

CHINA FLEXIBLE PACKAGING HOLDINGS LIMITED

(Incorporated in Bermuda)

(Company Registration No. 33843)

DELISTING AND WAIVERS OF RULES 1307 AND 705(2) OF THE LISTING MANUAL

1. INTRODUCTION

The Board of Directors (the “**Board**”) of China Flexible Packaging Holdings Limited (the “**Company**”) refers to the voluntary unconditional cash offer (the “**Offer**”) by Tata Capital Markets Pte. Ltd. (“**TCMPL**”), for and on behalf of Harmony Gowell Company Limited (the “**Offeror**”), to acquire all the issued and paid-up ordinary shares of the Company, with a par value of US\$0.01 each in the capital of the Company (the “**Shares**”) other than those Shares owned or controlled, directly or indirectly, by the Offeror as at the date of the Offer and the offer (the “**Warrants Offer**”, and together with the Offer, the “**Offer for Securities**”) by TCMPL, for and on behalf of the Offeror, for the outstanding warrants (the “**Warrants**”) issued by the Company.

The Board also refers to the announcement dated 29 August 2017 by TCMPL, for and on behalf of the Offeror, whereby the Offeror made known its intention to compulsorily acquire all the remaining Shares of the shareholders of the Company who have not accepted the Offer (the “**Dissenting Shareholders**”) prior to 5.30 p.m. on 21 August 2017 (being the final closing date of the Offer) at a price equal to the Offer price and to take steps to delist (the “**Proposed Delisting**”) the Company from the official list of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) following the close of the Offer.

The Offeror had on 29 August 2017 despatched to the Dissenting Shareholders a letter regarding, *inter alia*, the exercise of its rights of compulsory acquisition pursuant to Section 102 of the Companies Act 1981 of Bermuda (the “**Bermuda Companies Act**”).

2. BACKGROUND TO AND REASONS FOR THE APPLICATION

2.1 The Company had on 30 August 2017 made an application (the “**Application**”) to the SGX-ST to:

- (a) seek waivers from the requirements under Rules 1307 and 1309 of the Listing Manual in respect of the delisting of the Company, the offer of a reasonable exit alternative with the advice of an independent financial adviser and the approval to delist the Company from the official list of the SGX-ST after the completion of the compulsory acquisition exercise as described above (collectively, the “**Delisting Application**”); and
- (b) seek a waiver (the “**FY2017 Q3 Waiver**”) from the requirement under Rule 705(2) of the Listing Manual in respect of the requirement of the Company to release its financial statements for the third quarter of this financial year ending 31 October 2017 (the “**FY2017 Q3 Financial Statements**”) for the period from 1 May 2017 to 31 July 2017 no later than 45 days after 31 July 2017.

2.2 The Delisting Application

(a) Listing Manual Requirements

Pursuant to Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by the Company to delist from the SGX-ST if (i) the Company convenes a general meeting (the “**Delisting EGM**”) to obtain the approval of the shareholders of the Company (the “**Shareholders**”) for the delisting; (ii) the resolution to delist the Company (the “**Delisting Resolution**”) has been approved by a majority of at least 75% of the total number of issued Shares (excluding treasury shares) held by the Shareholders present and voting, on a poll, either in person or by proxy at the Delisting EGM (the Company's directors and controlling Shareholders need not abstain from voting on the Delisting Resolution); and (iii) the Delisting Resolution has not been voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by the Shareholders present and voting, on a poll, either in person or by proxy at the Delisting EGM.

Pursuant to Rule 1309 of the Listing Manual, if the Company is seeking to delist from the SGX-ST, (i) a reasonable exit alternative, which should normally be in cash, should be offered to (A) the Shareholders and (B) holders of any other classes of listed securities to be delisted and (ii) the Company should normally appoint an independent financial adviser to advise on the exit offer.

(b) Reasons for the Delisting Application

The Company's reasons for seeking a waiver from the requirement under Rule 1307 of the Listing Manual are as follows:

- (i) The Offeror has conducted the Offer for Securities, which has closed on 21 August 2017. The Offer for Securities complies with the requirements under Rule 1309 of the Listing Manual (as explained in sub-paragraph (B) below) and can be considered as a reasonable exit alternative with the advice of an independent financial adviser.
- (ii) As at the close of the Offer for Securities, the Offeror owned, controlled or have agreed to acquire more than 95% of the total number of issued Shares of the Company. The Company does not have any treasury shares.
- (iii) Accordingly, the Offeror will be able to unilaterally determine the outcome of the Delisting Resolution proposed to be passed at the Delisting EGM, if such meeting is convened pursuant to Rule 1307 of the Listing Manual.
- (iv) Furthermore, upon the completion of the compulsory acquisition exercise, the Offeror will be the sole Shareholder of the Company.
- (v) In view of the foregoing, the Company considers that it would not be necessary or meaningful to expend time and/or expenses to convene the Delisting EGM for the purposes of approving the Delisting Resolution.

