

VOLUNTARY CONDITIONAL OFFER

by

CIMB BANK BERHAD (13491-P)

Singapore Branch
(Incorporated in Malaysia)

for and on behalf of

MARVELLOUS GLORY HOLDINGS LIMITED

(Company Registration No. 1919546)
(Incorporated in the British Virgin Islands)

to acquire all the issued and paid-up ordinary shares in the capital of

CHINA MINZHONG FOOD CORPORATION LIMITED

(Company Registration No. 200402715N)
(Incorporated in the Republic of Singapore)

other than those already held by Marvellous Glory Holdings Limited as at the date of the Offer

OFFER ANNOUNCEMENT

1. INTRODUCTION

- 1.1 **The Pre-Conditional Offer.** CIMB Bank Berhad, Singapore Branch ("**CIMB**"), for and on behalf of Marvellous Glory Holdings Limited (the "**Offeror**"), refers to the announcement (the "**Pre-Conditional Offer Announcement**") dated 6 September 2016 (the "**Pre-Conditional Offer Announcement Date**") by CIMB, for and on behalf of the Offeror. The Pre-Conditional Offer Announcement stated, *inter alia*, that subject to and contingent upon the satisfaction of the Pre-Conditions (as defined in the Pre-Conditional Offer Announcement), the Offeror intends to make a voluntary conditional offer (the "**Offer**") to acquire all the issued and paid-up ordinary shares (the "**Shares**") in the capital of China Minzhong Food Corporation Limited (the "**Company**") other than those already held by the Offeror as at the date of the Offer in accordance with Rule 15 of The Singapore Code on Take-overs and Mergers (the "**Code**").

As at the date of this Announcement, the Offeror is owned by Prosperous Investment Holdings Limited ("**Prosperous Investment**") and China Minzhong Holdings Limited ("**CMZ BVI**") in the shareholding proportion set out in Section 3.1 below.

A copy of the Pre-Conditional Offer Announcement is available on the website of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") at www.sgx.com.

- 1.2 **Background.** On 14 October 2015, the Company announced that CMZ BVI and PT Indofood Sukses Makmur Tbk ("**ISM**") had entered into a binding memorandum of understanding dated

14 October 2015 (the “**MOU**”) in relation to the proposed acquisition by CMZ BVI of 347,000,000 Shares, representing approximately 52.94% of the total number of issued Shares, from ISM at S\$1.20 per Share (the “**Proposed Acquisition**”). The MOU sets out the terms upon which the parties would discuss and work towards the finalisation of a definitive sale and purchase agreement for the Proposed Acquisition (“**SPA**”).

At the time of the entry into the MOU, CMZ BVI was beneficially owned and controlled by Mr Lin Guo Rong, the Chief Executive Officer (“**CEO**”) of the Company.

ISM, a company listed on the Indonesia Stock Exchange, is the single largest shareholder of the Company, holding in aggregate 543,252,517 Shares, representing approximately 82.88% of the total number of issued Shares¹. The ultimate parent entity of ISM is First Pacific Company Limited (“**FPC**”), which is listed on the Stock Exchange of Hong Kong Limited. FPC holds a 50.07% shareholding interest in ISM (through an indirect subsidiary of FPC). Mr Anthoni Salim has an aggregate direct and indirect interest of approximately 45.00% in the issued share capital of FPC and a direct interest of approximately 0.02% in the issued share capital of ISM.

Under the MOU, it was contemplated that ISM would retain approximately 29.94% of the total number of issued Shares following the Proposed Acquisition.

