



12 December 2011

MITR PHOL OFFER FOR MSF SUGAR OPENS FOR ACCEPTANCE

Sydney – 12 December 2011 – Mitr Phol Sugar Corp., Ltd (**Mitr Phol**) today announced that its off-market takeover offer (**Offer**) for MSF Sugar Limited (**MSF**) is now open for acceptance.

Mitr Phol urges all MSF shareholders to accept its compelling, all-cash Offer of \$4.45 per share for their shares. The Bidder's Statement of Mitr Siam International Pte. Ltd, a wholly-owned subsidiary of Mitr Phol, is being dispatched to MSF shareholders from today.

Mitr Phol is the major cornerstone shareholder in MSF, holding a stake of approximately 22%.

Mitr Phol is offering \$4.45 cash per MSF share, enabling MSF shareholders that accept the Offer to receive a significant premium for their shares over MSF share prices prior to announcement of the Offer, including:

- a premium of 30.9% to \$3.40, being the closing price of MSF shares on 4 November 2011, which was the last trading day in MSF shares prior to the commencement of the MSF trading halt on 7 November 2011;
- a premium of 37.8% to the VWAP of MSF Shares for the one month period to 4 November 2011 of \$3.23; and
- a premium of 37.3% to the VWAP of MSF Shares for the three month period to 4 November 2011 of \$3.24.

The Board of MSF has unanimously recommended that MSF shareholders accept the Offer, in the absence of a superior proposal and subject to the Independent Expert determining that the offer is fair and reasonable to MSF shareholders.

Mitr Phol's President, Mr Krisda Monthienvichienchai, said: "MSF shareholders now have a clear opportunity to accept Mitr Phol's Offer and realise compelling and certain value for their shares in a recent volatile and uncertain market environment."

"We urge all MSF shareholders to review Mitr Phol's Bidder's Statement which sets out details of the Offer and the benefits which it provides to MSF shareholders, and then accept the Offer as soon as possible."



The offer is scheduled to close at 7.00pm (Sydney time) on 10 February 2012.

MSF shareholders seeking further information regarding the Offer should contact Mitr Phol's Offer Information Line on 1800 622 202 (toll free for callers within Australia) or +61 2 8280 7694 (for callers outside Australia).

About MSF

MSF Sugar Limited (ASX: MSF) is an integrated sugar company based in Queensland, Australia. It first listed on the Australian Stock Exchange in 1956 and in 2011 entered into a dynamic new phase of its history with the acquisition of additional sugar producing assets in Far North Queensland. It now has four sugar mills and is the only listed sugar miller on the ASX.

About Mitr Phol

Mitr Phol is one of the world's largest sugar producers, with a history dating back over 70 years starting as a grower. Presently, Mitr Phol is the largest sugar producer in Asia, with operations in Thailand, China, and ASEAN. In terms of sugar production, Mitr Phol ranked first in Thailand and second in China with an estimated market share of 19% and 10%, respectively.

Mitr Phol is a fully integrated sugar business that produces various types of sugar, biomass power, ethanol, particle board and fertilizer. Current annual sugar production capacity for Thailand and China is approximately 1.8 million tonnes and 1.2 million tonnes, respectively.

Mitr Phol currently controls approximately 22% of MSF's issued shares.



Bidder's Statement Off-Market Offer

By **Mitr Siam International Pte. Ltd** a wholly-owned subsidiary of **Mitr Phol Sugar Corp., Ltd** to acquire all of your fully paid ordinary shares in **MSF Sugar Limited ABN 11 009 658 708**

The Offer is \$4.45 cash per share for all MSF Shares you hold.

ACCEPT this Offer

The Directors of MSF have unanimously recommended that you accept this Offer, in the absence of a Superior Proposal and subject to the Independent Expert determining the Offer is fair and reasonable.

This is an important document and requires your immediate attention.
If you are in any doubt as to how to deal with this document, you should consult your broker or financial, legal or other professional adviser as soon as possible.

Offer Information Line:
Please call 1800 622 202
(toll free for callers within Australia) or
+61 2 8280 7694 (callers outside Australia)
if you have any questions or require assistance.

Financial Adviser



Legal Adviser

BAKER & MCKENZIE

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Key dates

Date of announcement of the Offer	16 November 2011
Lodgement of Bidder's Statement	2 December 2011
Offer Opens*	12 December 2011
Offer Closes*	10 February 2012

* These dates may vary as permitted under the Corporations Act.

How to accept the Offer

Depending on the nature of your MSF shareholding, you may accept the Offer in the following ways:

Issuer Sponsored Shareholders	<p>If there is an "I" next to your holder number on the Acceptance Form, your MSF Shares are held on MSF's issuer sponsored sub register.</p> <p>To accept the Offer, you must complete and sign the Acceptance Form and return it to the address indicated on the form before the Offer closes.</p>
CHESS Shareholders	<p>If there is an "X" next to your holder number on the Acceptance Form, your MSF Shares are in a CHESS Holding.</p> <p>To accept the Offer either:</p> <ul style="list-style-type: none"> • instruct your Controlling Participant to accept the Offer on your behalf; or • complete and sign the Acceptance Form and return it to the address indicated on the form, <p>before the Offer closes.</p>
Participants	<p>If you are a Participant, you must initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.</p>

To validly accept the Offer for your MSF Shares, your acceptance must be received before 7:00pm (Sydney time) on 10 February 2012, unless the Offer Period is extended in accordance with the Corporations Act.

Full details on how to accept the Offer are set out in sections 10.13 to 10.32.

Offer Information Line

If you have any questions about this Offer or how to accept this Offer, please call the Offer Information Line on 1800 622 202 (toll free for calls within Australia) or +61 2 8280 7694 (calls outside Australia).

Important Information

This is a Bidder's Statement given by Mitr Siam International Pte. Ltd (**Mitr Siam**), a wholly-owned subsidiary of Mitr Phol Sugar Corp., Ltd (**Mitr Phol Sugar**) under Part 6.5 of the Corporations Act in relation to the Offer. Unless the context indicates otherwise, references to Mitr Phol in this Bidder's Statement are a reference to Mitr Phol Sugar and Mitr Siam together. This Bidder's Statement is an important document and should be read in its entirety before deciding whether to accept the Offer.

This Bidder's Statement is dated 2 December 2011 and includes an Offer dated 12 December 2011 on the terms set out in this Bidder's Statement.

ASIC

A copy of this Bidder's Statement was lodged with ASIC on 2 December 2011. Neither ASIC nor any of its officers take any responsibility for the contents of this Bidder's Statement.

Investment decision

The information contained in this Bidder's Statement does not constitute financial product advice and this Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each MSF Sugar Limited (**MSF**) Shareholder. You should seek independent financial and taxation advice before making the decision whether or not to accept the Offer.

Forward looking statements

This Bidder's Statement contains forward-looking statements (including statements of current intention, statements of opinion and predictions as to possible future events), which are not based solely on historical facts, but are rather based on Mitr Phol's current expectations about future events. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors many of which are beyond the control of Mitr Phol. These risks and uncertainties include factors and risks specific to the industries in which MSF and Mitr Phol operate as well as matters such as general economic conditions. Although Mitr Phol believes that the expectations reflected in the forward-looking statements in this Bidder's Statement are reasonable, no assurance can be given that such expectations will prove to be accurate. Actual events or results or the timing of any events or results may differ materially from the events or results expressed or implied in any forward-looking statement and any statement in the nature of a forward-looking statement in this Bidder's Statement.

None of Mitr Phol, its officers, any person named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement or any statement in the nature of a forward-looking statement in this Bidder's Statement, or any events or results expressed or implied in any forward looking statement or any statement in the nature of a forward-looking statement in this Bidder's Statement, except to the extent required by law. You are cautioned not to place undue reliance on any such statement.

The forward-looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Information on MSF

MSF is listed on ASX and is obliged to comply with the continuous disclosure requirements of ASX. Information on MSF may also be obtained from MSF's website at www.msfsugar.com.au and the ASX website www.asx.com.au.

The information on MSF in this Bidder's Statement has been prepared by Mitr Phol using publicly available information and information provided by MSF to Mitr Phol as part of Mitr Phol's due diligence enquiries. The information on MSF in this Bidder's Statement should not be considered to be comprehensive.

In addition, the Corporations Act requires the directors of MSF to provide a Target's Statement to MSF Shareholders in response to this Bidder's Statement setting out certain material information concerning MSF.

Privacy collection statement

Personal information relating to your MSF Shares has been collected by Mitr Phol in accordance with its rights under the Corporations Act. Mitr Phol will share this information on a confidential basis with its advisers, service providers and regulators such as ASIC when necessary for the purposes of the Offer. Mitr Phol and its advisers and service providers will use the information solely for purposes relating to the Offer. You can contact the Offer Information Line if you have any queries about the privacy practices of Mitr Phol.

Notice to foreign shareholders

The distribution of this Bidder's Statement may in some countries be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of and observe those restrictions. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer.

Time

All references to time in this Bidder's Statement are to the prevailing time in Sydney.

Defined terms

A number of defined terms are used in this Bidder's Statement. The definitions are in section 12. All references to \$ refer to Australian dollars, except where otherwise stated.

Further information

If you have any questions about this Offer or how to accept this Offer, please call the Offer Information Line on 1800 622 202 (toll free for calls within Australia) or +61 2 8280 7694 (calls outside Australia).

Letter from the President of Mitr Phol

2 December 2011

Dear MSF Shareholder,

On behalf of Mitr Phol Sugar Corp., Ltd, the parent company of Mitr Siam International Pte. Ltd (**Mitr Siam**) (together **Mitr Phol**), I am pleased to present to you this attractive offer to acquire all of your shares in MSF Sugar Limited (**MSF**).

The offer is a **100% cash offer of \$4.45** per share for all of your MSF Shares (**Offer**), which enables you to monetise a compelling value for your MSF Shares, subject to the Conditions of the Offer being satisfied or waived. We believe the Offer Price has regard to the long term growth prospects of MSF and delivers certain cash value for your MSF Shares in a recent volatile and uncertain market environment.

Mitr Siam is currently MSF's largest shareholder and controls 22.01% of MSF's Shares.

Mitr Phol has developed a good relationship with the MSF Board and management since becoming a major stakeholder over 12 months ago.

Highly attractive Offer Price

The Offer Price represents a very attractive premium over recent market prices for your MSF Shares:

- a premium of 30.9% to \$3.40, being the closing price of MSF Shares on 4 November 2011, being the last trading day prior to the Announcement Date; and
- a premium of 37.8% to the VWAP of MSF Shares for the one month period to 4 November 2011, being the last trading day prior to the Announcement Date; and
- a premium of 37.3% to the VWAP of MSF Shares for the three month period to 4 November 2011, being the last trading day prior to the Announcement Date.

Unanimous Recommendation of the MSF Board of Directors

The MSF Directors have unanimously recommended that MSF Shareholders accept the Offer, in the absence of a Superior Proposal and subject to the Independent Expert determining that the Offer is fair and reasonable to MSF Shareholders.

In addition, each MSF Director who owns or controls MSF Shares (amounting in aggregate to 754,302 shares representing approximately 1.1% of the MSF Shares on issue as at the date of this Bidder's Statement) has confirmed that he or she intends to accept the Offer in respect of those MSF Shares, in the absence of a Superior Proposal and subject to the Independent Expert determining that the Offer is fair and reasonable to MSF Shareholders.

Other benefits of Mitr Phol's Offer

The Offer provides MSF Shareholders with a number of significant benefits:

- **Certainty of cash consideration**

The Offer comprises an all cash consideration which delivers certain value for your MSF Shares in a recent volatile and uncertain market environment.

- **MSF Share price may decline in the absence of the Offer**

The MSF Share price may decline below current levels if the Offer lapses, and no alternative offer or proposal is currently available if the Offer lapses.

- **Compelling opportunity for all stakeholders**

Mitr Phol's objective is to work closely with MSF's management, employees, cane growers and other stakeholders to support the continued growth of MSF. The acquisition of MSF by Mitr Phol (via Mitr Siam), Asia's largest sugar producer, would provide long term stability and potential benefits to these MSF stakeholders. In particular, Mitr Phol understands the important role growers have in MSF's business and looks forward to working with them to strengthen the Australian sugar industry in general.

About Mitr Phol

Over a period of 70 years, the Mitr Phol group has grown from rural canegrowing into Asia's largest sugar producer. It is annually among the world's 5 to 6 leading sugar producers with production in Thailand, China and Laos.

Central to Mitr Phol's business success is a strong commitment to the mutual success of cane growers. Mitr Phol's operations emphasise sustainable commercial relationships and the overall success of farming communities. In addition to ongoing knowledge and technology transfer to increase productivity and / or reduce costs wherever possible in support of higher farmer incomes, Mitr Phol places a high value on good corporate governance and supporting projects and initiatives that are important to farming communities.

Mitr Phol's success has also derived from having vision and investing in new technology and markets. Presently, Mitr Phol operates a fully integrated sugar business that produces various types of sugar including raw, white, refined, special and liquid sugar, while also utilising all by-products and waste from production processes in related businesses, including biomass power, ethanol, particle board and fertiliser.

Other information about the Offer

The Offer is subject to a number of Conditions as outlined in section 2.9 and set out in full in Annexure 2.

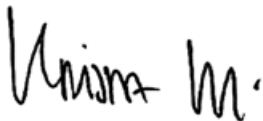
This Bidder's Statement sets out details of the Offer and the benefits which it provides to MSF Shareholders. I urge you to read it carefully, and then accept the Offer as soon as possible.

