or advisers or any other person involved in the RSU Offer will be responsible for any loss or delay in physical delivery and (b) on or after the day being six calendar months after the delivery of such cheque, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit account in the Company's name with a licensed bank in Hong Kong selected by the Company.

The Company shall hold such monies until the expiry of six years from the Effective Date and shall prior to such date, make payments therefrom of the sums to persons who satisfy the Company that they are respectively entitled thereto. On the expiry of six years from the Effective Date, the Offeror shall be released from any further obligation to make any payments under the RSU Offer.

COURSES OF ACTION AVAILABLE TO RSU HOLDERS

The choices available to you in respect of your RSUs are set out below.

(A) Accept the RSU Offer

The RSU Offer shall be in respect of all your RSUs as at the Record Time (being 4:00 p.m. (Hong Kong time) on the Effective Date, which is expected to be Tuesday, 18 October 2016).

You may choose to accept the RSU Offer on the terms (including all declarations and undertakings) as set out in this letter and the enclosed Form of Acceptance, by ticking the "Accept" box on the Form of Acceptance and returning it in accordance with the instructions set out below. Such acceptance of the RSU Offer will be in respect of all RSUs held by you as at the Record Time.

(B) Reject the RSU Offer

If you choose to reject the RSU Offer, please tick the "Reject" box on the enclosed Form of Acceptance and return it in accordance with the instructions set out below. Such rejection of the RSU Offer will be in respect of all RSUs held by you as at the Record Time.

If you reject the RSU Offer, all RSUs that you hold as at the Record Time will be cancelled following the closing date of the RSU Offer in accordance with the provisions of the RSU Scheme.

If you reject the RSU Offer, you will not be entitled to receive the RSU Offer Price offered in respect of any of your RSUs.

Following receipt of this letter, if you (a) choose to do nothing (including not returning a Form of Acceptance) or (b) fail to tick either an “Accept” or “Reject” box on a returned Form of Acceptance, and the Scheme becomes effective, you will be treated as if you had returned a duly executed Form of Acceptance with the “Reject” box ticked in respect of all RSUs held by you as at the Record Time.

HOW TO RETURN THE FORM OF ACCEPTANCE

You should return the completed Form of Acceptance to the Offeror, care of Bracell Limited at 21/F China Building, 29 Queen’s Road Central, Hong Kong, for the attention of the Offeror and marked “Bracell Limited — RSU Offer” **by no later than 4:00 p.m. on Tuesday, 1 November 2016 (or such other date and time as may be notified to you by or on behalf of the Offeror).**

Before returning the Form of Acceptance to the Offeror, please ensure that you have completed and signed the Form of Acceptance and that your signature has been witnessed.

No acknowledgment of receipt of the Form of Acceptance or any other documents will be given.

RSUS HELD

Information on the RSUs held by you can be obtained by contacting Sim Sze Kuan, Vice-President, Legal of the Company at SzeKuan_Sim@brazilcellulose.com.

RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders and the RSU Holders set out in “*Letter from the Independent Board Committee*” on pages 6 and 7 in the Scheme Document and the letter from Rothschild, the Independent Financial Adviser, set out in “*Letter from Rothschild*” on pages 8 to 37 in the Scheme Document, which contain the recommendation of the Independent Board Committee and of Rothschild, respectively, in relation to the Proposal and the RSU Offer.

INDEPENDENT FINANCIAL ADVICE

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take.

If you are in any doubt as to any aspect of this letter, the Scheme Document or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

DECLARATION

By signing and returning the Form of Acceptance, you:

- (a) confirm that you have read, understood and agreed to the terms and conditions of the RSU Offer (including without limitation those set out in this letter and the Form of Acceptance), and that you have received the Scheme Document and this letter;
- (b) confirm that all RSUs held by you in respect of which you accept the RSU Offer are valid and subsisting, free from all liens, charges, mortgages and third party interests of any nature whatsoever;
- (c) confirm that all local laws and requirements applicable to the RSU Offer have been complied with;
- (d) acknowledge that you cease to have any rights or obligations, and waive all rights and claims against any party (including the Offeror and the Company), in respect of all the RSUs, and you agree that all rights and obligations under all RSUs held by you in respect of which you accept the RSU Offer will be cancelled;
- (e) confirm that any acceptance of the RSU Offer cannot be withdrawn or altered;
- (f) authorise the Company and the Offeror, jointly and severally, or any director or officer of the Company or the Offeror or any agent of such person to do all acts and things and to execute any document as may be necessary or desirable to give effect to or in consequence of your acceptance of the RSU Offer, and you hereby undertake to execute any further assurance that may be required in respect of such acceptance (including consenting to the Company, the Board or the Offeror, as applicable, exercising its rights to amend the terms of your RSUs); and
- (g) undertake to confirm and ratify any action properly or lawfully taken on your behalf by any attorney or agent appointed by or pursuant to this letter or the Form of Acceptance.