1.3 **Implementation Agreement.** Further to the MOU, the Offeror, ISM and CMZ BVI have, on the date of the Pre-Conditional Offer Announcement, entered into an implementation agreement (the “**Implementation Agreement**”) whereby the parties have agreed that, amongst others:

- (a) Prosperous Investment (a company which is indirectly wholly-owned by Mr Anthoni Salim) and CMZ BVI will announce and make the Offer through the Offeror on the terms and conditions set out in the Implementation Agreement;
- (b) accordingly, CMZ BVI and ISM will not enter into the SPA and CMZ BVI will not make the mandatory general offer for the remaining Shares consequent to the Proposed Acquisition as originally structured under the MOU; and
- (c) ISM and CMZ BVI will, and CMZ BVI will procure that certain key management executives of the Company, namely, Mr Lin Guo Rong (the CEO of the Company), Mr Siek Wei Ting (the Chief Financial Officer of the Company), Mr Wang Da Zhang (the Chief Operating Officer of the Company) and Mr Huang Bing Hui (the Chief Technology Officer of the Company) (collectively, the “**CMZ Management**”) will, give irrevocable undertakings to the Offeror to accept the Offer in respect of all their Shares, amounting to an aggregate of 575,436,117 Shares (representing approximately 87.79% of the total number of issued Shares), as described in Section 4.1 below.

¹ Unless otherwise stated, references in this Announcement to the total number of issued Shares are based on 655,439,000 Shares (based on a search conducted at the Accounting and Regulatory Authority of Singapore) on 21 October 2016. As at the date of this Announcement, the Company does not hold any Shares in treasury.

1.4 The Pre-Conditions.

- (a) As announced by CIMB for and on behalf of the Offeror on 19 October 2016, at a special general meeting of FPC held on 19 October 2016, the independent shareholders of FPC have approved, *inter alia*, the Implementation Agreement and the transactions contemplated thereunder, including the disposal by ISM of all of its 543,252,517 Shares (representing approximately 82.88% of the total number of issued Shares) by way of acceptance of the Offer pursuant to its Irrevocable Undertaking (as defined below).
- (b) At an extraordinary general meeting of ISM held on 21 October 2016, the independent shareholders of ISM have approved, *inter alia*, the disposal by ISM of all of its 543,252,517 Shares (representing approximately 82.88% of the total number of issued Shares) by way of acceptance of the Offer pursuant to its Irrevocable Undertaking.

Accordingly, the Pre-Conditions have been satisfied and CIMB hereby announces, for and on behalf of the Offeror, the Offeror's firm intention to make the Offer.

2. THE OFFER

Principal Terms of the Offer. Subject to the terms and conditions of the Offer to be set out in the formal offer document to be issued by CIMB for and on behalf of the Offeror (the "**Offer Document**"), the Offeror will make the Offer in accordance with Rule 15 of the Code on the following basis:

- (a) **Offer Shares.** The Offer will be extended to all the Shares other than those already held by the Offeror as at the date of the Offer (the "**Offer Shares**").

For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror (including, for the avoidance of doubt, ISM, CMZ BVI and the CMZ Management). For the purpose of the Offer, the expression "**Offer Shares**" shall include such Shares.

Shareholders may choose to accept the Offer in respect of all or part of their holdings of Offer Shares.

- (b) **Offer Consideration.** The consideration for each Offer Share will be S\$1.20 (the "**Offer Consideration**") to be satisfied as follows:

EITHER

- **S\$1.20 in cash (the "Cash Consideration");**

OR

- **S\$0.7665 in cash and S\$0.4335 in principal amount of Zero Coupon Mandatorily Exchangeable Bonds to be issued by the Offeror (the**

“Exchangeable Bonds”) (the “Cash and Exchangeable Bonds Consideration”).

The cash amount to be paid and the principal amount of Exchangeable Bonds to be issued to a shareholder of the Company (a **“Shareholder”**) who elects to receive the Cash and Exchangeable Bonds Consideration will be rounded down to the nearest S\$0.01 in each case.

For each acceptance of the Offer, Shareholders may accept the Offer on the basis of either (a) the Cash Consideration, or (b) the Cash and Exchangeable Bonds Consideration, but not a combination thereof. A Shareholder who fails to specify and elect the form of Offer Consideration in the manner described above shall be deemed to have elected to receive the Cash Consideration in respect of all of his Shares tendered in acceptance of the Offer.

- (c) **Cash and Exchangeable Bonds Consideration.** The Cash and Exchangeable Bonds Consideration comprises (i) approximately 63.9% of the Offer Consideration in the form of cash and (ii) approximately 36.1% of the Offer Consideration in the form of the Exchangeable Bonds.

