



PROPOSED DISPOSAL OF SHARES IN SUPER GROUP LTD.

1. THE PROPOSED DISPOSAL

1.1 Background

On 3 November 2016, the respective Boards of Directors of Sapphire Investments B.V. (the “**Offeror**”) and Super Group Ltd. (“**SGL**”) announced that, subject to and contingent upon the satisfaction or waiver of the Pre-Conditions (as defined in paragraph 3 below), the Offeror intends to make a voluntary conditional general offer (the “**Offer**”) to acquire all the issued ordinary shares of SGL (“**SGL Shares**”), 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 (the “**Code**”) (the “**Pre-Conditional Offer Announcement**”).

The Offer will not be made unless and until all the Pre-Conditions have been satisfied or waived by the Offeror on or before 3 May 2017 (or such other later date as the Securities Industry Council of Singapore (“SIC”) may agree) (the “Long-Stop Date”).

1.2 Current Holdings

As at the date of this Announcement, YHS Investment Pte. Ltd. (“**YHS Investment**”), a wholly-owned subsidiary of Yeo Hiap Seng Limited (the “**Company**”, and together with its subsidiaries, the “**YHS Group**”), 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.

1.3 Irrevocable Undertaking

The Board of Directors (the “**Board**”) of the Company wishes to announce that YHS Investment has on 2 November 2016, entered into a deed of undertaking 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, including any SGL Shares which YHS Investment may acquire (whether by way of dividend or otherwise declared or issued by SGL to YHS Investment, including through the exercise or conversion by YHS Investment of any (i) option or warrant exercisable into SGL Shares; (ii) securities convertible into SGL Shares; or (iii) derivatives or swap or other arrangements that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership in respect of the SGL Shares) on or after the date of the Irrevocable Undertaking (the “**Relevant SGL Shares**”).

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.

2. INFORMATION ON SGL AND THE OFFEROR

2.1 SGL

SGL is a public company incorporated in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). As at 3 November 2016 (being the date of the Pre-Conditional Offer Announcement) (the “**Pre-Conditional Offer Announcement Date**”), SGL has:

- (i) an issued and paid-up share capital of S\$164,339,814.54 comprising 1,114,277,960 SGL Shares (excluding treasury shares) and 1,200,000 treasury shares; and
- (ii) no instruments convertible into, rights to subscribe for, or options in respect of any SGL Shares.

Founded in 1987, SGL is a leading pan-Asian integrated instant food and beverage brand owner and manufacturer. Under its core Branded Consumer segment, SGL and its subsidiaries (the “**SGL Group**”) manufacture and distribute branded consumer products, primarily instant coffee, instant cereals and instant tea mixes products, with a portfolio of over 160 instant food and beverage products distributed in over 65 countries under multiple iconic brands such as Super, Essenso, OWL and Nutremill. Under its complementary Food Ingredients segment, SGL is one of the few companies in the world with raw material selection and manufacturing capabilities in non-dairy creamer, instant soluble coffee powder and cereal flakes. SGL currently operates 15 state-of-the-art manufacturing facilities located in China, Malaysia, Myanmar, Singapore, Thailand and Vietnam.

As at the Pre-Conditional Offer Announcement Date, the directors of SGL are Teo Kee Bock, Te Kok Chiew, Teo Junxiang, Darren (Zhang Junxiang, Darren), Tan Tian Oon, Li Kang @ Charles K Li, Goi Seng Hui, Chandra Das S/O Rajagopal Sitaram, Goh Boon Kok, Ko Chuan Aun, Lai Mun Onn and Lim Kang San.

2.2 The Offeror

The Offeror is a company incorporated in the Netherlands for the purposes of making the Offer and is an indirect wholly-owned subsidiary of Jacobs Douwe Egberts B.V. (“**JDE**”). As at the Pre-Conditional Offer Announcement Date, the Offeror has an issued share capital of EUR 1.00, comprising one issued ordinary share. As at the Pre-Conditional Offer Announcement Date, the directors of the Offeror are Fabien Simon and Joachim Creus.

JDE is a privately owned company incorporated in the Netherlands, which has a global tea and coffee business. As at the Pre-Conditional Offer Announcement Date, Acorn Holdings B.V. (“**Acorn**”), a company incorporated in the Netherlands, has an indirect interest of approximately 73.22 per cent. in JDE, held through its subsidiaries, Delta Charger HoldCo B.V. and JDE Holdings Minority B.V.. Acorn is, in turn, an indirectly held subsidiary of JAB Holding Company s.à.r.l. (“**JAB**”), a privately held company incorporated in Luxembourg. The Reimann family holds, through its corporate vehicles, a controlling interest in JAB. As at the Pre-Conditional Offer Announcement Date, the directors of JDE are Bart Becht, Olivier Goudet, Peter Harf, Alejandro Santo Domingo, Alexandre Van Damme, Byron Trott, Pierre Laubies, Anna Magdalena Kamenetzky-Wetzel, Brian Timothy Gladden and Gerhard Pleuhs.