The Offer is open for your acceptance and is scheduled to close at 7.00 pm, Sydney time on 10 February 2012 (unless extended in accordance with the Corporations Act). To accept this Offer, you should follow the instructions set out in this Bidder's Statement and on the enclosed Acceptance Form.

If you have any questions about the Offer or you require assistance with your acceptance, please call the Offer Information Line on 1800 622 202 (toll free for callers within Australia) or +61 2 8280 7694 (callers outside Australia) between 8.30am and 5.30pm Sydney time Monday to Friday.

I very much look forward to your acceptance of the Offer.

Yours sincerely,



Krisda Monthienvichienchai
Mitr Phol Sugar
President

Why you should accept the Offer

- 1 The Offer Price represents a substantial premium to MSF's recent and historical trading prices
- 2 The Offer is unanimously recommended by the MSF Board of Directors in the absence of a Superior Proposal and subject to the Independent Expert determining the Offer is fair and reasonable
- 3 Mitr Phol's Offer provides cash certainty and removes your exposure to the risks and uncertainties associated with holding MSF Shares
- 4 MSF's Share price may fall if the Offer lapses
- 5 There is no Superior Proposal or alternative offer for your MSF shares
- 6 You may risk becoming a minority MSF Shareholder if you do not accept the Offer



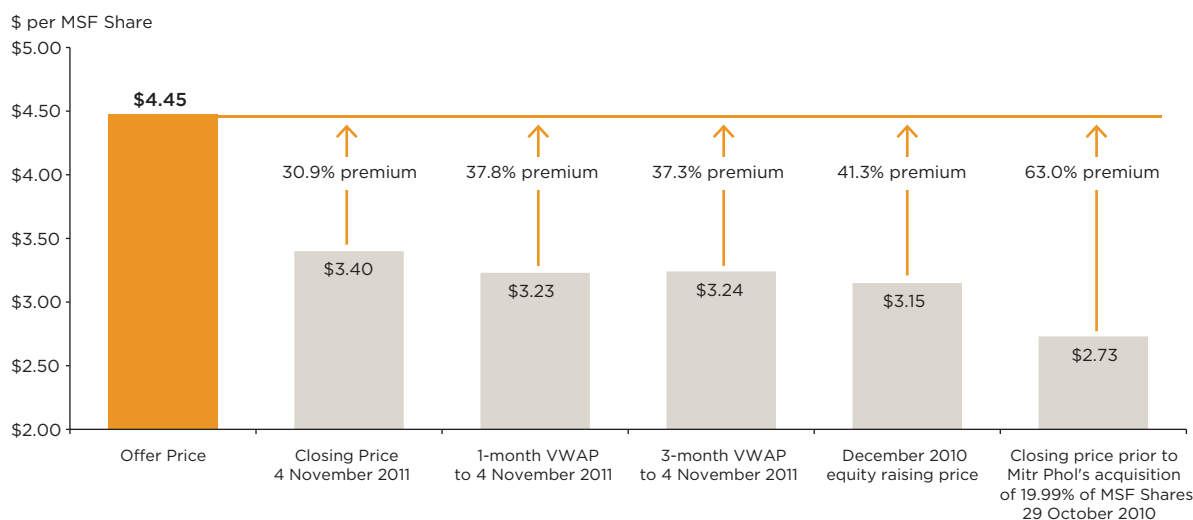
1 Why you should accept the Offer

1.1 The Offer provides significant benefits to you as a MSF Shareholder. The key reasons why you should accept the Offer are as follows:

The Offer Price represents a substantial premium to MSF's recent and historical trading prices

1.2 The all cash Offer Price of \$4.45 per MSF Share offered to MSF Shareholders represents a substantial premium to a range of recent trading prices for MSF Shares up to the Announcement Date.

1.3 The chart below illustrates the premia reflected in the Offer:



Source: IRESS Market Technology Limited

The Offer is unanimously recommended by the MSF Board

1.4 The MSF Directors have unanimously recommended MSF Shareholders accept the Offer in the absence of a Superior Proposal and subject to the Independent Expert determining that the Offer is fair and reasonable to MSF Shareholders.

1.5 Each of the MSF Directors (who collectively own or control 754,302 MSF Shares, representing approximately 1.1% of the MSF Shares as at the date of this Bidder's Statement) has confirmed that he or she will accept, or procure the acceptances of, the Offer in respect of the MSF Shares that they own or control, in the absence of a Superior Proposal and subject to the Independent Expert determining that the Offer is fair and reasonable to MSF Shareholders.

The Offer provides cash certainty and removes your exposure to the risks and uncertainties associated with holding MSF Shares

1.6 The Offer provides 100% cash consideration for your MSF Shares. This gives you certainty about the value of the consideration being offered for all of your MSF Shares (subject to the Conditions being satisfied) in an environment where global financial markets have experienced recent volatility and uncertainty. The certainty of the Offer Price should be compared to the external and company specific risks which may impact MSF and its business if the Offer is unsuccessful and no alternative offer or proposal emerges.

Key external risks and company specific risks associated with MSF's business include, but are not limited to:

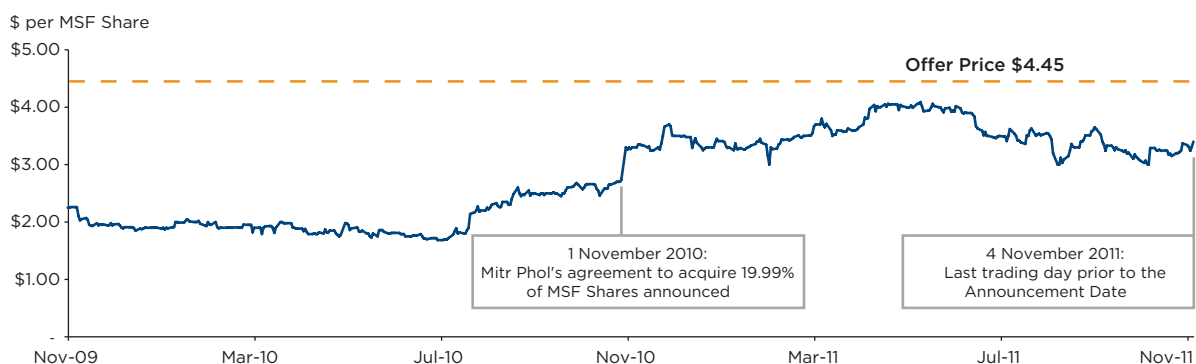
- Exposure to the volatility and cyclicity of global sugar prices;
- Risk from severe weather events, such as Cyclone Yasi and the widespread flooding in Queensland which occurred during 2011;
- Foreign exchange risk; and
- Equity market risk, including uncertainty as to the price at which MSF Shares would trade in the absence of this Offer, or any other attractive offer or proposal for control of MSF.

In contrast, if you accept the Offer and the Conditions are satisfied or waived, you will receive the certainty of cash for your MSF Shares.

1 Why you should accept the Offer (continued)

MSF's Share price may fall if the Offer lapses

- 1.7 For the one month prior to Announcement Date, MSF's daily closing share price traded between \$3.00 and \$3.40, closing at \$3.40 on 4 November 2011, being the last trading day prior to the Announcement Date. Additionally, the trading price of MSF Shares has increased considerably since Mitr Siam became MSF's largest shareholder in November 2010.
- 1.8 While there are many factors that influence the market price of MSF Shares, there is a real risk that MSF's share price will fall to levels experienced prior to the Announcement Date, at least in the short term, if the Offer does not succeed and no other alternative offer or proposal emerges.
- 1.9 The trading price of MSF Shares on the ASX over the last 24 months prior to the Announcement Date is shown on the graph below.



Source: Iress Market Technology Limited

No Superior Proposal or alternative offer

- 1.10 The Offer is the only offer available to MSF Shareholders as at the date of this Bidder's Statement.
- 1.11 Accepting the Offer now provides MSF Shareholders with certainty and a substantial premium over the recent and historical trading price of MSF Shares, rather than waiting for a Superior Proposal or other alternative offer to emerge, which may never eventuate.

You may risk becoming a minority MSF Shareholder

- 1.12 If Mitr Phol gains majority control of MSF (but Mitr Siam is not entitled to compulsorily acquire the remaining MSF Shares), those MSF Shareholders who have not accepted the Offer will become minority MSF Shareholders, with possibly less influence over the future direction and control of MSF.
- 1.13 MSF will remain a listed entity should Mitr Siam not reach the required 90% threshold to proceed to compulsory acquisition, subject to it satisfying ASX requirements for maintaining a listing (see section 7.11 on Mitr Phol's intentions for MSF as a partly owned company). However, with Mitr Phol as the majority controller, there may be limited liquidity in MSF Shares. This may mean that minority shareholders could find it more difficult to buy and sell MSF Shares.
- 1.14 In these circumstances, Mitr Phol (via Mitr Siam) will also seek to appoint nominees to the MSF Board in proportion to its shareholding. Mitr Siam may gain control over the MSF Board and, in this case, Mitr Phol (through its representatives on the Board) will control the decisions and the future direction of MSF to the extent permissible by law and the ASX rules.
- 1.15 Mitr Phol may assess the appropriateness of paying dividends to shareholders, and may be able to decide on the timing and quantum of any future dividends.

2 Summary of the Offer

- 2.1 This section provides a summary of the key features of the Offer but does not contain all of the information that MSF Shareholders should consider before accepting the Offer. Section 10 contains the full terms and Conditions of the Offer. You should read this Bidder's Statement and MSF's Target's Statement in full before deciding whether or not to accept the Offer.

The Offer

- 2.2 Mitr Siam is offering to buy all of your MSF Shares, by way of an off-market cash takeover offer. You may only accept the Offer **for all** of your MSF Shares.
- 2.3 The Offer also extends to MSF Shares issued as at 9 December 2011 and any MSF Shares issued on the conversion of, or the exercise of rights attached to, MSF Options and MSF Performance Rights in existence before the end of the Offer Period.

Offer Price

- 2.4 Mitr Siam is offering \$4.45 cash per share for all MSF Shares you hold.

How to accept the Offer

- 2.5 Depending on the nature of your MSF shareholding, you may accept the Offer in the following ways before the end of the Offer Period:

Issuer Sponsored Holding

- (a) If your MSF Shares are held in an Issuer Sponsored Holding (indicated by an "I" next to your holder number on the Acceptance Form), complete and sign the enclosed Acceptance Form and post it to Mitr Siam's Share Registry at the address indicated on the form and set out in section 2.6 below;

CHESS Holding

- (b) If your MSF Shares are held in a CHESS Holding (indicated by an "X" next to your holder number on the Acceptance Form):
- (i) instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf; or
 - (ii) complete and sign the enclosed Acceptance Form and post it to Mitr Siam's Share Registry at the address indicated on the form and outlined below; or

Participant

- (c) If you are a Participant, initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the expiry of the Offer Period.



2 Summary of the Offer (continued)

Delivery and mailing addresses

2.6 Please use the reply paid envelope enclosed with this Bidder's Statement. Alternatively, the mailing address for Mitr Siam's share registry is:

MSF Sugar Takeover
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

When you can accept the Offer

2.7 You may accept the Offer at any time during the Offer Period, which is scheduled to close at 7.00pm (Sydney time) on 10 February 2012 (this period may be extended in accordance with the Corporations Act). Acceptances must be received in sufficient time to effect an acceptance of the Offer before the end of the Offer Period.

Payment date

2.8 If you validly accept the Offer and the contract resulting from your acceptance becomes unconditional, Mitr Siam will pay the Offer Price per MSF Share to you on or before the earlier of:

- (a) 21 days after the date of your acceptance, or if the Offer is subject to a Condition when you accept it, within 21 days of the Offer becoming unconditional; and
- (b) 21 days after the end of the Offer Period.

Conditions

2.9 Conditions of the Offer are set out in full in Annexure 2. In summary, the Conditions of the Offer include:

- (a) **Minimum acceptance:** Mitr Siam and its associates acquiring Relevant Interests in at least 50.1% (by number) of the MSF Shares on issue;
- (b) **Foreign Investment Review Board (FIRB) approval:** Mitr Siam becoming entitled to acquire MSF Shares under the *Foreign Acquisitions and Takeovers Act 1975* following the receipt of advice from the Federal Treasurer (or his delegate) that he has no objections under Australia's foreign investment policy;
- (c) **Other Regulatory Approvals:** all Regulatory Approvals (including the approval of the Bank of Thailand in respect of the Offer and its financing) that are required by law or by any Regulatory Authority are granted;
- (d) **No Material Adverse Change:** before the end of the Offer Period, no Material Adverse Change occurs;
- (e) **No termination:** no material breach by MSF of the prohibited actions in clause 7.3 of the Implementation Agreement;
- (f) **No Prescribed Occurrence:** no Prescribed Occurrences occurring in respect of MSF (as set out in Annexure 3);
- (g) **No actions of Regulatory Authorities:** no material actions or applications taken by a Regulatory Authority in consequence of or in connection with the Offer;
- (h) **No untrue statements:** Mitr Siam does not become aware that any document filed by MSF with ASX or ASIC contains a statement which is materially incorrect or misleading or from which there is a material omission; and
- (i) **No change of control rights:** except as fairly disclosed or otherwise known to Mitr Siam, no material change of control rights will be triggered as a result of the Offer being implemented.