The Exchangeable Bonds will be exchangeable into Shares at the Exchange Price of S\$1.20 per Share (which is equivalent to the Offer Consideration) (rounded down to the nearest Share) during the Exchange Period as specified in the terms and conditions of the Exchangeable Bonds. Further, the Exchangeable Bonds will be mandatorily exchanged into Shares at the Exchange Price at the expiry of the Exchange Period. A summary of the principal terms and conditions of the Exchangeable Bonds is set out in Appendix A to this Announcement.

In the event that the Offeror becomes entitled to exercise its right of compulsory acquisition pursuant to Section 215(1) of the Companies Act (Chapter 50) of Singapore (the “Companies Act”), it is the intention of the Offeror to exercise such right and proceed to privatise and delist the Company from the SGX-ST. Accordingly, a Shareholder who accepts the Offer on the basis of the Cash and Exchangeable Bonds Consideration may, subject to the delisting of the Company from the SGX-ST and upon exchange of the Exchangeable Bonds, retain and hold unlisted Shares of the Company (as an unlisted company) representing approximately 36.1% of the Offer Shares tendered by him in acceptance of the Offer.

For illustrative purposes only, assuming a Shareholder holds 1,000 Offer Shares, he may accept the Offer in full and elect to receive either:

- (i) the Cash Consideration, whereby he will receive an aggregate of S\$1,200.00 in cash for all of his Offer Shares; or
- (ii) the Cash and Exchangeable Bonds Consideration, whereby he will receive S\$766.50 in cash and S\$433.50 in principal amount of Exchangeable Bonds. Subject to the terms and conditions of the Exchangeable Bonds, such Exchangeable Bonds will be exchangeable into 361 Shares (rounded down to

the nearest Share), which represents approximately 36.1% of the Offer Shares tendered by such Shareholder in acceptance of the Offer.

- (d) **No Encumbrances.** The Offer Shares are to be acquired (i) fully paid, (ii) free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the date of this Announcement, and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions declared, paid or made by the Company (collectively, the “**Distributions**”) (if any), the Distribution Record Date for which falls on or after the date of this Announcement. For the purpose of this Announcement, “**Distribution Record Date**” means, in relation to any Distributions, the date on which Shareholders must be registered with the Company or with The Central Depository (Pte) Limited (“**CDP**”), as the case may be, in order to participate in such Distributions.
- (e) **Adjustments for Distributions.** Without prejudice to the generality of the foregoing, the Offer Consideration has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions, the Distribution Record Date for which falls on or after the date of this Announcement. **In the event of any such Distribution, the Offer Consideration payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution (the “Adjustment”) as follows,** depending on when the settlement date in respect of the Offer Shares tendered in acceptance by Shareholders pursuant to the Offer (the “**Offer Settlement Date**”) falls:
- (i) if the Offer Settlement Date falls on or before the Distribution Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Consideration of S\$1.20 for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and
 - (ii) if the Offer Settlement Date falls after the Distribution Record Date, the Offer Consideration payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.
- In effecting any such Adjustment, the Offeror shall endeavour, as far as practicable, to effect the Adjustment such that the ratio of cash to Exchangeable Bonds offered under the Cash and Exchangeable Bonds Consideration before the Adjustment is maintained.
- (f) **Minimum Acceptance Condition.** The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares (excluding any Shares held in treasury) as at the close of the Offer (the “**Minimum Acceptance Condition**”).

Save for the Minimum Acceptance Condition, the Offer will be unconditional in all other respects.

Upon receipt by the Offeror of the acceptance from ISM in respect of all its Offer Shares pursuant to the terms of its Irrevocable Undertaking (as defined below), the Minimum Acceptance Condition will be fulfilled and the Offer will then become unconditional in all respects.

(g) **Further Details.** Further details of the Offer will be set out in the Offer Document.

3. INFORMATION ON THE OFFEROR

3.1 **Offeror.** The Offeror is a special purpose vehicle incorporated in the British Virgin Islands on 26 July 2016 for the purpose of undertaking the Offer. Its principal activities are those of an investment holding company. The Offeror has not carried on any business since its incorporation, except for matters in connection with the making of the Offer.