3. PRE-CONDITIONS TO THE MAKING OF THE OFFER

The making of the Offer will be subject to the satisfaction or waiver by the Offeror of the following pre-conditions (collectively, the “**Pre-Conditions**”):

- (i) insofar as the consummation of the Offer triggers a mandatory merger control filing requirement under the Anti-Monopoly Law of the People’s Republic of China (the “**Anti-Monopoly Law**”), a filing having been made to and accepted by the Anti-Monopoly Bureau of the Ministry of Commerce of the People’s Republic of China (“**MOFCOM**”) pursuant to the Anti-Monopoly Law and MOFCOM having issued a decision confirming that it will not conduct further review of the Offer or allowing the consummation of the Offer without conditions or on conditions reasonably satisfactory to the Offeror, or all applicable waiting periods under the Anti-Monopoly Law in respect of the review of the Offer having expired;
- (ii) insofar as the consummation of the Offer triggers a mandatory merger control filing requirement under Act. No. 10667 (the “**Philippine Competition Act**”) of the Philippines, a filing having been made to and accepted by the Philippine Competition Commission pursuant to the Philippine Competition Act and the Philippine Competition Commission having issued a decision confirming that it will not conduct further review of the Offer or allowing the consummation of the Offer without conditions or on conditions reasonably satisfactory to the Offeror, or all applicable waiting periods under the Philippine Competition Act in respect of the review of the Offer having expired; and
- (iii) insofar as the consummation of the Offer triggers any other mandatory or appropriate anti-trust authorisation (“**Anti-Trust Authorisations**”) that may be identified by the Offeror with the consent of the SIC, as necessary for or in connection with the Offer, such Anti-Trust Authorisations having been obtained on terms reasonably satisfactory to the Offeror from all appropriate authorities, and all applicable waiting periods in relation to such Anti-trust Authorisations (including any extensions thereof) under any applicable legislation or regulations of any jurisdiction having expired, lapsed or been terminated, and if such Anti-trust Authorisations are subject to conditions, the fulfilment of all such conditions, and such Anti-trust Authorisations remaining in full force and effect.

4. PRINCIPAL TERMS OF THE OFFER

4.1 Principal Terms of the Offer

Subject to and contingent upon the satisfaction or waiver of the Pre-Conditions and the terms and conditions of the Offer to be set out in the formal offer document containing the terms and conditions of the Offer (the “**Offer Document**”), the Offeror will make the Offer in accordance with Rule 15 of the Code on the following basis:

- (i) **Offer Shares.** The Offer will be extended to all the SGL Shares issued or to be issued on or prior to the close of the Offer, including any SGL Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (the “**Offer Shares**”).
- (ii) **Offer Consideration.** The consideration for each Offer Share will be as follows:

For each Offer Share: S\$1.30 in cash (the “Offer Price”)

- (iii) **No Encumbrances.** The Offer Shares are to be acquired (i) fully paid, (ii) free from any claim, charge, pledge, mortgage, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing and (iii) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by SGL in respect of the Offer Shares (the “**Distributions**”) on or after the Pre-Conditional Offer Announcement Date.
- (iv) **Adjustment for Distributions.** Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by SGL on or after the Pre-Conditional Offer Announcement Date.

Accordingly, in the event any Distribution is or has been declared, paid or made by SGL in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date, the Offer Price payable to a shareholder of SGL (“**SGL Shareholder**”) who validly accepts or has validly accepted the Offer (if and when made) shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such accepting SGL Shareholder falls, as follows:

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offer Price for each Offer Share shall be S\$1.30, as the Offeror will receive the Distribution in respect of such Offer Share from SGL; or
 - (b) if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from SGL.
- (v) **Minimum Acceptance Condition.** The Offer, if and when made, will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of SGL Shares which, when taken together with the SGL Shares acquired or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of SGL Shares carrying more than 50 per cent. of the voting rights attributable to the SGL Shares as at the close of the Offer.

4.2 Further Details. Further details of the Offer will be set out in the Offer Document.

4.3 Consideration. Based on the Offer Price, the aggregate consideration that YHS Investment will receive in respect of the Relevant SGL Shares and tendered in acceptance of the Offer pursuant to the Irrevocable Undertaking is S\$169,274,684.80 in cash (the “**Consideration**”).