2.10 The above is a summary only and full details of all the Conditions are set out in Annexure 2.

Status of Conditions

- 2.11 The date for giving the notice on the status of the Conditions required by section 630(3) of the Corporations Act is 3 February 2012 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

Compulsory acquisition

- 2.12 If you do not accept the Offer and Mitr Siam becomes entitled to acquire your MSF Shares under the compulsory acquisition provisions of the Corporations Act, Mitr Siam intends to acquire your MSF Shares. In that case, you will have to obtain the consideration from Mitr Siam and be paid the Offer Price in respect of each of your MSF Shares later than MSF Shareholders who accept the Offer. Sections 9.19 to 9.26 of this Bidder's Statement contain a more detailed description of the compulsory acquisition and compulsory buy-out provisions in relation to the Offer.
- 2.13 If Mitr Siam does not become entitled to compulsorily acquire your MSF Shares and you do not accept the Offer, you will remain a shareholder of MSF.
- 2.14 Mitr Siam may also elect to make private treaty offers to holders of MSF Options or MSF Performance Rights. Please refer to section 9.27 for more information. However, if you do not exercise your MSF Options or MSF Performance Rights and accept the Offer in respect of any MSF Shares issued upon exercise of those MSF Options or MSF Performance Rights, and Mitr Siam reaches the compulsory acquisition thresholds of the Corporations Act, Mitr Siam will be bound to make offers for your MSF Options and MSF Performance Rights and may also be entitled to compulsorily acquire those options and rights. Alternatively, in accordance with the MSF Options and Performance Rights Plan, you may exercise your rights within one month of the date upon which Mitr Siam becomes entitled to exercise those compulsory acquisition rights and any MSF Shares issued upon such exercise will be acquired by Mitr Siam through the compulsory acquisition process. In that case, you will have to obtain the consideration from Mitr Siam and be paid the Offer Price per MSF Share considerably later than if you accept the Offer in respect of any MSF Shares issued before the end of the Offer Period upon exercise of your MSF Options or MSF Performance Rights. If Mitr Siam does not become entitled to compulsorily acquire your MSF Options or MSF Performance Rights, you will remain a holder of MSF Options or MSF Performance Rights.
- 2.15 If Mitr Phol acquires a relevant interest in more than 50% of MSF Shares and declares its Offer unconditional, the MSF Board may, under the terms of the MSF Options and Performance Rights Plan, give notice that participants in the MSF Options and Performance Rights Plan may exercise their MSF Options and MSF Performance Rights within a certain period from the date of the notice. The MSF Board will determine this period having regard to the date upon which the Offer Period is scheduled to close to enable those participants sufficient time to accept the Offer in respect of the MSF Shares that will be issued following the exercise of those MSF Options or MSF Performance Rights.

Tax consequences

- 2.16 Section 8 includes a general outline of the Australian tax consequences that may apply for certain MSF Shareholders who dispose of their MSF Shares by accepting the Offer. You should read section 8 carefully. As section 8 is a general outline, it does not take into account the specific circumstances of any particular MSF Shareholder. Accordingly, MSF Shareholders should consult their own independent tax advisor regarding the tax consequences of accepting the Offer to take into account their particular circumstances.

Further information

- 2.17 If you have any questions in relation to the Offer or how to accept, please call 1800 622 202 (toll free for callers within Australia) or +61 2 8280 7694 (callers outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

3 Frequently asked questions

Question	Answer
Offer structure	
What is the Offer?	<p>Mitr Siam is offering to buy all of your MSF Shares (including any MSF Shares issued on the conversion or the exercise of MSF Options or MSF Performance Rights before the end of the Offer Period and all other MSF Shares on issue as at 9 December 2011) by way of an off-market takeover.</p> <p>The Offer Price is \$4.45 cash per MSF Share.</p> <p>You may only accept the Offer for all of your MSF Shares.</p>
Who is making the Offer?	<p>The Offer is being made by Mitr Siam, a wholly-owned subsidiary of Mitr Phol Sugar. Information on Mitr Siam and Mitr Phol Sugar is set out in section 4.</p>
What do MSF Directors recommend?	<p>The MSF Directors have unanimously recommended that MSF Shareholders accept the Offer, in the absence of a Superior Proposal and subject to the Independent Expert determining that the Offer is fair and reasonable to MSF Shareholders.</p> <p>Each of the MSF Directors (who collectively own or control 754,302 MSF Shares, representing approximately 1.1% of the MSF Shares in issue as at the date of this Bidder's Statement) has confirmed that he or she intends to accept the Offer in respect of MSF Shares they own or control, in the absence of a Superior Proposal and subject to an Independent Expert determining that the Offer is fair and reasonable to MSF Shareholders.</p>
What are the tax consequences if I accept the Offer?	<p>Please consult your financial, tax or other professional adviser on the tax consequences of acceptance of the Offer. However, a general outline of the Australian tax consequences of accepting the Offer is included in section 8.</p>



Question	Answer
What is the effect of the Offer on MSF Options and MSF Performance Rights?	<p>No separate takeover offer is being made for MSF Options and MSF Performance Rights.</p> <p>Mitr Phol may elect to make private treaty offers to holders of MSF Options and MSF Performance Rights as contemplated in section 9.3. However, Mitr Phol has not committed to make such private treaty offers, and so Mitr Phol encourages holders of MSF Options or MSF Performance Rights who are entitled to do so to exercise their MSF Options or MSF Performance Rights and accept the Offer in respect of the MSF Shares issued upon such exercise.</p>
What if I am a foreign shareholder?	<p>Foreign shareholders will be paid the same Australian dollar denominated cash consideration of \$4.45 per MSF Share as all other Australian MSF Shareholders under the Offer, which will be paid via a cheque drawn on an Australian bank branch. However, the tax consequences under the Offer may be different to those foreign MSF Shareholders who are Australian Residents. Accordingly, foreign shareholders should seek advice in relation to tax implications of accepting the Offer in their jurisdiction.</p>

Reasons to accept the Offer

Why accept the Offer?	<p>The Mitr Siam Board believes that MSF Shareholders should accept the Offer for the following key reasons (amongst others):</p> <ul style="list-style-type: none"> • the value of the Offer represents a substantial premium over the recent and historical trading prices of MSF Shares; • the MSF Directors have unanimously recommended that MSF Shareholders accept the Offer, in the absence of a Superior Proposal and subject to the Independent Expert determining that the Offer is fair and reasonable to MSF Shareholders; • the Offer provides cash certainty and removes MSF Shareholders' exposure to risks and uncertainties associated with holding MSF Shares; • the MSF Share price may fall, at least in the short term, if the Offer does not succeed and no other offer or proposal is made for MSF; • there has been no Superior Proposal or alternative offer to acquire MSF Shares as at the date of this Bidder's Statement; and • a MSF Shareholder who does not accept the Offer risks becoming a minority MSF Shareholder if the Offer is successful but Mitr Siam is not entitled to proceed to compulsory acquisition of MSF Shares. <p>Refer to section 1 for further information on the benefits of the Offer.</p>
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3 Frequently asked questions (continued)

Question	Answer
Offer terms & Conditions	
How do I accept the Offer?	<p>To accept the Offer you should follow the instructions set out in sections 10.13 to 10.27. To be effective, your acceptance must be received by mail at the below address:</p> <p>MSF Sugar Takeover Link Market Services Limited Locked Bag A14 Sydney South NSW 1235</p> <p>before 7.00pm (Sydney time) on the Closing Date.</p>
What choices do I have as a MSF Shareholder?	<p>As a MSF Shareholder, you have the following choices in respect of your MSF Shares:</p> <ul style="list-style-type: none"> • accept the Offer for all of the MSF Shares you hold; • sell some or all of your MSF Shares on ASX (unless you have previously accepted the Offer for your MSF Shares). If you sell some of your MSF Shares you can accept the Offer for the balance of your MSF Shares; or • do nothing. <p>If Mitr Siam at the end of the Offer Period becomes entitled to do so under the Corporations Act, it intends to exercise its rights to compulsorily acquire your MSF Shares at the Offer Price (in which case the same value will be available to you for your MSF Shares but you will be paid later in time).</p>
Can I accept the Offer for part of my holding in MSF?	No. You may only accept the Offer for ALL of your MSF Shares.
Can I withdraw my acceptance?	In certain circumstances, once you have accepted the Offer, a withdrawal right may arise under the Corporations Act. Such a withdrawal right will arise for example if, after you have accepted the Offer, the Offer is varied in a way that postpones, for more than one month, the time when Mitr Siam has to meet its obligations under the Offer and the Offer is still subject to one or more Conditions. If this occurs, a notice will be sent to you that explains your right to withdrawn your acceptance of the Offer.
What happens if I do not accept the Offer?	<p>If you do not accept the Offer, you will remain a MSF Shareholder unless Mitr Phol becomes entitled, via Mitr Siam, to proceed to compulsory acquisition of MSF Shares under the Corporations Act. Further information on Mitr Phol's intentions is set out in section 7.</p> <p>If Mitr Siam gains majority control of MSF (but is not entitled to compulsorily acquire the remaining MSF Shares), those MSF Shareholders who do not accept the Offer will become minority MSF Shareholders with possibly less influence over the future direction and control of MSF. The possible risks of becoming a minority shareholder in MSF are described in sections 1.12 to 1.15.</p>
Can I sell my MSF Shares on ASX?	<p>Yes, but you may incur brokerage costs if you do.</p> <p>If you have already accepted the Offer, you will be unable to settle any subsequent sale of your MSF Shares, subject to you being entitled to withdraw your acceptance – see FAQ 'Can I withdraw my acceptance?'</p>

Question	Answer
Following the Offer, will MSF remain a listed company?	<p>This depends on the number of MSF Shares acquired under the Offer.</p> <p>If Mitr Phol achieves a relevant interest of greater than 50.1% but less than 90% of MSF Shares, and the Offer is unconditional, Mitr Siam intends to retain the listing of MSF on the ASX, subject to the ongoing requirements under the Listing Rules being satisfied (including there being a sufficient number and spread of MSF shareholders). However, with Mitr Siam as the majority controller, there may be very limited liquidity in MSF Shares. This may mean that minority shareholders may find it more difficult to buy and sell MSF Shares.</p> <p>If MSF is not able to satisfy the ongoing requirements under the Listing Rules, ASX may require MSF to be de-listed.</p>
When does the Offer close?	<p>The Offer is currently scheduled to close at 7.00pm (Sydney time) on 10 February 2012, unless it is extended in accordance with the Corporations Act.</p>
What if I accept the Offer and Mitr Siam increases the Offer price?	<p>If Mitr Siam increases the Offer Price, all MSF Shareholders who accept the Offer (whether or not they have accepted the Offer before or after the increase) will be entitled to the benefit of the increased Offer Price, should the Offer become or be declared unconditional.</p> <p>If you have already received payment in respect of the Offer at the time the Offer Price is increased, you will be paid the difference between the amount you have received and the higher Offer Price.</p>
Can Mitr Siam extend the Offer Period?	<p>Yes, the Offer can be extended at Mitr Siam's election or otherwise in accordance with the Corporations Act. You will receive written notification of any extension of the Offer Period and the extension will be announced to the ASX.</p>
If I accept the Offer, when will I receive payment?	<p>Generally, if you accept the Offer, you will be paid the Offer Price on or before the earlier of:</p> <ul style="list-style-type: none"> • 21 days after the Offer is validly accepted by you, or if the Offer is still subject to a Condition when accepted, 21 days after the Offer becomes unconditional; and • 21 days after the end of the Offer Period provided that the Offer has become unconditional. <p>Refer to sections 10.54 and 10.55 which contain further information about the dates for payment of the Offer Price.</p>
Is there a break fee?	<p>Yes, a break fee of A\$3,100,000 is payable by MSF to Mitr Phol in certain circumstances. Please refer to section 9.10(f) for details of the circumstances in which the break fee is payable.</p>

3 Frequently asked questions (continued)

Question	Answer
Offer terms & Conditions (continued)	
What happens if the MSF Board declares a dividend during the Offer Period?	<p>Provided that you are the registered holder of MSF Shares on the dividend record date and you accept the Offer in respect of each of those MSF Shares, you will still receive the Offer Price of \$4.45 for each of those MSF Shares if the Offer becomes unconditional, but such amount will comprise:</p> <ul style="list-style-type: none"> • the amount of any dividend paid by MSF on those MSF Shares; and • the Offer Price of \$4.45, reduced by the amount per MSF Share of any dividend paid by MSF. <p>Please note that under the terms of the Implementation Agreement entered into between MSF and Mitr Phol in relation to the Offer, MSF must not declare, pay, determine or distribute any dividend, to MSF Shareholders without the prior approval of Mitr Phol.</p>
Will I need to pay brokerage or stamp duty if I accept the Offer?	<p>You will not pay brokerage or stamp duty if you accept the Offer.</p> <p>If your MSF Shares are registered in an Issuer Sponsored Holding in your name and you deliver them in accordance with the instructions in section 10.15, you will not incur any brokerage or stamp duty in connection with your acceptance of the Offer.</p> <p>If your MSF Shares are registered in a CHESS Holding or if you are a beneficial owner whose MSF Shares are registered in the name of a Broker, bank, custodian or other nominee, you will not incur any stamp duty or brokerage in connection with your acceptance of the Offer but you should ask your Controlling Participant (usually your Broker) or nominee whether it will charge any transactional fees or services charges in connection with acceptance of the Offer.</p>
What are the conditions to the Offer?	<p>The Offer is subject to a number of Conditions. A summary of the Conditions is set out in section 2.9.</p> <p>Annexure 2 sets out all of the Conditions in full.</p>
What happens if the conditions of the Offer are not satisfied or waived?	<p>If the Conditions to the Offer are not satisfied or waived by the Closing Date, the Offer will lapse. In this case, if you have accepted the Offer your MSF Shares will not be acquired by Mitr Siam and you will not be paid the Offer Price.</p>

Question	Answer
General	
What is the Bidder's Statement?	<p>This Bidder's Statement was prepared by Mitr Siam for distribution to MSF Shareholders. It sets out:</p> <ul style="list-style-type: none">• the terms and Conditions of the Offer;• information relating to the Offer, including the Offer Price you will receive if Mitr Siam acquires your MSF Shares under the Offer and the benefits and risks of accepting the Offer; and• other information relevant to your decision whether or not to accept the Offer. <p>The Bidder's Statement is an important document. If you are in any doubt as to how to deal with this document, you should consult your broker or your legal, financial or other professional adviser as soon as possible.</p>
What is the Target's Statement?	<p>MSF's Target's Statement will be prepared by MSF for distribution to MSF Shareholders. It will set out MSF's response to the Offer, including the recommendation of the MSF's Directors. The Target's Statement will include a concise version of the report from the Independent Expert regarding whether the Offer is fair and reasonable to MSF Shareholders.</p>
Is there a number that I can call if I have further queries in relation to the Offer?	<p>If you have any further queries in relation to the Offer, you can call the Offer Information Line on 1800 622 202(toll free for callers within Australia) or +61 2 8280 7694 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (Sydney time).</p> <p>Any further material relating to the Offer will be lodged with the ASX and available from the ASX website at www.asx.com.au.</p>

4 Information about Mitr Phol

Overview of Mitr Phol

- 4.1 Mitr Phol is one of the world's largest sugar producers and is the largest sugar producer in Asia, currently crushing approximately 27 million tonnes of cane and producing approximately 3 million tonnes of sugar annually.

