



SEKEL OSHRY
LAWYERS

27 April 2016

Our Ref: IO: 138880
Your Ref:

The Manager
Market Announcements Office
ASX Limited

Per fax – 1300 135 638

(No of pages including this page: 6)

Dear Sirs

Supplementary Bidder's Statement - Takeover bid by MHG Flat Glass Holdings Pty Ltd for Flat Glass Industries Limited (ASX:FGL)

We act for MHG Flat Glass Holdings Pty Ltd. On behalf of our client, we enclose by way of service pursuant to subsection 647 of the *Corporations Act 2001* (Cth), a copy of our client's supplementary bidder's statement in relation to its off-market takeover bid for all the ordinary shares in Flat Glass Industries limited (ASX:FGL).

A copy of the supplementary bidder's statement has today been lodged with each of the Australian Securities and Investment Commission and the target, FGL.

Yours faithfully



Ivan Oshry
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SUPPLEMENTARY BIDDER'S STATEMENT

in respect of the offer by

MHG Flat Glass Holdings Pty Ltd

ACN 611 572 206

(MHG-FGH)

to purchase all of the fully paid ordinary shares in

Flat Glass Industries Limited ACN 003 173 242

- *The all cash Offer Price of \$0.11 for each FGI Share is **BEST and FINAL** and cannot be increased during the Offer Period!*
- *The Offer has been declared **FREE** of all defeating conditions;*
- *MHG is now **FGI's controlling shareholder** with a relevant interest in 54.61 % of the issued capital.*
- *The Directors of FGI recommend you **ACCEPT** the increased unconditional cash offer of \$0.11 per FGI share.*

If you require assistance with your acceptance, please call the Offer Information Line on:

- From within Australia - 1300 737 760 (toll-free within Australia); or
- From outside Australia - + 61 2 9290 6000

or email corporateactions@boardroomlimited.com.au

NORTH

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This document is a supplementary bidder's statement dated 27 April 2016 under section 643 of the *Corporations Act 2001* (Cth) (the **Corporations Act**). It incorporates a notice under section 650D and 650F of the *Corporations Act*. This is a supplementary bidder's statement issued by MHG Flat Glass Holdings Pty Ltd ACN 611 572 206 (**MHG**) in relation to its takeover offer for Flat Glass Industries Limited ACN 003 173 242 dated 18 April 2016 (the **Offer**) as contained in the Bidder's Statement of the same date (the **Bidder's Statement**). This supplementary bidder's statement will prevail to the extent to any inconsistency with the Bidder's Statement. A copy of this supplementary bidder's statement was lodged with ASIC on 27 April 2016. Neither ASIC nor any of its officers take any responsibility for the contents of this supplementary bidder's statement. This supplementary bidder's statement has been approved by a resolution passed by the directors of MHG. Words and phrases defined in the Bidder's Statement have the same meaning in this supplementary bidder's statement unless context requires otherwise.

- *Increased final Offer Price of \$0.11 cash per FGI Share;*
- *This is MHG's best and final Offer for FGI!*
- *Increased Offer provides highly compelling value and certainty to FGI shareholders;*
- *Offer declared free from all defeating conditions;*
- *MHG is now FGI's controlling shareholder with a relevant interest in 54.61 % of the issued capital.*

Dear FGI Shareholder,

Increase in Offer Price

On 22 April 2016, MHG announced that it had increased its Offer Price to \$0.11 cash per FGI Share for all the shares in FGI (the **Increased Offer**) and declared the Offer free from all defeating conditions.

MHG encourages you to accept the Offer for your FGI Shares as soon as possible.

MHG has received acceptances such that it is now FGI's controlling shareholder with a relevant interest in **54.61 %** of the issued capital.

MHG believes the Increased Offer provides compelling value to FGI shareholders:

- the Increased Offer represents a **37.5% premium** to the closing price of FGI shares of \$0.08 before the Offer was announced and a **120% premium** to the subscription price for FGI shares of \$0.05 under the January 2015 Rights Issue;
- the Increase Offer provides immediate value and the **certainty of cash**;
- **no competing offers** have emerged since MHG's offer was announced; and
- FGI's share price is **likely to fall** if MHG's offer lapses.

MHG has declared that the Increased Offer is its best and final offer Price. This means that **MHG will not increase the Offer Price further.**

Each FGI shareholder who accepts, or who has already accepted, the Offer will be entitled to receive the increased Offer Price.

Details on how to accept the Offer are summarised below.

Offer free from conditions

MHG hereby gives notice in accordance with section 650F of the Corporations Act that MHG hereby frees the Offer and each contract resulting from acceptance of the Offer, from all Defeating Conditions set out in Appendix 1 to the Bidder's Statement.