The Company's reasons for seeking approval to delist from the SGX-ST are as follows:

- (A) The Offeror's intention is to privatise and delist the Company from the SGX-ST.

- (B) The Company complies with the requirements under Rule 1309 of the Listing Manual as follows:
- (1) as stated in the offer document despatched on 10 July 2017 containing *inter alia*, the terms of the Offer for Securities (the “**Offer Document**”), the Offeror, when entitled to, is exercising its right of compulsory acquisition under the relevant provisions of the Bermuda Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders at a price equal to the Offer price. Accordingly, in relation to the reasonable exit alternative requirement under Rule 1309(1) of the Listing Manual, each Dissenting Shareholder would receive S\$1.25 in cash for each Share held by him. With regard to the Warrantholders, pursuant to the Warrant Offer, an offer was made by the Offeror to the Warrantholders to acquire their Warrants at a price calculated on a “see-through” basis, being the difference between the Offer price and the exercise price at which a new Share may be subscribed for upon the exercise of a Warrant; and
 - (2) on 24 July 2017, the Company despatched a circular (the “**Circular**”) to the Shareholders and the Warrantholders in respect of the Offer for Securities containing *inter alia*, the advice and recommendations of the independent financial adviser (the “**IFA**”) to the directors of the Company who are considered independent for the purpose of the Offer for Securities (“**Independent Directors**”) and the IFA’s recommendations. Specifically in relation to the advice of the IFA (as set out in Appendix 1 to the Circular), the IFA has opined that the financial terms of the Offer and the Warrants Offer are fair and reasonable and advised the Independent Directors to recommend that the Shareholders and Warrantholders accept the Offer and the Warrants Offer respectively. Accordingly, the Shareholders and the Warrantholders would have been apprised on whether the terms of the Offer and the Warrants Offer are fair and reasonable respectively.

2.3 The FY2017 Q3 Waiver

The Company’s reasons for seeking the FY2017 Q3 Waiver are as follows:

- (a) Pursuant to Rule 705(2) of the Listing Manual, the Company is required to announce its interim unaudited financial statements for the third quarter ended 31 July 2017 immediately after the figures are available, but in any event not later than 45 days after 31 July 2017. The Company is hence expected to release its FY2017 Q3 Financial Statements by 14 September 2017.
- (b) The Company considers that it would not be meaningful to announce the FY2017 Q3 Financial Statements by 14 September 2017 due to the following reasons:
 - (i) The Offeror does not intend to maintain the listing status of the Company and has no intention of undertaking or supporting any action for any trading suspension of the Shares by the SGX-ST to be lifted.
 - (ii) After the completion of the compulsory acquisition exercise, the Offeror will become the sole Shareholder of the Company.

3. CONFIRMATIONS FROM THE SGX-ST

The Board wishes to announce that the SGX-ST had on 11 September 2017 informed the Company that based on the Company's submission and representations to the SGX-ST, the SGX-ST has no objection to the Proposed Delisting of the Company from the official list of the SGX-ST subject to the completion of the compulsory acquisition exercise.

The SGX-ST also has no objection to granting the Company:

- (a) a waiver from compliance with Rule 1307 of the Listing Manual in relation to the Proposed Delisting; and
- (b) a waiver from compliance with Rule 705(2) of the Listing Manual to release the Company's financial results for the quarter ended 31 July 2017 in view of the Proposed Delisting,

(collectively, the "**Waivers**") subject to:

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

The SGX-ST further confirmed that Rule 1309 of the Listing Manual has been complied with as the Company had provided a cash exit alternative (via the Offer for Securities) and the IFA had opined that the Offer for Securities was fair and reasonable.

The Company intends to submit the confirmations referred to in the above paragraph 3(ii) to the SGX-ST.

The SGX-ST's decision is not an indication of the merits of the Proposed Delisting.

As such, the Company will not be announcing the FY2017 Q3 Financial Statements.

This Announcement is made in compliance with Rule 107 of the Listing Manual.

The date and time of the delisting of the Company from the official list of the SGX-ST will be announced in due course, following the completion of the compulsory acquisition exercise.

BY ORDER OF THE BOARD
CHINA FLEXIBLE PACKAGING HOLDINGS LIMITED
Professor Ling Chung Yee Roy
Lead Independent Director

12 September 2017