As at the date of this Announcement, the Offeror has an issued and paid-up share capital of US\$10,000 comprising 10,000 issued ordinary shares, of which 9,299 shares are held by Prosperous Investment and 701 shares are held by CMZ BVI, representing approximately 92.99% and 7.01% of the total number of issued shares in the Offeror, respectively. Prosperous Investment is a company which is ultimately wholly-owned by Mr Anthoni Salim through Great Resources Holdings Limited ("**Great Resources**") and Pure Gold Investment Holdings Limited ("**Pure Gold Investment**"). As at the date of this Announcement, the entire issued share capital of CMZ BVI is held by Mr Siek Wei Ting on trust for Mr Lin Guo Rong. On or prior to the posting of the Offer Document, CMZ BVI will be beneficially-owned by Mr Lin Guo Rong as to 57.44%², Mr Siek Wei Ting as to 24.54%, Mr Wang Da Zhang as to 8.09%² and Mr Huang Bing Hui as to 9.93%².

As at the date of this Announcement, the directors of the Offeror are Mr Tan Hang Huat, Mr Teng Eng Tien Moses, Mr Lin Guo Rong and Mr Siek Wei Ting.

3.2 **Shareholders' Agreement.** In connection with the Offer, the Offeror, Prosperous Investment and CMZ BVI have on 6 September 2016 entered into a preliminary agreement in relation to the establishment of the Offeror and the making of the Offer. The Offeror, Prosperous Investment and CMZ BVI intend to finalise and enter into a shareholders' agreement (the "**Shareholders' Agreement**") in relation to, *inter alia*, the regulation of the relationship of Prosperous Investment and CMZ BVI *inter se* as shareholders of the Offeror and the affairs of the Offeror and the Company.

4. IRREVOCABLE UNDERTAKINGS AND EARNEST SUM

4.1 **Irrevocable Undertakings.** On the date of the Pre-Conditional Offer Announcement, ISM, CMZ BVI and the members of the CMZ Management (collectively, the "**Undertaking Shareholders**") have each given irrevocable undertakings to the Offeror (the "**Irrevocable Undertakings**"), whereby each of the Undertaking Shareholders has undertaken, *inter alia*:

² On or prior to the posting of the Offer Document, 75.47% of the shares in CMZ BVI will be held by Mr Siek Wei Ting on trust for Mr Lin Guo Rong, Mr Wang Da Zhang and Mr Huang Bing Hui.

- (a) subject to the satisfaction of the Pre-Conditions, to accept the Offer in respect of all the Shares owned by each of them respectively prior to and up to the close of the Offer; and
- (b) not to, directly or indirectly, (i) offer, (ii) sell, transfer, give or otherwise dispose of, (iii) grant any option, right or warrant to purchase in respect of, (iv) charge, mortgage, pledge or otherwise create an encumbrance over, or (v) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of, all or any of the Shares owned by them or any interest therein until the close of the Offer.

The Undertaking Shareholders have undertaken to accept the Offer in respect of an aggregate of 575,436,117 Shares (representing approximately 87.79% of the total number of issued Shares). Details of the Offer Shares held by the Undertaking Shareholders are set out in Appendix B to this Announcement.

ISM has agreed in its Irrevocable Undertaking, *inter alia*, to elect for the Cash and Exchangeable Bonds Consideration in respect of all its 543,252,517 Offer Shares to be tendered by ISM in acceptance of the Offer (the “**ISM Acceptance**”) and as such, ISM will, upon the Offer becoming unconditional, receive:

- (i) cash of S\$416,403,054.28; and
- (ii) S\$235,499,966.11 in principal amount of Exchangeable Bonds (the “**ISM Bond Amount**”). Such Exchangeable Bonds will be exchangeable at the Exchange Price into 196,249,971 Shares (representing approximately 29.94% of the total number of issued Shares) following the close of the Offer.