Starting as a grower, Mitr Phol's business is built on a strong commitment to supporting the mutual success of cane growers. Throughout Asia, Mitr Phol operations involve significant stakeholder chains, including over an estimated 60,000 growers in total. Long experience, understanding of key issues and an emphasis on sustainable commercial relationships with farmers while also supporting overall community development are considered key to the Mitr Phol's continuing success.

Mitr Phol's competitive success has also derived from having vision and investing in new technology and markets. Today, Mitr Phol's operations represent a fully integrated sugar business that produces many types of sugar including raw sugar, white sugar, refined sugar, special sugar and liquid sugar. In addition, Mitr Phol utilises all by-products or waste from all sugar production processes as raw materials in related businesses, including biomass power, ethanol, particle board and fertiliser.

Overview of Mitr Siam

- 4.2 Mitr Siam is a wholly-owned subsidiary of Mitr Phol Sugar. Mitr Siam was incorporated in Singapore in 2010 (with its registered office at 1 Raffles Place, #28-02 One Raffles Place, Singapore 048616) for the purposes of holding Mitr Phol Sugar's investment in MSF Shares.

Mitr Siam is the entity that is offering to acquire MSF Shares under the Offer.

Mitr Phol's Key operations and business

- 4.3 Mitr Phol's principal operations include:

- (a) Sugar production

As Asia's largest sugar producer, Mitr Phol operates 11 sugar mills and seven sugar refineries across Thailand, China and Laos with total production for the financial year ended 31 October 2011 of over 2.8 million tonnes of sugar.

Mitr Phol's sugar operations comprise:

- (i) Five sugar mills and refineries in Thailand with a total cane crushing capacity of approximately 17 million tonnes per year, producing approximately 1.8 million tonnes of sugar annually;
- (ii) Five sugar mills and two refineries in China with a total crushing capacity of approximately 10 million tonnes of cane per year, producing approximately 1.2 million tonnes of sugar annually; and



- (iii) One mill in Lao People's Democratic Republic which has a total crushing capacity of 500,000 tonnes per year, producing approximately 35,000 tonnes of sugar annually.

In 2011, Mitr Phol is ranked number 5 in the world in terms of tonnes of sugar produced and is also the largest sugar producer in Asia, with an estimated market share of 19% in Thailand (ranked number 1 in tonnes of sugar produced and sugar exports), and 10% in China where Mitr Phol first invested in 1993 and today is ranked number 2 in terms of sugar produced.

Within its sugar production operations, Mitr Phol also operates the Mitr Phol Sugarcane Research Centre, which was established in 1997 to promote farm productivity through improved farm management efficiency and the development of new varieties of cane crops to improve productivity for growers.

- (b) Power

All Mitr Phol operations in Thailand and China are powered by renewable energy cogen from biomass (bagasse) and have a combined installed power generation capacity of approximately 502 megawatts per hour. In financial year 2011, they also exported approximately 1,092 million kilowatt hours of electricity to the national grids of Thailand and China combined.

Consistent with Mitr Phol's commitment to sustainability and the environment, two of Mitr Phol's cogeneration plants are registered under the United Nations Framework Convention on Climate Change and were developed under the Clean Development Mechanism promoting sustainable development under the Kyoto Protocol.

- (c) Ethanol

Mitr Phol was a pioneer of renewable ethanol production in Thailand, utilising molasses and sugar cane juice as key feedstocks. Mitr Phol's ethanol business, Petro Green, operates four ethanol plants in Thailand with a production capacity of over 260 million litres per year. Presently, Mitr Phol is the largest producer of renewable ethanol in Thailand and exports to ASEAN¹, Japan, Taiwan and Korea.

- (d) Particle board

Panel Plus, Mitr Phol's particle board business, is a wood substitution products manufacturer in Thailand utilising bagasse from the sugar production process as feedstock for its products. Panel Plus operates three particle board plants in Thailand, which produces plain particle board, melamine faced chipboard, and MDF board products.

Board of Directors

- 4.4 Set out below is a brief description of the Mitr Siam directors and Mitr Phol Sugar directors and their qualifications and other directorships:

- (a) Mitr Siam

- (i) **Mr. Isara Vongkusolkit**

Mr. Isara Vongkusolkit is a Director of Mitr Siam and the Chairman of Mitr Phol Sugar. Prior to becoming Chairman of Mitr Phol Sugar and its affiliates in 2008, he served as President of Mitr Phol Sugar for the past 20 years. He also serves as Chairman of the Sugar Industry Club of the Federation of Thai Industries, Vice Chairman of the Thai Chamber of Commerce, the Honorary Chairman of Thai Sugar and Bio-Energy Producers, and a Director of United Standard Terminal Public Company Ltd.

He holds a number of qualifications which include a Bachelor of Management from North Carolina University, a Honorary Doctorate of Science (Agribusiness) from Khon Kaen University, a Honorary Doctorate of Post-Harvest and Processing Engineering from Rajamangala University of Technology Isan, and a number of qualifications from Thai Institute of Directors Association.

4 Information about Mitr Phol (continued)

Board of directors (continued)

(ii) **Mr. Vitoon Vongkusolkit**

Mr. Vitoon Vongkusolkit is a Director of Mitr Siam and a Director of Mitr Phol Sugar. He also serves as the Chairman of Thai Chemical & Engineering Co., Ltd., United Standard Terminal Public Company Ltd and serves on the Financial & Risk Management Committee of Erawan Group Public Company Ltd. He is also Vice Chairman of Banpu Public Company Ltd and a Director of Erawan Hotel Public Company Ltd. Previously, he served as the Chairman of the IAG Insurance (Thailand) Co., Ltd and United Securities Public Company Ltd.

He holds a BSc (Pharmacology) from Chulalongkorn University and a number of qualifications from Thai Institute of Directors Association.

(iii) **Mr. Krisda Monthienvichienchai**

Mr. Krisda Monthienvichienchai is a Director of Mitr Siam and a Director of Mitr Phol Sugar. He joined Mitr Phol Sugar as CFO in 1997 and became President in 2008. He was recently appointed Deputy Chairman of Thai Sugar and Bio-Energy Producers Association. He is also an Executive Director of Thai Sugar Millers Association Co., Ltd.

He holds an MBA from Chulalongkorn University and is a graduate of the Wharton Advanced Management Program.

(iv) **Mr. Chong Weiyi**

Mr Chong Weiyi is a Director of Mitr Siam. Chong Weiyi is currently an Assistant Manager of Allshores Fiduciary Services Pte. Ltd., a company registered in Singapore to provide business consultancy services to domestic and international corporations.

(b) Mitr Phol Sugar

In addition to Mr Isara Vongkusolkit, Mr Vitoon Vongkusolkit and Mr Krisda Monthienvichienchai, the following persons are also Directors of Mitr Phol Sugar:

(i) **Mr. Chanin Vongkusolkit**

Mr. Chanin Vongkusolkit is a Director of Mitr Phol Sugar. He has also served as the Chief Executive Officer and Director of Banpu Public Company Ltd since 1983. He is also the Chairman of the Thai Listed Companies Association and a Director of the Erawan Group Public Company Ltd. He holds an MBA (Finance) from St Louis University, Missouri, USA, BA of Economics, Thammasat University, an Honorary PhD in Economics from Chiangmai University, and a number of qualifications from Thai Institute of Directors Association.

(ii) **Mr. Klanarong Sriroth, PhD**

Dr. Klanarong Sriroth is a Director of Mitr Phol Sugar. He is also an Associate Professor in the Department of Biotechnology at Kasetsart University. He has more than 25 years experience in the sugar industry including sugar, starch, and bioethanol processing by using molasses and cassava as feedstock. Apart from establishing the Sugar Technology Program for Factory Personnel at Kasetsart University, he played a major role in establishing public awareness on the significant roles of Science and Technology in strengthening the competitiveness of the Thai agriculture industry, in particular sugarcane and cassava. He currently also serves as a Technical Committee member in many National Boards concerning sugar, starch and ethanol. Mr. Sriroth holds a PhD in Biotechnology/Sugar Technology from the Technical University of Berlin.

(iii) **Mr. Chiradet Ousawat, PhD**

Dr. Chiradet Ousawat, Ph.D is a Director of Mitr Phol Sugar. He is currently the President of the University of Thai Chamber of Commerce. He also serves as the Dean of the Faculty of Business Administration of The National Institute of Development Administration. Mr. Ousawat serves as the Chairman of the Executive Board of Thai Gypsum Public Company Ltd. and as Independent Director of Thai-German Products Public Company Ltd. and Big C Supercenter Public Company Ltd. He holds a PhD in Decision Sciences (Production and Operation Management) and an MBA in Decision Sciences from the University of Oregon, MSc in Industrial Engineering from Lehigh University, and a Bachelor's Degree in Engineering from Chulalongkorn University. He also holds a number of qualifications from Thai Institute of Directors Association.

(iv) Wg. Cdr. Lucksamee Vongkusolkit

Wg. Cdr. Lucksamee Vongkusolkit is a Director of Mitr Phol Sugar. She is also a Director of Sai Mai Hospital and the Managing Director of Central General Hospital and Advance Medical Center Co., Ltd. Wg. Cdr. Lucksamee holds a Bachelor's Degree in Medicine from Chiang Mai University and completed her Medical Internship in the Thai Air Force. Her Medical Residency was completed at St. Louis City Hospital in Missouri, USA. She also has a Bachelor's Degree in Law from Ramkhamhaeng University and previously served as a Deputy Managing Director of United Securities Public Company Ltd. Presently, she is also the Managing Director of the Private Hospital Association of Thailand.

(v) Mr. Buntoeng Vongkusolkit

Mr. Buntoeng Vongkusolkit is a Director of Mitr Phol Sugar. He has more than 30 years experience with Mitr Phol Sugar group in various areas including cane management and production (mill and refinery). Prior to his recent appointment as Senior Executive Vice President Sugarcane Development and Management, he was the Group Managing Director of the ASEAN Business since 2008. He holds a Master Degree in Political Science from Ramkhamhaeng University and a certificate of completion of the Senior Executive Program from SASIN Graduate Institute of Business Administration of Chulalongkorn University.

(vi) Mr. Thaweewat Thaweepiyamaporn

Mr. Thaweewat Thaweepiyamaporn is a Director of Mitr Phol Sugar. He has more than 50 years of experience in the sugar industry and agricultural businesses. His expertise is in land, water and sugarcane management systems, including the operation of a model cane farm.

(vii) Mr. Chusak Vongkusolkit

Mr. Chusak Vongkusolkit is a Director of Mitr Phol Sugar. He is also a Director and Managing Director of East Asia Sugar Group in Guangxi, China, a subsidiary of Mitr Phol Sugar. His expertise in purchasing, financing, sales & marketing, and logistic is drawn from his professional experience at East Asia Sugar Group, The Grand Hyatt Erawan Hotel, and Thai Rung Rueng Finance & Trust Co., Ltd. He holds a Bachelor of Management in Marketing from Ramkhamhaeng University and a Master of Business Administration (Marketing) from College of Notre Dame, Belmont, California USA.

(viii) Mr. Verajet Vongkusolkit

Mr. Verajet Vongkusolkit is a Director and member of the Audit Committee of Mitr Phol Sugar. He is also a Director of Banpu Public Company Ltd and a member of its Corporate Governance and Nomination Committees, as well as a Director of TME Capital Ltd, Advance Medical Center Co. Ltd, Saimai Hospital Co., Ltd, and United Farmer & Industry Co., Ltd. Mr. Verajet Vongkusolkit holds a Bachelor of Science (Finance) from Babson College, Massachusetts, USA and a number of qualifications from Thai Institute of Directors Association.

