CHINA MINZHONG FOOD CORPORATION LIMITED
(Company Registration No. 200402715N)
(Incorporated in the Republic of Singapore)
(the "**Company**")

ENTRY INTO MEMORANDUM OF UNDERSTANDING BETWEEN CHINA MINZHONG HOLDINGS LIMITED AND PT INDOFOOD SUKSES MAKMUR TBK

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1. INTRODUCTION

The Board of Directors (the "**Board**") of the Company refers to:

(a) the announcement issued by the Company on 31 December 2014 in relation to the notification from China Minzhong Holdings Limited ("**CMZ BVI**") regarding the proposed acquisition by CMZ BVI of 347,000,000 issued ordinary shares (representing approximately 52.94% of the total number of issued shares of the Company ("**Shares**") as at the date of the MOU) from PT Indofood Sukses Makmur Tbk., ("**PT Indofood**") at S$1.20 per Share ("**Proposed Acquisition**"), subject to, *inter alia*, (i) the finalisation of funding arrangements for the Proposed Acquisition as well as for the mandatory general offer to be made by or on behalf of CMZ BVI for all the Shares (other than those held by CMZ BVI and parties acting in concert with it) (the "**Offer**") and (ii) the execution of a definitive agreement between CMZ BVI and PT Indofood with regard to the Proposed Acquisition; and

(b) the update announcements on 30 January 2015, 27 February 2015, 31 March 2015, 30 April 2015, 29 May 2015, 30June 2015, 31 July 2015, 31 August 2015 and 1 October 2015.

2. ENTRY INTO MOU

The Board has been informed by CMZ BVI that while CMZ BVI has made progress in its discussion with potential financiers on the funding arrangement for the Proposed Acquisition and the Offer (the "**Funding Arrangement**"), it has yet to finalise the terms of such Funding Arrangements (including the completion of detailed due diligence on the Company by such potential financiers). In connection therewith, CMZ BVI and PT Indofood (the "**Parties**") have entered into a binding memorandum of understanding ("**MOU**") dated 14 October 2015 which sets out the terms upon which the Parties will continue to discuss and work towards the finalisation of a definitive sale and purchase agreement for the Proposed Acquisition.

3. PRINCIPAL TERMS OF THE MOU

3.1 Proposed Acquisition

(a) upon the signing of the MOU, the Parties shall discuss in good faith the Proposed Acquisition with a view to executing a definitive sale and purchase agreement ("**SPA**") within 12 months from the date of the MOU (or such longer period as may be agreed by the Parties) (the "**Expiry Date**"); and

(b) the Proposed Acquisition shall be subject to the fulfillment of *inter alia* the following conditions precedent:

(i) the finalisation of the Funding Arrangement on terms satisfactory to CMZ BVI at its sole and absolute discretion, including the completion of the detailed due diligence on the Company to the satisfaction of the potential financiers;

(ii) the execution of the SPA between CMZ BVI and PT Indofood;

(iii) PT Indofood's written undertaking not to (i) tender its remaining 196,252,517 Shares ("**Remaining Stake**") in acceptance of the Offer; and (ii) transfer or dispose of the Remaining Stake until after the final closing and completion of the Offer;

(iv) the execution of irrevocable written undertakings by the existing management of the Company (including the Chief Executive Officer and Chief Financial Officer of the Company) not to (i) tender their respective Shares in acceptance of the Offer; and (ii) transfer or dispose of their respective Shares until after the final closing and completion of the Offer;

(v) all necessary approvals, consents and permits from applicable governmental and regulatory authorities required (if any) for CMZ BVI, PT Indofood and/or the Company (including the Singapore Exchange Securities Trading Limited and Securities Industry Council) to complete the Proposed Acquisition being obtained; and

(vi) no governmental authority or court of competent jurisdiction having enacted, issued, promulgated, enforced or entered any law, rule, regulation, judgment, decree, executive order or award having the effect of making the Proposed Acquisition illegal or otherwise prohibiting consummation thereof.

3.2 Earnest Sum

In consideration of PT Indofood entering into the MOU, CMZ BVI has agreed to pay PT Indofood certain earnest sums amounting to S$40,000,000 no later than 30 December 2015, which amount shall be treated as part of the consideration payable to PT Indofood for the Proposed Acquisition upon the consummation of the transaction.

If however, CMZ BVI fails to pay such earnest sums on the due date or the Parties fail to sign the SPA by the Expiry Date, the MOU shall be terminated and PT Indofood shall be entitled to forfeit the earnest sums paid by CMZ BVI, and CMZ BVI shall have no right or claim against PT Indofood for costs, expenses, damages, losses, compensation or otherwise.

4. TRADE WITH CAUTION

Shareholders of the Company ("**Shareholders**") should note that there is no assurance that the SPA will be executed between CMZ BVI and PT Indofood or that the Offer will materialise. There is also no assurance that the Funding Arrangements contemplated will materialise. In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests, and to exercise caution when dealing in the Shares. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company (including any director who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading.

BY ORDER OF THE BOARD

Lin Guo Rong
Executive Chairman and Chief Executive Officer
14 October 2015