



YEO HIAP SENG LIMITED

(Incorporated in Singapore)
(Company Registration No. 195500138Z)

**WAIVER FROM REQUIREMENT TO COMPLY WITH RULE 1014(2) OF THE LISTING
MANUAL IN RELATION TO THE PROPOSED DISPOSAL OF SHARES IN
SUPER GROUP LTD.**

1. INTRODUCTION

The Board of Directors (the **"Board"**) of Yeo Hiap Seng Limited (the **"Company"**, and together with its subsidiaries, the **"YHS Group"**) refers to the announcement on 3 November 2016 (**"Chapter 10 Announcement"**) in relation to:

- (i) the pre-conditional voluntary conditional general offer (the **"Offer"**) by Sapphire Investments B.V. (the **"Offeror"**) to acquire all the issued ordinary shares (**"SGL Shares"**) of Super Group Ltd. (**"SGL"**), including any SGL Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror, in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers; and
- (ii) the deed of undertaking dated 2 November 2016 entered into by YHS Investment Pte. Ltd. (**"YHS Investment"**), a wholly-owned subsidiary of the Company, in favour of the Offeror (the **"Irrevocable Undertaking"**), pursuant to which YHS Investment has undertaken to, *inter alia*, accept, or procure the acceptance of, the Offer in respect of all the 130,211,296 SGL Shares held by YHS Investment (or its nominees) and representing approximately 11.69 per cent. of the total number of SGL Shares as at the date of the Irrevocable Undertaking (the **"Relevant SGL Shares"**).

All capitalised terms in this Announcement shall, unless otherwise defined herein, have the same meanings ascribed to them in the Chapter 10 Announcement.

2. MAJOR TRANSACTION

- 2.1** As set out in paragraph 9 of the Chapter 10 Announcement, the relative figure in relation to the proposed disposal of the Relevant SGL Shares pursuant to the Offer (the **"Proposed Disposal"**) computed on the basis set out in Rule 1006(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) (the **"Listing Manual"**) exceeds 20 per cent.

- 2.2 Accordingly, the Proposed Disposal constitutes a major transaction as defined in Chapter 10 of the Listing Manual and unless waived or exempted by the SGX-ST, the Proposed Disposal will be subject to the approval of shareholders of the Company (the “YHS Shareholders”) at an extraordinary general meeting (“EGM”) to be convened.

3. WAIVER FROM REQUIREMENT TO COMPLY WITH RULE 1014(2) OF THE LISTING MANUAL IN RELATION TO THE PROPOSED DISPOSAL

- 3.1 The Company made an application to the SGX-ST to seek a waiver of Rule 1014(2) of the Listing Manual which requires the prior approval of the YHS Shareholders for the Proposed Disposal (the “Waiver”), based on the grounds set out in paragraph 3.3 of this Announcement.

- 3.2 On 16 December 2016, the SGX-ST granted the Waiver, subject to the following conditions:

- (i) the Company announcing the Waiver granted, the reasons for seeking the Waiver and the conditions as required under Rule 107 of the Listing Manual; and
- (ii) submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the constitution of the Company.

- 3.3 The Company’s grounds for the application of the Waiver (the “Application”) are as follows:

- (i) the Company’s business is food and beverage. As at the date of the Application, YHS Investment has an interest in 130,211,296 SGL Shares, representing approximately 11.69 per cent.¹ of the total issued and paid-up share capital of SGL. The Company is unable to exert any significant influence over SGL. The Company does not see the Proposed Disposal as a material change in the nature of the Company’s business and is of the view that the Proposed Disposal will not result in any significant change in the YHS Group’s risk profile. After the Proposed Disposal, the Company will continue to be engaged in its existing food and beverage business. The relative figures for the net asset value test and the net profits test computed based on the bases of comparison under Rules 1006(a) and 1006(b) of the Listing Manual further confirm that the Relevant SGL Shares does not, in itself, constitute a core business or core asset of the YHS Group;
- (ii) the Offeror’s offer price of not less than S\$1.30 per SGL Share represents a significant premium of approximately:
 - (a) 34.0 per cent. over the last traded price per SGL Share as quoted on the SGX-ST on 31 October 2016, being the date on which the SGL Shares were last traded on the SGX-ST prior to the trading halt on the SGL Shares which was called on 31 October 2016, of S\$0.970;

¹ For the purposes of computing any percentage shareholdings referred to in this Announcement in respect of the SGL Shares, the total number of SGL Shares is 1,114,277,960 SGL Shares (excluding treasury shares) and is rounded to two decimal places.

- (b) 62.5 per cent. over the last traded price per SGL Share as quoted on the SGX-ST on 4 October 2016, being the last full day of trading of the SGL Shares prior to the date on which a query regarding trading activity was received on 5 October 2016 by the Company from the SGX-ST (the “**Undisturbed Share Price Date**”), of S\$0.800;
- (c) 60.5 per cent. over the volume weighted average price (“**VWAP**”) ² of the SGL Shares for the one-month period up to and including the Undisturbed Share Price Date of S\$0.810;
- (d) 62.6 per cent. over the VWAP of the SGL Shares for the three-month period up to and including the Undisturbed Share Price Date of S\$0.800; and
- (e) 55.7 per cent. over the VWAP of the SGL Shares for the six-month period up to and including the Undisturbed Share Price Date of S\$0.835.

The Company believes that the Proposed Disposal presents a good opportunity for the Company to (I) realise the value of its stake in SGL at a significant premium to its investment cost, during challenging market conditions and (II) free up cash.

Based on the YHS Group’s unaudited consolidated financial statements for the third quarter ended 30 September 2016, the YHS Group expects to realise a gain of approximately S\$138,350,000 in respect of the Proposed Disposal. The proceeds from the Proposed Disposal are intended to be used as general working capital of the YHS Group. This would further strengthen the YHS Group’s balance sheet, enhance the YHS Group’s financial flexibility and facilitate any plans by the YHS Group to enhance shareholder value; and

- (iii) as at the date of the Application, Far East Organisation Pte. Ltd. and its related corporations, Far East Spring Pte. Ltd. and Transurban Properties Pte. Ltd. (collectively, the “**FEO Entities**”) have an aggregate interest in approximately 74.468% of the total issued share capital of the Company. The FEO Entities do not have any direct or indirect interest in the Proposed Disposal, except in their capacity as shareholders of the Company. Each of the FEO Entities has given an irrevocable undertaking to the Company that it will, *inter alia*, vote all of its shares in the issued share capital of the Company in favour of the Proposed Disposal at the extraordinary general meeting of the Company to be convened, if required.

² Calculation of VWAP does not include married trade transactions within the relevant periods.

4. WAIVER FROM CONVENING EGM

As the SGX-ST has granted the Waiver, the Company will not be convening an EGM to seek the YHS Shareholders' approval for the Proposed Disposal and accordingly, will not be dispatching a circular to the YHS Shareholders in relation thereto.

By Order of the Board
Joanne Lim Swee Lee
Sau Ean Nee
Company Secretaries

17 December 2016