In addition, CMZ BVI and the members of the CMZ Management have agreed in their respective Irrevocable Undertakings, *inter alia*, that the consideration for the aggregate of 32,183,600 Offer Shares to be tendered by CMZ BVI and the members of the CMZ Management in acceptance of the Offer shall be satisfied in full by the issue of interest-free promissory notes by the Offeror to CMZ BVI (the “**CMZ Management Promissory Notes**”) with an aggregate principal amount of S\$38,620,320 (the “**CMZ Management Promissory Notes Amount**”).

The CMZ Management Promissory Notes shall not be repayable by the Offeror until after the expiry of 18 months from the date of issue and provided that the Offeror has sufficient funds to repay the amount of principal outstanding under the CMZ Management Promissory Notes.

As none of the Undertaking Shareholders is a related corporation or nominee of the Offeror under the Companies Act, the 575,436,117 Shares (representing approximately 87.79% of the total number of issued Shares) to be tendered by the Undertaking Shareholders in acceptance of the Offer will be included and count towards the 90% threshold for compulsory acquisition under Section 215(1) of the Companies Act.

The ISM Acceptance and its election for the Cash and Exchangeable Bonds Consideration would therefore enable ISM’s Shares to be counted towards the 90% threshold for compulsory acquisition under Section 215(1) of the Companies Act whilst enabling ISM to

retain a 29.94% shareholding interest in CMZ upon the exchange of its Exchangeable Bonds as per ISM's original intention under the MOU.

The Irrevocable Undertakings shall lapse if the Offer lapses or is withdrawn, or fails to become or be declared unconditional by 31 March 2017 (or such later date as may be agreed in writing by the respective parties) for any reason other than a breach of the Undertaking Shareholders' obligations under their respective Irrevocable Undertakings.

- 4.2 **Earnest Sum.** In consideration of ISM entering into the MOU, CMZ BVI paid an earnest sum of S\$40,000,000 (the "**Earnest Sum**") to ISM on 30 December 2015, which sum is to be treated as part of the consideration payable to ISM for the Proposed Acquisition upon consummation of the Proposed Acquisition. The MOU provided that if the parties to the MOU fail to sign the SPA by 14 October 2016, the MOU shall be terminated and ISM shall be entitled to forfeit the Earnest Sum paid by CMZ BVI.

Pursuant to the Implementation Agreement, the Offeror, CMZ BVI and ISM have agreed that the Earnest Sum shall be applied as follows:

- (a) in the event the Offer becomes or is declared unconditional as to acceptances in accordance with its terms:
 - (i) CMZ BVI shall transfer absolutely to the Offeror all of CMZ BVI's rights, title, interest, benefits in and to the Earnest Sum (including the Accrued Interest (as defined below)), and in consideration of such transfer, the Offeror shall (on the date of settlement of the ISM Acceptance) issue to CMZ BVI an interest-free promissory note with a principal amount of S\$40,000,000 (the "**Earnest Sum Promissory Note**"). The Earnest Sum Promissory Note shall not be repayable by the Offeror until after the expiry of 18 months from the date of issue and provided that the Offeror has sufficient funds to repay the amount of principal outstanding under the Earnest Sum Promissory Note; and
 - (ii) pursuant to the foregoing, the Earnest Sum, including the interest accrued on the Earnest Sum from 30 December 2015 to the date of settlement of the ISM Acceptance (the "**Accrued Interest**"), shall be treated as part of the cash consideration payable by the Offeror to ISM for the ISM Acceptance, and the Offeror shall be entitled to deduct such amount from the cash consideration due to ISM for the ISM Acceptance; and
- (b) in the event the Offer lapses or is withdrawn or fails to become or be declared unconditional as to acceptances by 31 March 2017 or such later date as may be agreed in writing by the parties (other than by reason of ISM breaching its obligations under its Irrevocable Undertaking), ISM shall be entitled to forfeit the Earnest Sum, including the Accrued Interest, and CMZ BVI shall have no right or claim against ISM or the Offeror for the Earnest Sum, including the Accrued Interest, or any costs, expenses, damages, losses or otherwise.