5. PRINCIPAL TERMS OF THE IRREVOCABLE UNDERTAKING

5.1 Irrevocable Undertaking

In consideration of the Offeror agreeing to make the Offer at the offer price of not less than S\$1.30 per SGL Share and substantially on the terms and conditions set out in the Pre-Conditional Offer Announcement and with the benefit of any revisions to the offer price in accordance with Rule 20.4 of the Code, YHS Investment has provided an undertaking to the Offeror, *inter alia*:

- (i) subject to the Offer being made and the approval of the shareholders of the Company by way of an ordinary resolution, if such approval is required by the SGX-ST to be obtained prior to the Relevant SGL Shares being tendered in acceptance of the Offer, to accept, or procure the acceptance of, the Offer in respect of all the Relevant SGL Shares not later than 12.00 p.m. (Singapore time) on the fifth business day after the date of despatch of the Offer Document, and not to withdraw such acceptance for any reason thereafter, notwithstanding anything under the Code;
- (ii) except pursuant to the Offer, not to dispose of, charge, pledge or otherwise encumber or grant any option or other right over or accept any other offer for the Relevant SGL Shares or otherwise deal with any of the Relevant SGL Shares or any interest in them (whether conditionally or unconditionally);
- (iii) to exercise all voting rights attaching to the Relevant SGL Shares in such manner as to enable the Offer to be made and become unconditional and oppose the taking of any action which might result in any condition of the Offer not being satisfied;
- (iv) not to enter into any agreement or arrangement with any person, whether conditionally or unconditionally, to do any of the acts prohibited by the above terms of paragraphs 5.1(ii) and 5.1(iii);
- (v) to take no action which may preclude or materially restrict, delay, frustrate or otherwise prejudice the Offer; and
- (vi) (a) not to solicit or enter into discussions regarding any general offer for the SGL Shares or any other class of shares in SGL from any third party or any proposal for a scheme of arrangement or amalgamation of SGL or any proposal for the acquisition of the assets of SGL which would constitute a substantial disposal of assets by SGL or which would preclude or materially restrict, delay, frustrate or otherwise prejudice the Offer (“**Competing Proposal**”), and to use best efforts to procure that SGL does not solicit or enter into discussions regarding any Competing Proposal; (b) not to recommend, vote or agree to vote for any Competing Proposal; and (c) to immediately notify the Offeror upon becoming aware of any approach by any third party made with a view to the making of a Competing Proposal or any such solicitation or discussions.

5.2 Duration of the Irrevocable Undertaking

The Irrevocable Undertaking will cease and terminate on either:

- (i) the Long-Stop Date, if any of the Pre-Conditions is not satisfied or waived on or before such date; or

- (ii) the earlier of (a) the date on which the Offer lapses or is withdrawn, and (b) 3 August 2017 (or such later date as may be agreed in writing by the respective parties), if the Offer fails to become or be declared unconditional by such date for any reason other than a breach of the obligations of the Undertaking Shareholders (as defined in the Pre-Conditional Offer Announcement) under their respective Deeds of Undertakings.

6. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF NET PROCEEDS

6.1 The Company has had interests in SGL for nearly 10 years. However, there is no clear visibility on achieving synergy between the YHS Group and the SGL Group through potential strategic tie-up or partnership. Also, given the shareholding composition of SGL, the Company believes that it will be challenging for the Company to increase its stake in SGL to a level which will enable it to equity account its SGL stake. Therefore, the Company believes that the proposed disposal of the Relevant SGL Shares to the Offeror pursuant to the Offer (the "**Proposed Disposal**") is an opportunity for the Company to realise the value of its stake in SGL at a significant premium to its investment cost, during challenging market conditions. The Proposed Disposal will free up cash, giving the Company more flexibility in seeking other strategic collaboration or mergers and acquisitions for growth.

6.2 Based on the YHS Group's unaudited consolidated financial statements for the second quarter ended 30 June 2016 ("**2QFY2016**", and such financial statements being the "**2QFY2016 Financial Statements**"), 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.

6.3 The Company does not see the Proposed Disposal as a material change in the nature of the Company's business.

7. FINANCIAL INFORMATION

7.1 Book Value

Based on the YHS Group's 2QFY2016 Financial Statements, the book value attributable to the Relevant SGL Shares as at 30 June 2016, which constitutes approximately 11.69 per cent. interest in SGL as at the Pre-Conditional Offer Announcement Date, is approximately S\$107,424,000.

7.2 Net Tangible Assets ("NTA")

Based on the YHS Group's 2QFY2016 Financial Statements, the NTA attributable to the Relevant SGL Shares as at 30 June 2016 is approximately S\$107,424,000.