Ownership

4.5 Mitr Phol Sugar is a private company incorporated and headquartered in Thailand. 100% of the shares in Mitr Phol Sugar are indirectly owned by the Vongkusolkit family through Mid-Siam Sugar Co., Ltd. Mitr Phol Sugar has been given a credit rating of A+ from TRIS Rating, a leading credit rating agency in Thailand.

Mitr Siam is a wholly-owned subsidiary of Mitr Phol Sugar.

Further information

4.6 Further information on Mitr Phol can be found at Mitr Phol's website at <http://www.mitrphol.com/en/index.php> however, no information on that website is incorporated by reference into this Bidder's Statement.

5 Information about MSF

Introduction

- 5.1 This section provides an overview of MSF, its principal activities and recent history. MSF is listed on ASX and is obliged to comply with the continuous disclosure requirements of ASX. Information on MSF may also be obtained from MSF's website at www.msfsugar.com.au and ASX's website at www.asx.com.au.
- 5.2 The information on MSF in this Bidder's Statement has been prepared by Mitr Phol using publicly available information and information provided by MSF to Mitr Phol as part of Mitr Phol's due diligence enquires. To the extent permitted by law, Mitr Phol does not make any representation or warranty (express or implied), nor assume any responsibility, as to the accuracy or completeness of such information. The information on MSF in this Bidder's Statement should not be considered to be comprehensive. Further information in relation to the business of MSF will be included in MSF's Target's Statement.

Overview of MSF and its business

- 5.3 MSF an integrated sugar company based in Queensland, Australia. MSF is a public company listed on ASX. The principal activities of MSF consist of the manufacture and marketing of raw sugar.

Recent Financial Performance

- 5.4 On 18 August 2011, MSF announced its results for the half year ended 30 June 2011, disclosing a net loss after tax of \$6.1 million. The loss before tax was \$15.5 million.

Key operations and assets

5.5 Milling and marketing

MSF's cane milling (sugar manufacturing) operations comprise four sugar mills located in south east Queensland and far north Queensland. The mills collectively have an estimated maximum cane crushing capacity of approximately 4.7 million tonnes and sugar production capacity of approximately 550,000 tonnes of raw sugar per annum. For the 2011 season, MSF has announced that it expects to crush approximately 2.9 million tonnes of cane.

Two of MSF's mills were acquired in April 2011 pursuant to an agreement with Bundaberg Sugar Limited announced to ASX on 19 April 2010. Under that agreement, three mills were acquired and one was subsequently closed due to a lack of sufficient cane supply.

Raw sugar produced at MSF's mills is sold in the global sugar market, primarily within Asian markets.



5.6 Other Operations

MSF's milling operations are supported by MSF company cane growing activities, which are primarily located in the Maryborough region, and supply a portion of the cane crushed by MSF's mills. MSF also holds a minority Relevant Interest of 17.59%² of Sugar Terminals Ltd (**STL**), a company which owns Queensland's bulk sugar terminals. STL's "G" Class Shares were listed on the National Stock Exchange of Australia (formerly the Newcastle Stock Exchange) on 26 February 2004.

Board of directors

5.7 MSF's Directors and a brief description of their qualifications and other directorships are set out below:

(a) **James A. Jackson, Chairman - B. Com (UQ), FAICD**

Mr Jackson was appointed a director in June 2004 and became Chairman in August 2008. Mr Jackson is also Chairman of the Market Risk Committee and a member of the Nomination and Remuneration Committees.

Mr Jackson completed the Program for Management Development at Harvard Business School. He has previously held the positions of non-executive director of North Pine Motors Pty Ltd and Management Committee Member of Richmond Landcare Inc.

(b) **John E. Burman, Independent Director - BE (Hons I) (UNSW), PhD (London), GAICD**

Dr Burman was appointed a director in June 2005. He is Chairman of the Nomination and Remuneration Committee, and a member of the Compliance Committee and the Market Risk Committee.

(c) **Jim F. Hesp, Independent Director - FAICD**

Mr Hesp was appointed a director in July 2008. He is a member of the Nomination and Remuneration Committee and a member of the Market Risk Committee.

Mr Hesp is currently a director of the Australian Sugar Milling Council and Sugar North Limited.

(d) **Craig A. Mills, Independent Director - Dip App Sc, B. Bus, MBA, GAICD, FAICD**

Mr Mills joined the Board in October 2011 and is a member of the Audit Committee and the Market Risk Committee.

Mr Mills is the former Chief Executive Officer of Golden Circle Limited and has more than 25 years' experience in the food industry domestically and internationally, including with Dairy Farmers, Mars and Nestlé. He is also a director of the Peanut Company of Australia Limited and AIW Printing Pty Ltd.

(e) **Brett Moller, Independent Director - BA (ANU), LLB (QUT), MAICD**

Mr Moller was appointed a director in July 2008. He is Chairman of the Compliance Committee and a member of the Audit Committee.

Mr Moller is a partner in the far north Queensland regional law firm Marino Moller Lawyers, and is a director of the State Board of Chamber of Commerce & Industry Queensland and serves as Chairman of its Far North Queensland Regional Council.

(f) **Sue Palmer, Independent Director - B. Com (UQ), CA, FAICD**

Ms Palmer was appointed a director in April 2008. Ms Palmer is Chairman of the Audit Committee and is a member of the Compliance Committee.

Ms Palmer is Chief Financial Officer and an Executive Director of Thiess Pty Ltd.

Ms Palmer was a director of the Port of Brisbane Corporation for almost five years and was previously Deputy Chair of the Queensland Competition Authority and a director of the Royal Blind Foundation.

² Includes a Relevant Interest in certain STL shares pursuant to an agreement between MSF and Bundaberg Sugar Limited for MSF to acquire 15,328,437 shares of STL at A\$0.90 per share (less any dividend payments declared between entering into the agreement and its expiry). The acquisition of these shares is subject to the conditions set out in that agreement, and is due to complete on 24 December 2011 if those conditions are either satisfied or waived by that date.

5 Information about MSF (continued)

Substantial shareholders

5.8 As at the date of this Bidder's Statement, the following entities had notified MSF of current substantial shareholdings in MSF:

Shareholder	Number of MSF Shares held	% Held ³
Mitr Phol Sugar Corp., Ltd and its associates	15,239,058	22.01%

5.9 As at the date of this Bidder's Statement, Mitr Siam was MSF's largest shareholder with a Relevant Interest in 15,239,058 shares, representing 22.01% of MSF Shares. The majority of Mitr Siam's shareholding in MSF was acquired through an agreement with Guinness Peat Group plc announced by MSF to ASX on 1 November 2010.

5.10 As at the date of this Bidder's Statement, no other shareholder had notified MSF of a current substantial shareholding in MSF.

Recent MSF Share prices

5.11 The closing share price of MSF Shares on ASX on 4 November 2011, being the last full day of trading before the Announcement Date, was \$3.40.

5.12 The closing share price of MSF Shares on ASX on 15 November 2011, being the last full day of trading before the Bid Announcement Date, was \$4.41.

Dividends

5.13 MSF has paid the following dividends in the last two financial years:

- (a) for the six months period ending 31 December 2010: 2.5 cents per share;
- (b) for the 12 months period ending 30 June 2010: 6.5 cents per share, comprised of:
 - (i) an interim dividend of 2.5 cents per share; and
 - (ii) a final dividend of 4.0 cents per share.

MSF did not declare a dividend for the 6 month period ending 30 June 2011.

³ Based on 69,248,422 MSF Shares.

6 Funding

Total cash consideration

- 6.1 Mitr Siam's offer is a 100% cash offer and the Offer Price is \$4.45 per MSF Share.
- 6.2 The maximum amount of cash that Mitr Siam would be required to pay under the Offer for all the MSF Shares on issue (excluding the shares already owned by Mitr Siam) as at 9 December 2011, being 54,009,364 MSF Shares, is A\$240,341,670.
- 6.3 Further MSF Shares may be issued on the exercise of MSF Options and MSF Performance Rights. If all MSF Options and MSF Performance Rights which are on issue as at 9 December 2011, being 760,000 MSF Options and 335,149 MSF Performance Rights, were exercised, there would be an additional 1,095,149 MSF Shares on issue (and a total of 55,104,513 MSF Shares on issue) and the maximum amount of cash that Mitr Siam would be required to pay under the Offer for all the MSF Shares on issue would be A\$245,215,083.

Source of funding

- 6.4 Mitr Siam will be able to obtain the funds necessary to pay the maximum consideration to settle acceptances under the Offer and all associated transaction costs through internal borrowings, which are in turn funded through the existing loan facilities (**Facilities**) of Mitr Phol Sugar.

Particulars of internal borrowings

- 6.5 A\$300 million is available to Mitr Siam pursuant to the Intercompany Loan agreement with Mitr Phol Sugar. Mitr Siam will fund the consideration under the Offer through the proceeds drawn down under this intercompany loan (as and when those payments are required to be made).
- 6.6 Mitr Phol Sugar will make such amounts available to Mitr Siam through the Intercompany Loan for so long as is required to enable Mitr Siam to meet its obligations in connection with the Offer, together with any period during which compulsory acquisition is proceeding and not yet complete.
- 6.7 The funds available to Mitr Siam through the Intercompany Loan will be denominated in Australian dollars.

Particulars of Facilities

- 6.8 The funds made available to Mitr Siam pursuant to the Intercompany Loan agreement with Mitr Phol Sugar have been made available to Mitr Phol Sugar from the Facilities. As at 22 November 2011, the available undrawn amount under the Facilities was approximately A\$330 million. There are no restrictions on the application of funds under the Facilities. The Facilities are made available by banks including the Siam Commercial Bank PCL., Krung Thai Bank PCL., Bank of Ayudhya PCL., and Thanachart Bank PCL which have credit ratings of BBB- or higher⁴ and with whom Mitr Phol Sugar has ongoing banking relationships.
- 6.9 Each Facility is immediately available for drawdown. Each Facility contains events of default, undertakings, representations and warranties and other provisions usual for facilities of this nature. Mitr Siam has no reason to believe that any of the events of default will occur such that a drawdown will not be able to be made.

Sufficiency of funding

- 6.10 Having regard to the matters set out above in this section 6, Mitr Siam is of the opinion that it has a reasonable basis for forming the view, and it holds the view, that it will be able to pay the consideration required for the acquisition of the MSF Shares pursuant to the Offer and to satisfy its obligations under the Offer.
- 6.11 The Offer is not subject to any financing conditions.

⁴ Credit ratings provided by Moody's, Standard & Poor's and Fitch Ratings.



7 Mitr Phol's intentions for the business, assets and employees of MSF

Approach

- 7.1 This section 7 sets out Mitr Phol's intentions in relation to:
- (a) the continuation of the business of MSF;
 - (b) any major changes to be made to the business of MSF, including any redeployment of the fixed assets of MSF;
 - (c) the future employment of the present employees of MSF;
 - (d) MSF's continuing relationship with growers;
 - (e) MSF's current marketing and trading arrangements; and
 - (f) the MSF Board.
- 7.2 The intentions of Mitr Siam are the same as the intentions of Mitr Phol Sugar.
- 7.3 Mitr Phol and its advisers have reviewed the publicly available information concerning MSF at the date of this Bidder's Statement, have had discussions with MSF and have undertaken limited due diligence enquiries in relation to MSF and its businesses (see section 9.42). Mitr Phol's intentions have been formed on the basis of this information.
- 7.4 Mitr Phol notes that final decisions on these matters will only be reached in light of all material facts and circumstances (including the commercial, operational, financial and taxation implications of any decision) at the relevant time. Accordingly, the statements set out in this section 7 are statements of Mitr Phol's current intentions only which may change as new information becomes available or as circumstances require.
- 7.5 Some of the intentions noted in this section 7 provide benefits to MSF that are not currently available to MSF Shareholders. The exact extent and timing of these benefits is currently uncertain and the ability of MSF to capture any benefits will depend on, among other things, the results of the strategic review detailed below and whether or not Mitr Phol is able to acquire 100% of the MSF Shares. Acquiring less than 100% of the MSF Shares will reduce these benefits, and some of the benefits may not be realisable at all if Mitr Phol does not acquire 100% of the MSF Shares, which in each case will affect both Mitr Phol and the MSF minority shareholders. Any attempt to quantify these benefits at this time would be speculative.



Intentions upon becoming entitled to compulsorily acquire MSF Shares

7.6 Set out below are Mitr Phol's intentions if Mitr Phol becomes entitled to compulsorily acquire all outstanding MSF Shares after the Offer.

Compulsory acquisition

7.7 If Mitr Phol becomes entitled to compulsorily acquire all outstanding MSF Shares then, it intends to exercise its rights of compulsory acquisition in respect of:

- (a) MSF Shares;
- (b) any MSF Shares issued on the exercise of MSF Options and MSF Performance Rights; and
- (c) MSF Options and MSF Performance Rights which are not exercised by holders of MSF Options and MSF Performance Rights or acquired by Mitr Phol under private treaty offers,

in accordance with the Corporations Act.

Operational and strategic review

7.8 Mitr Phol intends to conduct a detailed review of MSF's assets, strategy, operations and employees to evaluate performance, profitability and prospects in light of the more detailed information available to it. This review will apply quantitative and qualitative factors to measure performance and identify areas for improvement. Following this review, Mitr Phol may re-formulate MSF's business strategy.