The Securities Industry Council has confirmed that the arrangements under the Shareholders' Agreement, the Irrevocable Undertakings and the Implementation Agreement do not constitute special deals for the purpose of Rule 10 of the Code.

5. INFORMATION ON THE COMPANY

The Company is a company incorporated in Singapore on 9 March 2004 and was listed on the Main Board of the SGX-ST on 15 April 2010.

According to the Company's annual report for the financial year ended 30 June 2015, the Company is engaged in the cultivation, production and sale of processed vegetables, fruit and vegetable beverages. The Company has an extensive processing platform that encompasses processing methods such as air-drying, freeze-drying, fresh-packing and brining, which allows the Company and its subsidiaries (the "**CMZ Group**") to offer various types of processed vegetables to its customers in the People's Republic of China and globally.

As at the date of this Announcement, the Company has an issued and paid-up share capital of approximately S\$296.1 million comprising 655,439,000 issued Shares, and the Company does not hold any Shares in treasury.

As at the date of this Announcement, the directors of the Company are Mr Lin Guo Rong (Executive Chairman), Mr Siek Wei Ting (Executive Director), Mr Hendra Widjaja (Non-Executive Director), Mr Kasim Rusmin (Alternate Director to Mr Hendra Widjaja), Mr Goh Kian Chee (Independent Director), Mr Lim Yeow Hua (Independent Director) and Mr Lim Gee Kiat (Independent Director).

6. RATIONALE FOR THE OFFER

6.1 Intention to Delist and Privatisise the Company. The Offeror is making the Offer with a view to delisting and privatising the Company. The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in the implementation of any strategic initiatives and/or operational changes of the CMZ Group as well as dispense with compliance costs associated with maintenance of a listed status.

6.2 Opportunity for Shareholders to realise their investment in the Shares at a premium. The Offer Consideration represents a premium of approximately 23.1% and 25.9% over the volume-weighted average price ("**VWAP**")³ per Share for the three (3)-month and six (6)-month periods up to and including 30 August 2016, being the last full day of trading of the Shares prior to the date of the Pre-Conditional Offer Announcement (the "**Unaffected Date**"). The Offer Consideration also represents a premium of 25.0% over the last transacted price per Share on the Unaffected Date.

The Offer Consideration represents (i) a premium of approximately 4.2% over the VWAP per Share for the period between the Unaffected Date and 20 October 2016 being the last full day of trading of the Shares prior to the release of this Announcement and (ii) a premium of approximately 1.3% over the closing price of the Shares on 20 October 2016.

The Cash Consideration under the Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

³ Calculation of VWAP does not include married trade transactions within the relevant periods.

- 6.3 **Low Trading Liquidity.** The trading volume of the Shares has been low, with an average daily trading volume⁴ of approximately 54,202 Shares, 125,536 Shares and 92,143 Shares during the three (3)-month period, six (6)-month period and 12-month period up to and including the Unaffected Date. These represent only 0.008%, 0.019% and 0.014% of the total number of issued Shares for the aforementioned relevant periods, respectively.

The Offer therefore provides Shareholders with an opportunity to realise their entire investment in the Shares at a premium over the prevailing market prices which may not otherwise be readily available to Shareholders given the low trading liquidity of the Shares.

7. COMPULSORY ACQUISITION AND LISTING STATUS

- 7.1 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of 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 in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) at a price equal to the Offer Consideration.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from SGX-ST.

As none of the Undertaking Shareholders is a related corporation or nominee of the Offeror under the Companies Act, the 575,436,117 Shares (representing approximately 87.79% of the total number of issued Shares) to be tendered by the Undertaking Shareholders in acceptance of the Offer will be included and count towards the 90% threshold for compulsory acquisition under Section 215(1) of the Companies Act.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Consideration in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

- 7.2 **Listing Status and Compulsory Acquisition.** Pursuant to Rule 1105 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding

⁴ Calculated by using the total volume of Shares traded divided by the number of market days with respect to the three (3)-month period, six (6)-month period and twelve (12)-month period up to and including the Unaffected Date. Calculation of average daily trading volume does not include married trade transactions within the relevant periods.

any Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of Shares held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.