GENERAL

All communications, notices, Forms of Acceptance, cheques, certificates and other documents of any nature to be delivered by or sent to or from the RSU Holders will be delivered by or sent to or from them, or their designated agents, at their risk, and none of the Offeror, Gold Silk, the Company, Credit Suisse, Anglo Chinese, Morgan Stanley, Rothschild, any of their respective directors, officers, employees, agents, affiliates or advisers or any other person involved in the Proposal or the RSU Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result. This letter shall be taken as having been received by you within two Business Days of its despatch.

The provisions set out in the Form of Acceptance form part of the terms of the RSU Offer.

The RSU Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

Due execution of the Form of Acceptance in respect of the RSU Offer will constitute an authority to Credit Suisse, Anglo Chinese, the Offeror, any director of the Offeror, the Offeror Board or their respective agents to complete and execute any document on behalf of the accepting RSU Holder, and to do any other act, that may be necessary or expedient for the purpose of cancelling all RSUs which are the subject of such acceptance.

The delivery of the Form of Acceptance, duly signed, may, if the Offeror determines it appropriate, be as effective as if it were duly completed and received notwithstanding that it is not completed or received strictly in accordance with the instructions set out in the Form of Acceptance and this letter, including the date specified for receipt.

By accepting the RSU Offer, you irrevocably and at your own risk, elect to authorise the Offeror to send to you, or procure the sending to you of, the RSU Offer Price to which you are entitled.

Any acceptance of the RSU Offer and the receipt of the RSU Offer Price may trigger taxes subject to withholding obligations of the Offeror. The RSU Offer Price will be paid to you net of such applicable taxes, if any. All RSU Holders are recommended to consult their professional advisers if in any doubt as to the taxation implications of the RSU Offer.

RESPONSIBILITY STATEMENTS

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this letter relating to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter by the Company or the Directors have been arrived at after due and careful consideration and there are no other facts relating to the Group not contained in this letter, the omission of which would make any statement in this letter misleading.

The Offeror Directors and Mr. Sukanto Tanoto, the Ultimate Controlling Shareholder (as the sole shareholder of the Offeror), jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter (other than those expressed by the Company or the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

Yours truly,
For and on behalf of
Credit Suisse (Hong Kong) Limited



Chong Xun Christopher Chua
Managing Director



Kwok Tai Law
Director

Yours truly,
For and on behalf of
Anglo Chinese Corporate Finance, Limited

Stuart Wong
Director

Yours truly,
For and on behalf of
Credit Suisse (Hong Kong) Limited

Chong Xun Christopher Chua
Managing Director

Yours truly,
For and on behalf of
Anglo Chinese Corporate Finance, Limited



Stuart Wong
Director

Kwok Tai Law
Director

This document is the Form of Acceptance referred to in the scheme document addressed to the Scheme Shareholders and the RSU Holders dated 30 August 2016 (the "Scheme Document") for use by the RSU Holders to declare their choice in respect of the RSU Offer. You should read it in conjunction with the Scheme Document and the RSU Offer Letter sent jointly from Credit Suisse and Anglo Chinese dated 30 August 2016 on behalf of the Offeror in relation to the RSU Offer.

If you fail to sign and/or return this Form of Acceptance in accordance with the instructions set out in this Form of Acceptance, you will be treated as if you had returned a duly executed Form of Acceptance with the "Reject" box ticked in respect of all RSUs held by you as at the Record Time.

Terms defined in the Scheme Document have the same meanings in this Form of Acceptance.

BHL Limited

(incorporated in Bermuda with limited liability)



Bracell Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 1768)

PROPOSED PRIVATISATION OF BRACELL LIMITED BY BHL LIMITED BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 99 OF THE COMPANIES ACT OF BERMUDA

FORM OF ACCEPTANCE

If you are in any doubt as to any aspect of this Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

You should return the completed Form of Acceptance to the Offeror, care of Bracell Limited at 21/F, China Building, 29 Queen's Road Central, Hong Kong, for the attention of the Offeror and marked "Bracell Limited — RSU Offer", by no later than 4:00 p.m. on Tuesday, 1 November 2016 (or such later date and time as may be notified to you by or on behalf of the Offeror).