No financing condition

There is no financing condition associated with the Increased Offer. MHG will fund the Increased Offer out of its existing cash reserves. The Increased Offer provides FGI shareholders with the certainty of cash consideration.

The Offer allows FGI shareholders an opportunity to realise full and certain value for their FGI shares and avoid the risks associated with maintaining a shareholding in FGI.

The closing date of the Offer has not changed. It remains open for acceptance until 5pm (Sydney Time) on 17 May 2016 (unless extended further in accordance with the Corporations Act).

Board of Directors

As the controlling shareholder of FGI and in terms of the Bid Implementations Deed, MHG intends to exercise its right to require certain of the existing directors of FGI (including the chairman) to resign from their office as such and to appoint its own nominees in their place.

Accept the Offer as soon as possible

Given the Increased Offer price is final, there is no benefit in delaying acceptance and MHG encourages FGI shareholders to accept the Increased Offer as soon as possible. Set out below is a summary of how to accept the Offer.

Full details of how to accept the Offer are contained in section 8.3 of the Bidder's Statement.

For Issuer Sponsored Holdings of FGI Shares (Securityholder Reference Number beginning with 'I') If your FGI Shares are held in an Issuer Sponsored Holding (in which case your Securityholder Reference Number will commence with 'I'), to accept this Offer in respect of those FGI Shares you must:

- complete and sign the Acceptance Form enclosed herewith in accordance with the instructions contained therein; and
- return the Acceptance Form

together with all other documents required by the instructions, so that they are received at one of the addresses indicated on the Acceptance Form by 5pm (Sydney time) on 17 May 2016 being the end of the Offer Period.

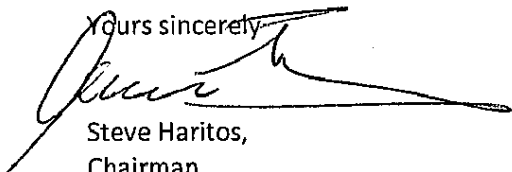
For CHES Holdings of FGI Shares (Holder Identification Number beginning with 'X') If your FGI Shares are held in a CHES Holding (in which case your Holder Identification Number will commence with 'X'), to accept this Offer in respect of those FGI Shares you must either:

- instruct your Controlling Participant (for FGI Shareholders who are not institutions, this is normally the stockbroker through whom you bought Your Shares or ordinarily acquire shares on the ASX), to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules, so as to be effective by **5pm (Sydney time) on 17 May 2016** being the end of the Offer Period; or
- complete, sign and return the enclosed Acceptance Form in accordance with the instructions on the Acceptance Form, together with all other documents required by those instructions, so that they are received at the address on the Acceptance Form by **5pm (Sydney time) on 17 May 2016** being the end of the Offer Period.

This will authorise Bidder to initiate, or alternatively to instruct your Controlling Participant to initiate, acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. You must ensure that the Acceptance Form (and the other required documents) are received in sufficient time for Bidder to give instructions to your Controlling Participant, and for your Controlling Participant to carry out those instructions, **by 5pm (Sydney time) on 17 May 2016** being the end of the Offer Period.

If you are the Controlling Participant in respect of your FGI Shares, (in which case your Holder Identification Number shown on the accompanying Acceptance Form will commence with 'X'), to accept this Offer you must yourself initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules **by 5pm (Sydney time) on 17 May 2016** being the end of the Offer Period.

Yours sincerely,



Steve Haritos,
Chairman
MHG Flat Glass Holdings Pty Ltd.



Level 3, Suite 303, 100 William Street
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Ph: 02 9339 4999 Fax: 02 9360 6466
www.mhg.com.au

22 April 2016

The Chairman
Flat Glass Industries Limited
PO Box 656
Moorebank, NSW 1875

and to:

The Manager
Market Announcements Office
ASX Limited

NOTICE FREEING TAKEOVER OFFER FROM DEFEATING CONDITIONS

For the purposes of section 650F of the *Corporations Act 2001* (Cth), MHG Flat Glass Holdings Pty Ltd (the Bidder) gives notice declaring that:

1. The offer contained in the Bidder's Statement dated 18 April 2016 for the off market takeover bid of all of the shares in Flat Glass Industries Limited and the contracts formed by the acceptance of any of those offers are free from each of the conditions set out in Appendix 1 to the Bidders Statement that have not yet been fulfilled.
2. The bidder's voting power in FGI is presently 54.61%

yours faithfully

A handwritten signature in black ink, appearing to read 'S Haritos', written over a horizontal line.

S Haritos
Chairman