8. DISCLOSURES OF SHAREHOLDINGS AND DEALINGS

8.1 Shareholdings and Dealings in Shares. Appendix B to this Announcement sets out, based on responses received pursuant to enquiries that the Offeror has made, (a) the number of Company Securities (as defined in Section 8.2 of this Announcement) owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror as at the date of this Announcement and (b) the dealings in the Company Securities by the Offeror and the parties acting in concert with the Offeror during the three (3)-month period immediately preceding the date of the Pre-Conditional Offer Announcement (being 6 September 2016) and up to the date of this Announcement (the “**Reference Period**”).

8.2 No Other Holdings and Dealings in Shares. Save as disclosed in this Announcement, as at the date of this Announcement and based on responses received pursuant to enquiries that the Offeror has made, none of the Offeror and the parties acting in concert with the Offeror:

- (a) owns, controls or has agreed to acquire any (i) Shares, (ii) securities which carry voting rights in the Company, or (iii) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, the “**Company Securities**”); and
- (b) has dealt for value in any Company Securities during the Reference Period.

8.3 Shareholdings and Dealings in Shares in the Offeror. Save as disclosed in this Announcement, as at the date of this Announcement and based on responses received pursuant to enquiries that the Offeror has made, none of the Offeror and the parties acting in concert with the Offeror owns, controls or has agreed to acquire (a) any shares in the Offeror (the “**Offeror Shares**”), (b) convertible securities, warrants, options or derivatives in respect of Offeror Shares or securities which carry voting rights in the Offeror.

8.4 **Other Arrangements.** Save as disclosed in this Announcement, as at the date of this Announcement and based on responses received pursuant to enquiries that the Offeror has made, none of the Offeror and parties acting in concert with the Offeror has:

- (a) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (b) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (c) lent any Company Securities to another person.

8.5 **Irrevocable Undertakings.** Save as disclosed in this Announcement, none of the Offeror and the parties acting in concert with the Offeror has received any irrevocable undertaking from any party to accept or reject the Offer as at the date of this Announcement.

8.6 **Disclosure of Dealings in Securities.** In accordance with the Code, the associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company under Rule 12 of the Code.

9. CONFIRMATION OF FINANCIAL RESOURCES

CIMB, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares (excluding (a) the ISM Bond Amount, (b) the CMZ Management Promissory Notes Amount, and (c) the Earnest Sum (including the Accrued Interest)).

10. OFFER DOCUMENT

The Offer Document setting out the terms and conditions of the Offer and enclosing the relevant form(s) of acceptance of the Offer will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of this Announcement. The Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document. **Shareholders are advised to exercise caution when dealing in the Shares.**

11. OVERSEAS SHAREHOLDERS

11.1 **Overseas Shareholders.** This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **For the avoidance of doubt, the Offer will be open to all Shareholders holding Offer Shares, including those to whom the Offer Document and the relevant form(s) of acceptance may not be sent.**

The release, publication or distribution of this Announcement in certain jurisdictions may be

restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or in the records of The Central Depository (Pte) Limited (as the case may be) (each, an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.

- 11.2 **Copies of the Offer Document.** Where there are potential restrictions on sending the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document to any overseas jurisdictions, the Offeror and CIMB each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of the Offer Document and the relevant form(s) of acceptance from the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Company's share registrar at the above-stated address to request for the Offer Document and the relevant form(s) of acceptance to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) market days prior to the close of the Offer.