7.3 Latest Available Open Market Value

The latest available open market value of the Relevant SGL Shares, being the weighted average price attributable to the Relevant SGL Shares transacted on 1 November 2016, being the last market day preceding the date of the Irrevocable Undertaking, is approximately S\$0.94.

7.4 Excess of Consideration over Book Value

Based on the book value of the Relevant SGL Shares as set out in paragraph 7.1 above, the amount of excess of the Consideration over the said book value is approximately S\$61,850,000.

8. FINANCIAL EFFECTS

8.1 Illustrative Nature of Financial Effects

The financial effects of the Proposed Disposal on the NTA per share and earnings per share (“EPS”) of the YHS Group, prepared based on the audited consolidated financial statements of the YHS Group for the financial year ended 31 December 2015 (“FY2015”) are set out below. The financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual financial position of the YHS Group after the close of the Offer.

8.2 NTA

Assuming the Proposed Disposal had been completed on 31 December 2015, being the end of the most recently completed financial year of the YHS Group, the financial effects on the NTA per share of the YHS Group would be as follows:

| | Before the Proposed Disposal | After the Proposed Disposal |
|--------------------------------------|------------------------------|-----------------------------|
| NTA (S\$'000) | 598,244 | 658,141 |
| No. of issued ordinary shares ('000) | 575,887 | 575,887 |
| NTA per share (S cents) | 103.88 | 114.28 |

8.3 Earnings Per Share

Assuming the Proposed Disposal had been completed on 1 January 2015, being the beginning of the most recently completed financial year of the YHS Group, the profit attributable to ordinary shareholders of the Company and the financial effects on the EPS of the YHS Group for FY2015 would be as follows:

| | Before the Proposed Disposal | After the Proposed Disposal |
|--|------------------------------|-----------------------------|
| Profit attributable to ordinary shareholders (S\$'000) | 36,826 | 175,176 |
| Weighted average no. of ordinary shares – Basic ('000) | 575,339 | 575,339 |
| EPS (S cents) - Basic | 6.40 | 30.45 |

8.4 Share Capital

The Proposed Disposal will not have any impact on the issued and paid-up share capital of the Company.

9. MAJOR TRANSACTION

The relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the listing manual of the SGX-ST (the “Listing Manual”) are as follows:

| Rule 1006 | Bases | Relative Figures (%) |
|--------------|--|-------------------------|
| (a) | Net asset value of the assets to be disposed of, compared with the net asset value of the YHS Group | 18.0 ⁽¹⁾ |
| (b) | Net profits attributable to the assets to be disposed of, compared with the YHS Group’s net profits | 9.6 ⁽²⁾ |
| (c) | Aggregate value of the consideration received compared with the market capitalisation of the Company (based on the total number of issued shares, excluding treasury shares) | 22.9 ⁽³⁾ |
| (d) | Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue | NA |
| (e) | Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the YHS Group’s proved and probable reserves | NA |

Notes:

⁽¹⁾ Computed based on the YHS Group’s effective interest arising from the Relevant SGL Shares of the net asset value of the SGL Group of approximately S\$107,424,000 as at 30 June 2016, compared to the YHS Group’s net asset value of approximately S\$595,817,000 as at 30 June 2016.

⁽²⁾ Computed based on net profits (before income tax, minority interest and extraordinary items) of the SGL Group, which are attributable to the Relevant SGL Shares, of approximately S\$1,563,000 for 2QFY2016, compared to the YHS Group’s net profits (before income tax, minority interest and extraordinary items) of approximately S\$16,341,000 for 2QFY2016.

⁽³⁾ Computed based on the Consideration of S\$169,274,684.80 for the Relevant SGL Shares, compared with the market capitalisation of the Company on 1 November 2016, being the last market day preceding the date of the Irrevocable Undertaking, of approximately S\$739,458,108. The market capitalisation is calculated on the basis of a total number of 577,701,647 ordinary shares in the capital of the Company in issue (excluding any treasury shares) multiplied by the weighted average price of such shares transacted on 1 November 2016.

As the relative figure under Rule 1006(c) of the Listing Manual exceeds 20 per cent., the Proposed Disposal constitutes a major transaction as defined in Chapter 10 of the Listing Manual. Accordingly, unless waived or exempted by the SGX-ST, the Proposed Disposal will be subject to the approval of shareholders of the Company at an extraordinary general meeting to be convened.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Mr S. Chandra Das and Mr Wee Kheng Jin, directors who hold 1,000,000 SGL Shares and 160,000 SGL Shares, respectively, none of the directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their shareholdings in the Company.

11. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

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

3 November 2016