Before returning the Form of Acceptance to the Offeror, please ensure that you have completed and signed the Form of Acceptance and that your signature has been witnessed.

To: The Offeror, the Company and the Joint Financial Advisers

With reference to the RSU Offer made jointly by Credit Suisse and Anglo Chinese dated 30 August, 2016 on behalf of the Offeror, I hereby declare my choice in respect of the RSU Offer by ticking the relevant box below in respect of ALL the RSUs that I hold as at the Record Time on the terms and subject to the conditions set out in the RSU Offer (Note 1):

ACCEPT	
REJECT*	

* Please note that if you reject the RSU Offer, all RSUs that you may hold as at the Record Time will still be cancelled following the closing date of the RSU Offer pursuant to the rules of the RSU Scheme and you will not receive the RSU Offer Price in respect of your RSUs.

By signing and returning this Form of Acceptance, I:

- confirm that I have read, understood and agreed to the terms and conditions of the RSU Offer (including, without limitation, those set out in the RSU Offer Letter and this Form of Acceptance), and that I have received the Scheme Document and the RSU Offer Letter;
- confirm that all the RSUs held by me in respect of which I accept the RSU Offer are valid and subsisting, free from all liens, charges, mortgages and third party interests of any nature whatsoever;
- confirm that all local laws and requirements applicable to the RSU Offer have been complied with;
- acknowledge that I cease to have any rights or obligations, and waive all rights and claims against any party (including the Offeror and the Company), in respect of all RSUs I hold in respect of which I accept the RSU Offer, and I agree that all rights and obligations under all RSUs held by me in respect of which I accept the RSU Offer will be cancelled;
- confirm that any acceptance of the RSU Offer cannot be withdrawn or altered;
- authorise the Company and the Offeror, jointly and severally, or any director or officer of the Company or the Offeror or any agent of such person to do all acts and things and to execute any document as may be necessary or desirable to give effect to or in consequence of my acceptance of the RSU Offer, and I hereby undertake to execute any further assurance that may be required in respect of such acceptance (including consenting to the Company, the Board or the Offeror, as applicable, exercising its rights to amend the terms of my RSUs); and
- undertake to confirm and ratify any action properly or lawfully taken on my behalf by any attorney or agent appointed by or pursuant to the RSU Offer Letter or this Form of Acceptance.

This Form of Acceptance shall be governed by and construed in accordance with the laws of Hong Kong.

Signature of the RSU Holder: _____ (Note 2)

Witness' Signature: _____ (Note 3)

Name of the RSU Holder: _____

Witness' Name: _____

Date: _____

Witness' Identity Card Number: _____

Notes:

1. This Form of Acceptance is subject to the terms and conditions of the RSU Offer as set out in the RSU Offer Letter sent jointly from Credit Suisse and Anglo Chinese dated 30 August 2016 on behalf of the Offeror in relation to the RSU Offer. The RSU Offer is made in respect of all your RSUs that you hold as at the Record Time.
2. Please sign at the place indicated to signify your choice in respect of the RSU Offer and insert the date of signing. If you fail to sign and/or return this Form of Acceptance in accordance with the instructions set out in this Form of Acceptance, you will be treated as if you had returned a duly executed Form of Acceptance with the "Reject" box ticked in respect of all RSUs held by you as at the Record Time.
3. The witness must be physically present when you sign this Form of Acceptance. The witness should be an individual, but should not be a close relative of yours, a minor, a bankrupt or a person of unsound mind.
4. You are recommended to consult your professional advisers if you are in any doubt as to the taxation implications of the RSU Offer and, in particular, whether the receipt of the RSU Offer Price under the RSU Offer will make you liable to taxation in Hong Kong or in other jurisdictions. If you are not resident in Hong Kong, the acceptance of the RSU Offer or the receipt of the RSU Offer Price for acceptance of the RSU Offer may be subject to the laws of the relevant jurisdiction in which you are located. You should inform yourself about and observe any applicable legal and regulatory requirements. If you wish to accept the RSU Offer, it is your responsibility to satisfy yourself as to the full observance of the laws of your own jurisdiction in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.