7.9 Subject to the abovementioned review, Mitr Phol's specific intentions are:

(a) Growth of the MSF business

Mitr Phol will seek to actively grow MSF's business and support MSF's management and employees to achieve this objective through a number of initiatives including:

- (i) *Supporting current management plans not yet funded* – Mitr Phol expects to support management's growth plans, including plans to "debottleneck" parts of the production process, by providing access to new capital to support these initiatives;
- (ii) *Identifying new opportunities to add value across the sugar chain* – Mitr Phol, together with MSF management, will investigate opportunities to add value to existing production where viable in areas such as cogeneration, ethanol and refined or direct consumption of raw sugar, utilising Mitr Phol's investment and operational experience;
- (iii) *Sharing of technical expertise* – Mitr Phol intends to share its experience and expertise across the sugar value chain to generally grow the MSF business within the Australian sugar industry; and
- (iv) *Identifying projects in regional countries* – Mitr Phol would work with MSF management team to identify and develop projects in regional countries by utilising the combined knowledge and expertise of both organisations.

(b) Support for Australian Cane Growers

Mitr Phol recognises the importance of MSF's cane growers and intends to prioritise initiatives that promote and support a strong relationship between MSF and cane growers, including:

- (i) *Focused grower community engagement* – consistent with operations elsewhere and MSF's current approach, Mitr Phol intends to promote and support close links with growers in order to efficiently understand and quickly address key issues for individual growers and their communities in general;
- (ii) *Incentive programs for growers* – Mitr Phol intends to maintain and, as appropriate, expand incentive programs for growers to encourage larger crop plantings and improved yields; and
- (iii) *Sharing Research and Development and Benchmarking Data* – Mitr Phol intends to share information and analysis from its operations in different growing regions to promote operational efficiencies mutually beneficial to growers and MSF.

Mitr Phol aims to provide support to cane growers as a secure and dependable buyer of growers' cane, with the financial backing, marketing expertise and regional diversification benefits of a substantially larger, global business compared to MSF today.

7 Mitr Phol's intentions for the business, assets and employees of MSF (continued)

Intentions upon becoming entitled to compulsorily acquire MSF Shares (continued)

(c) **Support for MSF's management and employees**

Mitr Phol considers MSF's employees to be an integral part of the business' culture, reputation and success and it is Mitr Phol's intention to continue the employment of MSF's employees and for MSF to continue to be managed wherever possible by MSF's existing management team.

Mitr Phol also believes the acquisition of MSF can offer opportunities for MSF employees and management as part of a larger, global supplier of sugar, including opportunities for MSF's Australian employees to work within Mitr Phol's broader Asian operations.

(d) **Continued investment in milling operations and infrastructure**

Mitr Phol understands the importance of continued capital investment to maintain and improve the operational performance of MSF's sugar mills, targeting full utilisation of mill capacity.

As part of the review referred to in section 7.8, Mitr Phol intends to investigate potential operational improvements at MSF's mills, including efficiency improvements and other initiatives to improve mill performance.

(e) **Maintenance of MSF's head office in Queensland**

Mitr Phol currently has no material operations in Australia and intends to retain MSF's head office in Queensland as a base for future expansion of MSF's operations consistent with Mitr Phol's aforementioned growth objectives.

(f) **Maintenance of existing marketing and trading arrangements**

MSF currently directly markets sugar produced at its Maryborough and Mulgrave mills, predominantly to export markets in Asia. MSF announced on 28 June 2011 that it will not be extending its raw sugar marketing arrangements with Queensland Sugar Limited in relation to the South Johnstone and Tableland mills and will directly market raw sugar produced at these mills itself.

Mitr Phol expects to maintain MSF's existing marketing and trading arrangements. Additionally, Mitr Phol will seek to leverage its marketing expertise and relationships to expand MSF sugar's reach in the high-growth Asian markets in which both MSF and Mitr Phol are participants.

(g) **Ensuring high standards of environmental protection**

Consistent with its operations elsewhere, Mitr Phol strives to ensure high standards of environmental protection, explore opportunities for environmentally sustainable development (such as renewable co-generation), and where possible seek to lower MSF's carbon footprint throughout the supply chain.

(h) **Community support and involvement**

Consistent with its corporate values and operations elsewhere, Mitr Phol intends to continue MSF's local community activities.

(i) **MSF Board**

Mitr Phol will consider an appropriate board structure for MSF, which is likely to include the appointment of nominees of Mitr Phol and may include the replacement of existing MSF Directors. The board structure and identity of Mitr Phol's nominees has not yet been determined by Mitr Phol and will be dependent upon the relevant circumstances at the time.

ASX Listing/Delisting

7.10 Mitr Phol intends to arrange for MSF to be removed from the official list of ASX.

Intentions for MSF as a partly owned subsidiary

7.11 Set out below are Mitr Phol's intentions if Mitr Phol does not become entitled to compulsorily acquire all outstanding MSF Shares and, consequently, MSF is a controlled entity of Mitr Phol but only partly owned by Mitr Phol.

Mitr Phol would only make a decision on any of the courses of action described below after it receives legal and financial advice and its intentions must be read as subject to:

- (a) the fiduciary and statutory duties of the MSF Directors, including the duty of the MSF Directors to have regard to the interests of MSF as a whole;
- (b) the Corporations Act and Listing Rules, including in relation to related party transactions and conflicts of interest. These requirements may, in some circumstances, require the approval of MSF's minority shareholders in order to implement a particular transaction; and
- (c) the outcome of the operational and strategic review described in section 7.8.

The matters described in paragraphs (a) and (b) above may prevent a stated intention of MSF being achieved.

The Offer is conditional upon Mitr Siam obtaining a Relevant Interest in at least 50.1% (by number) of the MSF Shares on issue during, or at the end of, the Offer Period. While Mitr Siam has no current intention to waive this Condition, it is open to Mitr Phol to do so at its discretion, in accordance with the Corporations Act. Should Mitr Siam waive the 50.1% acceptance Condition, Mitr Siam may nevertheless gain sufficient acceptances to be able to consolidate MSF within Mitr Phol for financial reporting purposes. This could only occur if Mitr Phol considered itself to have control of sufficient MSF Shares to exercise control over the management and operations of MSF.

Operational and strategic review

Should Mitr Siam waive the 50.1% acceptance Condition, Mitr Phol intends to undertake the detailed review of MSF's assets, strategy, operations and employees as outlined above in section 7.8.

Mitr Phol will maintain MSF's listing on ASX while it meets ASX requirements for maintaining a listing.

If MSF continues to be listed on ASX, MSF Shareholders who do not accept the Offer should be aware that the liquidity of MSF Shares may be materially diminished given the reduced free float of MSF Shares.

Board composition

Mitr Phol intends, subject to the Corporations Act and MSF's constitution, to appoint its nominees to the MSF Board in such proportion as reflects Mitr Siam's shareholding in MSF but in all circumstances, constituting a majority of the MSF Board. Mitr Phol would seek to achieve this by making additional appointments to the MSF Board and/or replacing existing MSF Directors with its nominees. Candidates to be appointed or replaced in this way have not yet been identified by Mitr Phol and their identity will depend on circumstances at the relevant time.

Intentions for employees

Mitr Phol intends to continue the employment of MSF's present employees in accordance with their current terms of employment, assuming those terms of employment are standard and commercially reasonable.

Dividend policy

Mitr Phol will review (through its nominees on the MSF Board) the dividend policy of MSF having regard to any capital funding and ongoing operational requirements of MSF on the one hand and the appropriateness of paying dividends to MSF Shareholders on the other.

Compulsory acquisition

If Mitr Phol becomes entitled at some future time to exercise the general compulsory acquisition rights under the Corporations Act, it intends to exercise those rights.

Business, assets and employees

7.12 Except for the changes and intentions set out in this Bidder's Statement (including this section 7), it is the present intention of Mitr Phol (based on the information presently available to it) to:

- (a) continue the business of MSF in substantially the same manner as it is presently being conducted;
- (b) not to make any major changes to the business of MSF (including the redeployment of the fixed assets of MSF); and
- (c) continue the employment of MSF's present employees in accordance with their current terms.

8 Australian tax considerations

Introduction

- 8.1 The following is a general outline of the Australian tax consequences that may apply for certain MSF Shareholders who dispose of their MSF Shares by accepting the Offer.
- 8.2 It does not take into account the specific circumstances of any particular MSF Shareholder. Accordingly, MSF Shareholders should consult their own independent tax advisor regarding the tax consequences of accepting the Offer to take into account their particular circumstances.
- 8.3 This outline reflects the Australian tax law and practice as at the date of this Bidder's Statement. This general outline does not take into account or anticipate changes in the law after the date of this Bidder's Statement, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.
- 8.4 This general outline does not apply to all MSF Shareholders. For example, it does not apply to MSF Shareholders that:
- hold their MSF Shares on revenue account (for example, as trading stock, in the course of carrying on a business or for the purposes of re-sale at a profit);
 - are exempt from Australian tax;
 - are currently subject to the application of the taxation of financial arrangements (TOFA) rules included in Division 230 of the Tax Law;
 - acquired their MSF Shares under an employee share or option scheme or otherwise acquired their MSF Shares in respect of employment or services provided by them;
 - obtained rollover relief in connection with acquiring their MSF Shares;
 - acquired their MSF Shares by exercising an option (including by the exercise of any MSF Options or MSF Performance Rights);
 - hold, or have held, their MSF Shares through a permanent establishment outside their country of tax residence;
 - are, or have been, temporary residents of Australia for the purposes of the Tax Law; or
 - have not been resident in the same country for tax purposes throughout the period they have owned their MSF Shares.
- 8.5 If an MSF Shareholder is a trustee, this outline also does not consider the tax consequences for the underlying beneficiaries.
- 8.6 Such MSF Shareholders should consult their own independent tax advisor regarding the tax consequences of accepting the Offer to take into account their particular circumstances.
- 8.7 The tax consequences for an MSF Shareholder disposing of their MSF Shares may depend, in part, upon whether they are an individual or an entity (e.g. a company, the trustee of a trust or a complying superannuation fund). Unless otherwise indicated, this outline applies to MSF Shareholders who are individuals.



- 8.8 MSF Shareholders that are not residents of Australia for the purposes of the Tax Law should seek their own independent professional advice regarding the tax consequences under the laws of their country of residence, as well as under Australian law, in relation to the Offer.

Capital gain or loss on disposal

- 8.9 Outlined below is a guide to calculating the capital gain or capital loss on the disposal of MSF Shares by accepting the Offer. Foreign MSF Shareholders should refer to the section entitled "Foreign MSF Shareholders".

Guide for calculating the capital gain or loss on the disposal of MSF Shares	
CGT event	<p>The disposal of MSF Shares by an MSF Shareholder by accepting the Offer will give rise to a CGT event. The time of the CGT event should be the later of the time:</p> <ul style="list-style-type: none"> • FIRB Condition is fulfilled; or • the MSF Shareholder accepts the Offer.
Capital gain	If the capital proceeds received by an MSF Shareholder from the disposal of their MSF Shares exceed their cost base, a capital gain may arise.
Capital loss	<p>If the capital proceeds received by an MSF Shareholder from the disposal of their MSF Shares are less than their reduced cost base, a capital loss may arise.</p> <p>As outlined below, net capital losses cannot be used to reduce the other assessable income of an MSF Shareholder, but may be carried forward to offset future capital gains.</p>
Pre-CGT shares	If an MSF Shareholder acquired their MSF Shares before 20 September 1985, a capital gain or capital loss that the MSF Shareholder makes should be disregarded.
Capital proceeds	The capital proceeds for MSF Shares should equal the Offer Price.
Cost base or reduced cost base	<p>The cost base of an MSF Shareholder's MSF Shares is generally equal to the cost of acquisition plus any incidental costs of acquisition and disposal (e.g. brokerage and stamp duty, and certain other costs such as professional advisers' fees, to the extent not otherwise deductible).</p> <p>Certain amounts are excluded from, or may reduce, the "reduced cost base" for the purposes of calculating a capital loss.</p>
Amounts included in assessable income	<p>Capital gains and capital losses of a taxpayer in a year of income from all sources are aggregated, together with any unapplied net capital loss from prior years, to determine if the taxpayer made a net capital gain or a net capital loss.</p> <p>Any net capital gain for the income year is included in assessable income.</p> <p>Net capital losses may not be deducted against other assessable income for income tax purposes, but may be carried forward to offset against capital gains derived in future income years. Specific loss rules apply to MSF Shareholders that are companies and trusts. These rules may, among other things, limit the ability to offset or obtain capital losses in a current or later income year. These loss rules are complex. Companies and trustees should seek their own independent professional advice as to how these rules apply to them and their beneficiaries, having regard to their own particular circumstances.</p>

8 Australian tax considerations (continued)

Capital gain or loss on disposal (continued)

Guide for calculating the capital gain or loss on the disposal of MSF Shares

CGT discount

The CGT discount may apply to an MSF Shareholder's net capital gain. An MSF Shareholder may be eligible to apply the CGT discount to their net capital gain if:

- the capital gain relates to MSF Shares they acquired (for the purposes of the Tax Law) at least 12 months (excluding the date of acquisition and the date of the CGT event) prior to the time of the CGT event (for the purposes of the Tax Law); and
- they are an individual, a trust, or a complying superannuation entity.

Broadly, individuals and trusts may be entitled to a CGT discount of 50% (i.e. only 50% of their net capital gain may be included in assessable income) while complying superannuation entities may be entitled to a CGT discount of 33⅓%.

The CGT discount is not available to a company.