12. **RESPONSIBILITY STATEMENT**

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, information relating to the CMZ Group), the

sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by

CIMB Bank Berhad, Singapore Branch

For and on behalf of

MARVELLOUS GLORY HOLDINGS LIMITED

21 October 2016

Any inquiries relating to this Announcement or the Offer should be directed during office hours to the following:

CIMB Bank Berhad, Singapore Branch

Investment Banking

Tel: (65) 6210 8956

Mr Mah Kah Loon

Head, Investment Banking

Mr Jason Chian

Managing Director, Investment Banking

IMPORTANT NOTICE

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror or CIMB undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

APPENDIX A

SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE EXCHANGEABLE BONDS

Issuer	Marvellous Glory Holdings Limited
The Exchangeable Bonds	Up to S\$270,181,215.89 Zero Coupon Mandatorily Exchangeable Bonds exchangeable into Shares.
Issue Size	Assuming all Shareholders (including ISM but excluding the CMZ Management and CMZ BVI) elect to receive the Cash and Exchangeable Bonds Consideration in respect of all their Offer Shares tendered in acceptance of the Offer, the Offeror will issue S\$270,181,215.89 in principal amount of Exchangeable Bonds, which will be exchangeable into 225,151,012 Shares representing approximately 34.4% of the total number of issued Shares as at the date of this Announcement.
Issue Price	100% of the principal amount of the Exchangeable Bonds.
Status of the Exchangeable Bonds	The Exchangeable Bonds will constitute direct and unsecured obligations of the Offeror and will rank <i>pari passu</i> and rateably without any preference or priority among themselves, and (subject to obligations preferred by mandatory provisions of law) will rank at least equally with all other outstanding unsecured and unsubordinated obligations of the Offeror.
Form and Denomination	The Exchangeable Bonds will be issued in registered form, in the denomination of S\$0.01 each or integral multiples thereof.
Transferability	The Exchangeable Bonds are not transferable by the holders thereof.
Interest	The Exchangeable Bonds are zero coupon bonds and will not bear any interest.
Exchange Rights	Each holder of the Exchangeable Bond has the right to exchange his Exchangeable Bonds (the "Exchange Right") for Shares (the "Exchange Shares") at any time during the Exchange Period (as defined below). The number of Exchange Shares to be delivered on exchange of an Exchangeable Bond will be determined by dividing the principal amount of the Exchangeable Bond to be exchanged by the Exchange Price (as set out below). Exchange Rights may be exercised in respect of the whole of the principal amount of an Exchangeable Bond only. Fractions of Exchange Shares will not be delivered upon exchange of any Exchangeable Bond and no cash adjustments will be made in respect thereof.
Exchange Period	Period commencing two (2) months from the date of the close of the Offer (the " Commencement Date ") and ending two (2) months after the Commencement Date (or such later date as the Offeror may determine).
Exchange Price	S\$1.20 per Exchange Share (which is equivalent to the Offer Consideration).
Mandatory Exchange	Unless previously redeemed, exchanged, purchased and cancelled, the Offeror will mandatorily exchange all the outstanding Exchangeable Bonds into Exchange Shares at the Exchange Price upon the expiry of the

	Exchange Period. The Offeror shall not be obliged to redeem the Exchangeable Bonds except in the event the Exchangeable Bonds become immediately due and repayable upon the occurrence of an event of default as specified in the terms and conditions of the Exchangeable Bonds.
Governing Law	The laws of Singapore.

APPENDIX B

DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

1. Shareholdings in the Company Securities held by the Offeror and the Parties Acting in Concert with the Offeror

The shareholdings of the Company Securities by the Offeror and the parties acting in concert with the Offeror as at the date of this Announcement are set out below:

Name	No. of Shares	% ⁽¹⁾
ISM	543,252,517	82.88
CMZ BVI	5,403,891	0.82
Mr Lin Guo Rong	13,083,000 ⁽²⁾	2.00
Mr Siek Wei Ting	7,895,703 ⁽²⁾	1.20
Mr Wang Da Zhang	2,603,703	0.40
Mr Huang Bing Hui	3,197,303	0.49
Total:	575,436,117	87.79%

Notes:

(1) Based on a total number of 655,439,000 issued Shares as at the date of this Announcement.

(2) Excludes 5,403,891 Shares held by CMZ BVI. As at the date of this Announcement, the entire issued share capital of CMZ BVI is held by Mr Siek Wei Ting on trust for Mr Lin Guo Rong.

2. Dealings in Company Securities by the Offeror and the Parties Acting in Concert with the Offeror

The Offeror and the parties acting in concert with the Offeror have not dealt for value in the Company Securities during the Reference Period.