

Pre-Conditional Mandatory Cash Offer

By

Merrill Lynch (Singapore) Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 198602883D)

for and on behalf of



Singapore Airport Terminal Services Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 197201770G)

to acquire all the issued ordinary shares
in the capital of

Singapore Food Industries Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 197300678G)

other than those already owned, controlled or agreed
to be acquired by Singapore Airport Terminal Services Limited

1. Introduction

1.1 Acquisition. Merrill Lynch (Singapore) Pte. Ltd. (“**Merrill Lynch**”) refers to the announcement (the “**Pre-Conditional Offer Announcement**”) made by Merrill Lynch, for and on behalf of Singapore Airport Terminal Services Limited (the “**Offeror**”), on 2 December 2008 (the “**Acquisition Announcement Date**”) that the Offeror and Ambrosia Investment Pte. Ltd. (the “**Seller**”) have, on the Acquisition Announcement Date, entered into a conditional sale and purchase agreement relating to the sale and purchase of 359,731,154 ordinary shares (the “**SFI Shares**”) in the capital of Singapore Food Industries Limited (“**SFI**”), representing approximately 69.62 per cent. of all the SFI Shares¹ (the “**Acquisition**”), for a cash consideration of S\$0.93 per SFI Share.

All capitalised terms used and not defined herein shall have the same meanings given to them in the Pre-Conditional Offer Announcement.

1.2 Condition Precedent. Completion of the Acquisition (“**Completion**”) will occur upon the Acquisition, the Offer and the Options Proposal having been approved by the shareholders

¹ In this Announcement, for the purpose of computation, the number of SFI Shares is 516,734,500 as at 29 December 2008 as provided by SFI to the Offeror.

of the Offeror at a general meeting (the “EGM”) to be convened for that purpose by the Offeror (the “Condition Precedent”). **As announced by the Offeror on 5 January 2009, the EGM has been scheduled to be convened at 9.30 a.m. on 20 January 2009.**

2. Offer

2.1 Offer Announcement. As stated in the Pre-Conditional Offer Announcement, if and when the Condition Precedent is satisfied and Completion occurs, Merrill Lynch, for and on behalf of the Offeror, will immediately announce a firm intention on the part of the Offeror to make a mandatory cash offer (the “Offer”) for all the SFI Shares other than those already owned, controlled or agreed to be acquired by the Offeror (the “Offer Shares”), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Singapore Code on Take-overs and Mergers. **However, if the Condition Precedent is not satisfied and Completion does not occur, the Offer will not be made and Merrill Lynch, for and on behalf of the Offeror, will issue an announcement confirming that fact as soon as reasonably practicable.**

2.2 Terms.

2.2.1 The Offer, if and when made, will be on the following basis:

For each Offer Share : S\$0.93 in cash (the “Offer Price”).

The Offeror does not intend to revise the Offer Price.

2.2.2 The Offer Shares will be acquired:

- (i) fully paid;
- (ii) free from all mortgages, liens, charges, rights of pre-emption, third party rights, security interests or other encumbrances whatsoever; and
- (iii) together with all rights, benefits, entitlements and advantages attaching thereto as at Completion and thereafter attaching thereto, including all voting rights and the right to receive and retain all dividends, rights and other distributions:
 - (a) which may be announced or declared by SFI; or
 - (b) the entitlement to which is determined by SFI,each, on or after Completion.

In the event the record or books closure date for the determination of entitlement to any dividends, rights or other distributions announced or declared by SFI falls on or after Completion, the Offeror shall be entitled to such dividends, rights or other distributions, and reserves the right to reduce the Offer Price by the amount of such dividends, rights or other distributions.

2.3 Condition of the Offer. Further, as stated in the Pre-Conditional Offer Announcement, the Offer, if and when made, will be subject to the condition that it is established that the Competition Commission of Singapore (the “CCS”) will not (i) refer the proposed acquisition of SFI by the Offeror, or any matter arising from or relating to that proposed acquisition, to a more detailed assessment pursuant to the CCS Guidelines on Merger

Procedures, or (ii) issue a direction that will prohibit the Offeror from acquiring voting rights in SFI.

3. Unconditional Offer

3.1 Unconditional. Merrill Lynch wishes to announce, for and on behalf of the Offeror, that it has been established that the CCS will not (i) refer the proposed acquisition of SFI by the Offeror, or any matter arising from or relating to that proposed acquisition, to a more detailed assessment pursuant to the CCS Guidelines on Merger Procedures, or (ii) issue a direction that will prohibit the Offeror from acquiring voting rights in SFI.

Accordingly, Merrill Lynch wishes to announce, for and on behalf of the Offeror, that the Offer, if and when made, will be unconditional in all respects.

4. Responsibility Statement

The directors of the Offeror (including any 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 or obtained from SFI, 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

Merrill Lynch (Singapore) Pte. Ltd.

For and on behalf of

Singapore Airport Terminal Services Limited

14 January 2009
Singapore

Any inquiries relating to this Announcement or the Offer should be directed to:

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