Foreign MSF Shareholders

Foreign MSF Shareholders may disregard the whole of the capital gain or capital loss they make on the disposal of their MSF Shares if, broadly speaking:

- they are not a resident of Australia for the purposes of the Tax Law and have not used at any time the MSF Shares in carrying on business through an Australian permanent establishment; and
- they (and their associates for the purposes of the Tax Law) do not hold 10% or more of MSF Shares at the time they dispose (for the purposes of the Tax Law) their MSF Shares, and have not held 10% or more of MSF Shares throughout a 12 month period during the two years preceding the disposal of their MSF Shares.

Foreign MSF Shareholders that have held 10% or more of MSF Shares, either alone or together with their associates (for the purposes of the Tax Law), should obtain specific advice on the application of the Australian CGT rules to any gain or loss that arises on disposal.

Foreign MSF Shareholders should also obtain specific advice on the application of the laws of their country of residence and any Double Tax Treaty between their country of residence and Australia in determining the tax consequences of the disposal of their MSF Shares.

Stamp duty

- 8.10 No stamp duty will be payable by any MSF Shareholder on the disposal of the MSF Shares to Mitr Phol. Mitr Phol, as the transferee/acquirer of those MSF Shares, will be the party who will be liable for any stamp duty that is payable in respect of the Offer.

GST

- 8.11 An MSF Shareholder will not be liable to pay GST on the consideration received in respect of a disposal of their MSF Shares.

9 Additional information

MSF securities on issue

- 9.1 According to documents provided by MSF to ASX, as at the date of this Bidder's Statement, there are 69,248,422 MSF Shares on issue. MSF Shares are quoted on ASX.
- 9.2 Additionally, as at the date of this Bidder's Statement there are 760,000 MSF Options and 335,149 MSF Performance Rights on issue.

MSF Options and Performance Rights Plan

- 9.3 Mitr Phol may elect to make private treaty offers to holders of MSF Options or MSF Performance Rights. If such an election is made, these offers will be for a cash amount equal to the Offer Price less the exercise price of the relevant MSF Options or MSF Performance Rights, subject to the Offer becoming or being declared unconditional.
- 9.4 Instead of accepting any private treaty offer, holders of MSF Options or MSF Performance Rights may become eligible to exercise their MSF Options or MSF Performance Rights during the Offer Period and to accept the Offer upon receiving their MSF Shares on exercise of their MSF Options or MSF Performance Rights.
- 9.5 Mitr Phol has not committed to make private treaty offers to holders of MSF Options or MSF Performance Rights, and so encourages holders of MSF Options or MSF Performance Rights who are entitled to do so, to exercise their MSF Options or MSF Performance Rights and accept the Offer in respect of the MSF Shares issued upon exercise.
- 9.6 If holders of MSF Options or MSF Performance Rights do not exercise their options or rights and accept the Offer in respect of any MSF Shares issued upon exercise of those options or rights, and Mitr Siam reaches the compulsory acquisition thresholds of the Corporations Act, Mitr Siam will be bound to make offers for your MSF Options and MSF Performance Rights and may also be entitled to compulsorily acquire those options and rights. In that case, holders of MSF Options or MSF Performance Rights will have to claim the consideration from MSF and be paid the Offer Price per MSF Share considerably later than if they accepted the Offer in respect of any MSF Shares issued upon exercise of their MSF Options or MSF Performance Rights before the end of the Offer Period. If Mitr Siam does not become entitled to compulsorily acquire MSF Options or MSF Performance Rights, holders of those MSF Options or MSF Performance Rights will remain holders of MSF Options or MSF Performance Rights.



9 Additional information (continued)

Regulatory Conditions

- 9.7 It is a Condition of the Offer that prior to the end of the Offer Period, either:
- (a) Mitr Siam receives written advice from the Treasurer (or his delegate) that there are no objections under Australia's foreign investment policy to the Offer and such advice is either unconditional or, if conditional, on the basis of conditions that impose only non-material requirements; or
 - (b) following notice of the Offer having been given by Mitr Siam to the Treasurer under FATA, the Treasurer has ceased to be empowered to make any order under Part II of that Act because of lapse of time.
- 9.8 Mitr Phol Sugar and Mitr Siam are each foreign persons under the FATA. Neither Mitr Phol Sugar nor Mitr Siam is the subject of any relevant exemption under the FATA. Accordingly, Mitr Siam has filed an application, together with detailed submissions, with FIRB, requesting that the approval of the Treasurer be given in relation to the acquisition of MSF securities under the Offer for the purposes of the FATA. MSF is not aware of any reason why the requisite approval will not be forthcoming in due course.
- 9.9 Mitr Phol Sugar is required to receive approval from the Bank of Thailand for remitting foreign currency to fund Mitr Siam to pay the consideration under the Offer under any applicable law and regulations. The receipt of such approval is a Condition under the Offer. Mitr Phol has pursued, and will continue to pursue, the relevant approval from the Bank of Thailand as expeditiously as possible and in any case before the due date for payment of consideration under the Offer. Mitr Phol is not aware of any reason why the requisite approval will not be forthcoming in due course.

Implementation Agreement

- 9.10 On 9 November 2011, MSF and Mitr Phol entered into the Implementation Agreement. A copy of this Implementation Agreement may be found on www.asx.com.au. The key terms are summarised below:
- (a) Mitr Phol agreed to offer, via Mitr Siam, to acquire all outstanding MSF Shares at \$4.45 per share, subject to the Conditions set out in Annexure 2.
 - (b) The Offer may be varied, and any Condition may be waived, as permitted by law.
 - (c) Mitr Phol and MSF will use reasonable endeavours to work together in relation to the acquisition or exercise of MSF Options and MSF Performance Rights.
 - (d) The MSF directors will unanimously recommend the Offer, in the absence of a Superior Proposal and subject to the Independent Expert determining that the Offer is fair and reasonable.
 - (e) MSF is subject to customary no shop, no talk and no due diligence obligations. MSF also has to notify Mitr Phol of any unsolicited third party approaches that will or will reasonably likely develop into a Superior Proposal and must disclose to Mitr Phol the material details of the Competing Transaction. MSF must not enter into any agreement, arrangement or understanding in relation to a Competing Transaction or announce a Competing Transaction publicly unless it gives Mitr Phol a period of 3 business days to match the Competing Transaction. If the MSF Board considers, in good faith, that Mitr Phol's counter offer is more favourable than the Competing Transaction, it must make an announcement recommending Mitr Phol's counter offer. Each of the "no talk", "no due diligence" and "notice of unsolicited approach" provisions do not apply to the extent they restrict MSF or the board of MSF from taking or refusing to take any action with respect to a bona fide Competing Transaction that would be reasonably likely to constitute a breach of the board's fiduciary or statutory obligations.
 - (f) MSF must pay Mitr Phol a break fee of A\$3,100,000 if any of the following circumstances occur:
 - (i) a Competing Transaction is announced during the Exclusivity Period and at any time during the Exclusivity Period or on or prior to the date six months after end of the Exclusivity Period the maker of the Competing Transaction or its associates acquire a Relevant Interest in more than 15% of MSF Shares;
 - (ii) any director of MSF does not recommend the Offer to MSF Shareholders or, having recommended it, withdraws his or her recommendation of the Offer unless:
 - (A) the Implementation Agreement has already been terminated by MSF because there has been a breach of the representations and warranties, or any other material breach, of the Implementation Agreement by Mitr Siam; or

- (B) the Independent Expert determines that the Offer is not fair and is not reasonable; or
 - (C) Mitr Phol terminates the Implementation Agreement because there has been a breach of the representations and warranties, or any other material breach, of the Implementation Agreement by MSF.
- (g) The Implementation Agreement may be terminated by either party by notice to the other party:
- (i) if the other party is in material breach of the Implementation Agreement;
 - (ii) if Mitr Phol withdraws the Offer for any reason, excluding a withdrawal to facilitate a counter proposal as contemplated in section 9.10(e), or allows the Offer to lapse;
 - (iii) if there is a breach of a representation or warranty of the Implementation Agreement by the other party; or
 - (iv) if agreed to in writing by MSF and Mitr Phol.
- (h) The Implementation Agreement also may be terminated by Mitr Siam by notice in writing to MSF if:
- (i) a Superior Proposal is made or publicly announced for MSF by a third party; or
 - (ii) any member of the board of directors of MSF does not recommend the Offer be accepted by MSF Shareholders or having recommended the Offer changes his or her recommendation in relation to the Offer.

Details of relevant interests of Mitr Siam in MSF Shares and Voting Power in MSF

9.11 As at the date of this Bidder's Statement, Mitr Siam has a Relevant Interest in 15,239,058 MSF Shares and Mitr Siam's Voting Power in MSF is 22.01%.

Independent Expert's Report

9.12 Although there is no statutory requirement to do so, the Directors of MSF have commissioned Lonergan Edwards & Associates Limited to prepare an expert's report in relation to the Offer (**Independent Expert's Report**). The Independent Expert's Report will be set out in MSF's Target's Statement.

Consideration provided for MSF Shares during the previous four months

9.13 Set out below are details of acquisitions and disposals of MSF Shares by, or on behalf of, Mitr Siam or its Associates in the four months prior to the date of the Offer:

- (a) 6 October 2011 - a relevant interest in relation to 6,000 MSF Shares was acquired at A\$3.00 per share;
- (b) 21 October 2011 - a relevant interest in relation to 8,968 MSF Shares was acquired at A\$3.17 per share; and
- (c) 24 October 2011 - a relevant interest in relation to 790 MSF Shares was acquired at A\$3.16 per share.

9.14 Other than as indicated above, neither Mitr Siam nor any of its Associates provided, or agreed to provide, any form of consideration for MSF Shares under a purchase or agreement in the four months before the date of the Offer.

9.15 Accordingly, the maximum value of consideration paid by, or on behalf of, Mitr Siam or its Associates for a MSF Share in the four months prior to the date of the Offer is \$3.17 (on 21 October 2011).

No collateral benefits

9.16 Except as referred to elsewhere in this Bidder's Statement, neither Mitr Siam nor any of its Associates has, during the period of four months up to the date of the Offer, given or offered or agreed to give, a benefit to another person that was likely to induce the other person, or an associate of that person, to:

- (a) accept the Offer; or
- (b) dispose of MSF Shares,

which benefit is not offered to all MSF Shareholders under the Offer.

9 Additional information (continued)

Agreements or arrangements with MSF Directors

9.17 Except as referred to above or elsewhere in this Bidder's Statement, there are no agreements or arrangements made between Mitr Siam with the directors or senior management of MSF in connection with the Offer.

Interests of Mitr Siam directors in contracts entered into by MSF

9.18 No Mitr Siam director has any interest in any contract entered into by MSF.

Post-bid compulsory acquisition provisions

9.19 If Mitr Siam becomes entitled to compulsorily acquire any MSF Shares under section 661A of the Corporations Act, Mitr Siam will give notices under section 661B of the Corporations Act to compulsorily acquire all outstanding MSF Shares at the Offer Price.

9.20 Mitr Siam will be entitled to compulsorily acquire MSF Shares under section 661A of the Corporations Act if, during or at the end of the Offer Period:

- (a) Mitr Siam and its Associates have Relevant Interests in at least 90% (by number) of MSF Shares; and
- (b) Mitr Siam and its Associates have acquired at least 75% (by number) of the MSF Shares that Mitr Siam offered to acquire under the Offer.

9.21 Holders of the MSF Shares covered by a compulsory acquisition notice under section 661B of the Corporations Act of the Corporations Act may apply to the court for an order that their shares not be compulsorily acquired. The court may only make such an order if it is satisfied that the consideration is not fair value for the securities.

General compulsory acquisition provisions

9.22 If Mitr Siam becomes entitled to compulsorily acquire a class of MSF securities under section 664A of the Corporations Act, Mitr Siam may give notices to the relevant holders of those securities to compulsorily acquire any outstanding securities in that class in accordance with section 664C of the Corporations Act.

9.23 Mitr Siam will be able to compulsorily acquire all outstanding MSF Shares, MSF Options and MSF Performance Rights under section 664A of the Corporations Act if:

- (a) in relation to MSF Shares, Mitr Siam holds (either alone or with a Related Body Corporate) full beneficial interests in at least 90% of the MSF Shares (by number); or
- (b) in relation to MSF Options and MSF Performance Rights, Mitr Siam's Voting Power in MSF is at least 90% and Mitr Siam (either in its own right or through Related Bodies Corporate) holds full beneficial interests in at least 90% (by value) of the aggregate of all the securities of MSF that are MSF Shares or convertible into MSF Shares,

and in either case Mitr Siam:

- (c) lodges a compulsory acquisition notice with ASIC in accordance with section 664C(2) of the Corporations Act within six months of achieving that 90% holding and despatches the notice to MSF Shareholders (or holders of MSF Options or MSF Performance Rights (as applicable)) within specified time periods; and
- (d) obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice give fair value for the MSF Shares, MSF Options or MSF Performance Rights (as applicable) concerned.

9.24 MSF Shareholders or holders of MSF Options or holders of MSF Performance Rights (as applicable) whose securities are covered by the compulsory acquisition notice are entitled to object to the acquisition by signing an objection form and returning it to Mitr Siam. If MSF Shareholders or holders of MSF Options or holders of MSF Performance Rights (as applicable) holding 10% or more by value of the MSF Shares or MSF Options or MSF Performance Rights (as applicable) covered by the notice object, Mitr Siam will need court approval before the acquisition can proceed. If Mitr Siam makes such an application for court approval of a compulsory acquisition under Part 6A.2 of the Corporations Act, the court must approve the application if Mitr Siam establishes that the terms set out in the notice give a fair value for the MSF Shares or MSF Options or holders of MSF Performance Rights (as applicable).

