

Amicrest Holdings Plc.

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12th October 2020

Dear Shareholders

Notice of EGM

On 21 September 2020 the Company received a shareholder requisition requiring the Company to convene an extraordinary general meeting to consider and vote on the resolutions contained in the formal Notice published on the Company's website and enclosed with the hard copy of this letter.

In accordance with Section 303 of the Companies Act 2006, the board has given special notice of an EGM to occur at **11:00 on 9 November 2020** for the Resolutions to be considered and voted on.

The formal notice can be viewed alongside this letter on the Company's website at www.amicrest.uk together with information on how to vote. You were directed to this in our letter dated 9 October 2020.

The position of the board

The board does not support the Resolutions and urges all shareholders to vote against them.

Resolutions 1 and 2, to remove Mr Lee and Mr Elliott, are proposed just months after the exact same resolutions were rejected by shareholders; and yet Messrs Lipien and Yorke-Starkey have mounted a vigorous campaign to gather sufficient support for another vote.

The board appreciates that those shareholders who did vote for the resolutions last time round are looking for the best exit possible from the Company. In response, we have openly stated that our priority is to return true value to shareholders through an orderly, voluntary liquidation. That is precisely what shareholders have called for.

Legal action against Messrs Lipien and Yorke Starkey

However, the Company has a significant asset in the claim against Messrs Lipien and Yorke-Starkey of the Company worth an estimated £7,000,000 ("**the Claim**").

High court proceedings were issued and posted to Messrs Lipien and Yorke-Starkey last week. They will be deemed served on 13 October 2020. A full copy can be viewed on the Company's website www.amicrest.uk.

We urge you to read through the court documents as this will give you an important insight into Messrs Lipien and Yorke Starkey's behaviour. You will appreciate that such a legal claim is very serious and not made lightly without advice from the Company's legal team, including Queen's

Counsel. This legal action also explains why Messrs Lipien and Yorke Starkey are so keen to have a new board in place – they hope to stop this legal action against them.

The current board wishes to pursue this claim to conclusion before the orderly voluntary liquidation of the Company takes place to maximise recovery. The Claim, if successful as pleaded *could* add a further £1.50 to the share price.

Mr Lee and Mr Elliott have the knowledge required to bring the Claim, whereas the proposed new directors do not. Of course, Messrs Lipien and Yorke-Starkey know this and this is why they have promoted these Resolutions at this time.

Messrs Lipien and Yorke-Starkey do not have shareholder interests at heart. Since their dismissal as directors, they owe no duty to the Company's shareholders whatsoever.

They have spread misinformation to you and other shareholders and attempted to disrupt the management of the Company through the 'Amiexit' website; all this solely for the protection of their personal interests.

Resolutions 3-6 seek to appoint various new directors who stand on a manifesto that they will commence the winding up of the Company immediately. This echoes the undeliverable promises of Messrs Lipien and Yorke-Starkey in their last attempt to remove Mr Lee and Mr Elliott and appoint a new board.

Like them, the proposed directors cannot deliver this promise because the Company is not insolvent and its largest shareholder, Longfield, will not agree to a voluntary liquidation until the Claim is concluded. The Claim relies on the knowledge and co-operation of Messrs Elliott and Lee.

A brief search on the candidates reveals that Mr Jay Naik is a lecturer and his brother Mr Panjak Naik is a pharmacist, Mr Olley is an accountant and Mr Dacey is a former airline pilot. None of the candidates actually has any experience of running a property development company; and still less a public limited company.

With a board that is introduced and influenced by Messrs Lipien and Yorke-Starkey, the Claim will be prejudiced or even jettisoned and a significant asset lost.

The incumbent directors, Mr Elliott and Mr Lee, have the experience and wherewithal to manage the business and the knowledge required to pursue the Claim. They have heard the wishes of the shareholders and propose to liquidate the company once the Claim is concluded.

The Company's management cannot just be handed over to a liquidator. To suggest otherwise is misleading.

Accounts

The Company is currently late in filing its most recent accounts. This is because the accounts of Hazelgrove Estates Limited, of which the Company owns 26.3% shares, and which is at the centre of the dispute with Messrs Lipien and Yorke-Starkey, are incorrect. Mr Lipien and Mr Yorke-Starkey are directors of Hazelgrove and control it.

The Company's auditors have contacted Hazelgrove to request that it addresses its inaccurate accounts but their request has been rejected. The auditors were met by strong and unevidenced accusations of impropriety on their part by Messrs Lipien and Yorke-Starkey.

Procedure for voting

Due the current pandemic, the Company must ensure that the EGM occurs in a safe manner in accordance with government guidelines on the assembly of people.

Paragraph 3 of Schedule 14 to the Corporate Insolvency and Governance Act 2020 confirms that at this time, shareholders have no right to attend the EGM in person or insist on voting by any particular method.

Having regard to these provisions and in the interest of safety, voting will take place by proxy. Only directors of the Company and those required to form a quorum will be admitted to the EGM. Shareholders who attend the EGM in person will not be admitted.

We enclose with the hard copy version of this letter a proxy voting form and instructions so that Shareholders may vote on the Resolutions, naming Mr Lee, the Company's chairman, as proxy. Please ensure that these forms are returned to Amicrest in accordance with the enclosed instructions by no later than 11:00 5th November 2020 so that the votes are counted. Any proxy form received by the Company after that date will not count.

Proxy forms returned to the Company other than those enclosed with this letter and in accordance with the enclosed instructions will not be accepted.

It is of utmost importance that the proxy voting system is secure and that shareholder votes are counted. That can only occur if proxy forms are submitted in strict accordance with the enclosed instructions which are also on the Website.

The Company's board recommends that shareholders vote against all of the proposed resolutions.

Yours faithfully,



Gerard Lee



Enrique Elliott

The Board