Compulsory buy-out of MSF Shares

- 9.25 If Mitr Siam is required to offer to buy-out any MSF Shares under section 662A of the Corporations Act, Mitr Siam will give notices to the relevant MSF Shareholders offering to acquire their MSF Shares in accordance with section 662B of the Corporations Act.
- 9.26 Mitr Siam must serve a notice offering to buy out all MSF Shareholders if, at the end of the Offer Period, Mitr Siam and its associates have Relevant Interests in at least 90% (by number) of MSF Shares. MSF Shareholders who hold MSF Shares covered by the notice may, but do not have to, accept the offer in the notice. The notices must be despatched to MSF Shareholders within one month after the end of the Offer Period and on the same day the notice is lodged with ASIC or the next Business Day. MSF Shareholders who wish to accept the offer must do so within one month after the notice is given.

Compulsory buy-out of MSF Options and MSF Performance Rights

- 9.27 If Mitr Siam is required to offer to buy-out any MSF Options and MSF Performance Rights under section 663A of the Corporations Act, Mitr Siam will give notices to the relevant MSF Option and MSF Performance Right holders offering to acquire their MSF Options and MSF Performance Rights in accordance with section 663B of the Corporations Act.
- 9.28 Mitr Siam must serve a notice offering to buy out all MSF Options and MSF Performance Rights in accordance with section 663B of the Corporations Act if, at the end of the Offer Period, Mitr Siam and its Associates have Relevant Interests in at least 90% (by number) of MSF Shares. MSF Option and MSF Performance Rights holders who hold MSF Options and MSF Performance Rights covered by the notice may, but do not have to, accept the offer in the notice. The notices must be despatched to MSF Option and MSF Performance Right holders within one month after the end of the Offer Period and on the same day the notice is lodged with ASIC or the next Business Day. MSF Option and MSF Performance Right holders who wish to accept the offer must do so within one month after the notice is given.
- 9.29 If Mitr Siam exercises its compulsory acquisition rights under section 664A of the Corporations Act and acquires all of the MSF Shares on issue, Mitr Siam is required to offer to acquire any MSF Options and MSF Performance Rights under section 665A of the Corporations Act. In such circumstances, Mitr Siam will give notices to the relevant MSF Option and MSF Performance Right holders offering to acquire their MSF Options and MSF Performance Rights in accordance with section 665B of the Corporations Act.
- 9.30 MSF Option and MSF Performance Right holders who hold MSF Options and MSF Performance Rights covered by a notice in accordance with section 665B of the Corporations Act may, but do not have to, accept the offer in the notice. The notices must be despatched to MSF Option and MSF Performance Right holders within one month after the end of the Offer Period and on the same day the notice is lodged with ASIC or the next Business Day. MSF Option and MSF Performance Right holders who wish to accept the offer must do so within one month after the notice is given.

Regulatory approvals and relief

- 9.31 Except as disclosed in this Bidder's Statement, there are no regulatory approvals or other relief that Mitr Siam needs to obtain before acquiring further MSF Shares under the Offer.

Consents

- 9.32 The following persons have given and have not, before the date of this Bidder's Statement, withdrawn, their consent being named in this Bidder's Statement in the form and context in which its name appears:
- (a) Mitr Phol Sugar;
 - (b) Baker & McKenzie to being named as legal adviser to Mitr Phol in relation to the Offer;
 - (c) Barclays Capital to being named as financial adviser to Mitr Phol in relation to the Offer; and
 - (d) Link Market Services Limited to being named as Mitr Phol's share registry.
- 9.33 None of the above persons or entities has caused or authorised the issue of this Bidder's Statement, makes or purports to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than the reference to its name.

9 Additional information (continued)

Consents (continued)

- 9.34 As contemplated by *ASIC Class Order 01/1543*, this Bidder's Statement also includes statements based on statements made by persons in the circumstances described in that Class Order. Those persons have not consented to the inclusion of statements in this Bidder's Statement based on statements made by them. Where statements in this Bidder's Statement refer to, or are based on, statements made in or announcements made by Mitr Siam to ASX, Mitr Siam will provide a copy of those announcements free of charge to any person who asks for it during the Offer Period. Any requests for copies of those announcements may be made by calling the Offer Information Line on 1800 622 202 (toll free for callers within Australia) or +61 2 8280 7694 (callers outside Australia) between 8.30am and 5.30pm Sydney time Monday to Friday.
- 9.35 As permitted by *ASIC Class Order 03/635*, this Bidder's Statement may include or be accompanied by certain statements:
- (a) fairly representing a statement by an official person; or
 - (b) from a public official document or a published book, journal or comparable publication.
- 9.36 In addition, as permitted by *ASIC Class Order 07/429*, this Bidder's Statement contains security price trading data sourced from IRESS Market Technology Limited without its consent.

Mitr Phol announcement

- 9.37 The text of the press release made by Mitr Phol in relation to the Offer on the Bid Announcement Date is set out in Annexure 1.

Approvals for payment of consideration

- 9.38 As at the date of this Bidder's Statement, Mitr Phol is not aware of any MSF Shareholder who requires any approval or clearance, in accordance with the following requirements in order to be entitled to receive any consideration under the Offer:
- (a) *Banking (Foreign Exchange) Regulations 1959 (Cth)*;
 - (b) any regulations made under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)*;
 - (c) *Charter of the United Nations Act 1945 (Cth)* or any regulations made thereunder; or
 - (d) any other law of Australia.
- 9.39 As far as Mitr Phol is aware, as at the date of this Bidder's Statement, the persons to whom any of the requirements mentioned in sections (a) to (c) will apply include: prescribed supporters of the former government of the Former Federal Republic of Yugoslavia; ministers and senior officials of the Government of Zimbabwe, as well as others associated with the Mugabe regime in Zimbabwe; persons and supporters associated with the Burmese regime; persons and entities responsible for, or involved in, human rights abuses in Syria; entities associated with the Democratic People's Republic of Korea (North Korea); persons and entities associated with Iran; certain key persons and entities associated with the Qadhafi regime in Libya; persons associated with the former government of Iraq (including senior officials, immediate family members of senior officials, or an entity controlled by any of those persons); the Taliban; members of the Al-Qaida organisation; persons and entities from Côte d'Ivoire, the Democratic Republic of the Congo, Eritrea, Lebanon, Liberia, Somalia, Sudan, Rwanda and Sierra Leone; and a person named in the list maintained pursuant to paragraph 2 of the Resolutions 1390 of the Security Council of the United Nations.

Social security and superannuation implications of the Offer

- 9.40 Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

Consent to early despatch

- 9.41 The directors of MSF have consented to Mitr Siam sending this Bidder's Statement to MSF Shareholders on 12 December 2011, which is earlier than would otherwise be permitted under the Corporations Act.

Due diligence

- 9.42 For the purpose of confirming its assessment of whether or not to offer to acquire all of the MSF Shares, Mitr Phol was given access by MSF to certain limited financial, corporate and operational information concerning MSF and its Subsidiaries which has not been disclosed generally to MSF Shareholders. Much of this information was reviewed over a short timeframe and was limited due to confidentiality constraints. This information allowed Mitr Phol to confirm, among other things, information which has been publicly disclosed by MSF.
- 9.43 None of the information to which Mitr Phol was given access was, in the opinion of Mitr Phol, of such a nature or quality that, if the information was generally available, a reasonable person would expect the information to have a material effect on the price or value of MSF Shares or, except as disclosed in this Bidder's Statement, would otherwise be material to the decision by a MSF Shareholder whether or not to accept the Offer. However, the fact that Mitr Siam's decision to make the Offer was confirmed by the information with which it was provided may itself be regarded as information material to the decision of a MSF Shareholder whether or not to accept the Offer.

Change of control provisions in material contracts

- 9.44 Information provided by MSF to Mitr Phol as part of Mitr Phol's due diligence enquiries included a number of MSF contracts containing change of control provisions. It appears that change of control provisions in the following material contracts will be triggered should Mitr Siam acquire at least 50.1% of MSF Shares on issue and should the Offer become unconditional:
- (a) Common Terms Deed dated 21 April 2010 between, among others, MSF, Westpac Banking Corporation (ABN 33 007 457 141), Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., Australia Branch (ABN 70 003 917 655) and Macquarie Bank Limited (ABN 46 008 583 542);
 - (b) a number of 2002 ISDA Agreements dated on or about 21 April 2010 between MSF and/or MSF Marketing Pty Ltd and each of Westpac Banking Corporation (ABN 33 007 457 141), Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., Australia Branch (ABN 70 003 917 655) and Macquarie Bank Limited (ABN 46 008 583 542);
 - (c) Cane Cartage Contracted dated 25 August 2011 between MSF and Maryborough Cane Hauliers Pty Ltd;
 - (d) Molasses Supply Agreement dated 30 March 1999 between MSF and Bundaberg Sugar Limited, as amended from time to time;
 - (e) Power Purchase Agreement dated 31 December 2009 between The Mulgrave Central Mill Company Limited and Ergon Energy Queensland Pty Ltd;
 - (f) Power Purchase Agreement dated 30 June 2010 between Bundaberg Sugar Ltd and Ergon Energy Queensland Pty Ltd, as novated to MSF pursuant to a Deed of Assignment and Consent - Power Purchase Agreement dated on or about 27 April 2011; and
 - (g) the Lease dated 19 April 2011 between MSF and Bermdale Pty Ltd, as trustee.
- 9.45 Under the Implementation Agreement, MSF is obliged to use all reasonable endeavours to obtain the consents of relevant contractual counterparties who have rights under change of control provisions in material contracts.
- 9.46 Based on Mitr Phol's understanding, MSF is proceeding to seek the consents of the relevant contractual counterparties consistent with its Implementation Agreement obligations. Mitr Phol is not in a position to guarantee that those consents will be obtained from all of the relevant contractual counterparties or the effect it would have on MSF's business and operations if one or more consents were not obtained.

No other material information

- 9.47 There is no other information which:
- (a) is material to the making of the decision by a person to whom an Offer is made whether or not to accept an Offer;
 - (b) is known to Mitr Siam; and
 - (c) has not previously been disclosed to MSF Shareholders, other than as disclosed in this Bidder's Statement.

10 Terms and Conditions of the Offer

Identity of Mitr Siam

10.1 Mitr Siam is a wholly-owned Subsidiary of Mitr Phol Sugar. Mitr Siam is a private company limited by shares and is incorporated in Singapore. Details of Mitr Siam and Mitr Phol Sugar are set out in section 4.

Date

10.2 The Offer is dated 12 December 2011.

Off-market takeover bid

10.3 Mitr Siam offers to acquire all of your MSF Shares on the terms of, and subject to the conditions set out in, this section 10.

10.4 The Offer also extends to:

- (a) any MSF Shares issued on the exercise of rights attached to MSF Options and MSF Performance Rights before the end of the Offer Period; and
- (b) all other Shares currently on issue.

10.5 You may only accept the Offer only in respect of all of your MSF Shares.

Persons to whom the Offer is made

10.6 The Offer is made to:

- (a) each holder of MSF Shares registered in MSF's register of shareholders on the Register Date; and
- (b) each person who, during the period from the Register Date to the end of the Offer Period, becomes registered, or entitled to be registered, as the holder of any MSF Shares issued on the exercise of rights attached to, or conversion of, any securities in MSF on issue as at the Register Date.

10.7 If at the time the Offer is made to you, or at any time during the period from the Register Date to the end of the Offer Period and before you accept the Offer, another person is, or is entitled to be, registered as the holder of some or all of your MSF Shares to which the Offer relates, then:

- (a) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to that other person in respect of those MSF Shares;
- (b) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to you in respect of any other MSF Shares held by you to which the Offer relates; and
- (c) the Offer is deemed to have been withdrawn immediately after making those corresponding offers.



- 10.8 If during the Offer Period, you hold one or more parcels of MSF Shares as trustee or nominee, or otherwise on account of another person, a separate and distinct offer is deemed to have been made in relation to each of those parcels and any parcel you hold in your own right. You may accept two or more such deemed separate corresponding offers at the same time as if they were a single offer for each distinct portion of MSF Shares. Your acceptance of one of the offers which is deemed to exist in respect of a distinct portion of MSF Shares is ineffective unless you have given Mitr Siam a notice which:
- (a) if it relates to MSF Shares in an Issuer Sponsored Holding, must be in writing; or
 - (b) if it relates to MSF Shares in a CHESS Holding, must be in an electronic form approved under the ASX Settlement Operating Rules for the purposes of part 6.8 of the Corporations Act,

stating that the relevant MSF Shares consist of a distinct portion and your acceptance specifies the number of MSF Shares in the distinct portion to which the acceptance relates. If this applies to you, please call the Offer Information Line on 1800 622 202 (toll free for callers within Australia) or +61 2 8280 7694 (callers outside Australia) for additional copies of this Bidder's Statement and the Acceptance Form, if required.

Offer Price

- 10.9 The consideration which Mitr Siam offers you is a cash payment of \$4.45 for each MSF Share you hold. However, in accordance with sections 10.11 and 10.12, the amount of consideration you are paid directly by Mitr Siam may be reduced by the amount or value of any Rights attaching to the MSF Shares which you (or any previous holder of your MSF Shares) receive.

Rights

- 10.10 Mitr Siam will be entitled to all Rights (being those accruing after the Bid Announcement Date) in respect of MSF Shares which it acquires under the Offer.
- 10.11 If Mitr Siam becomes entitled to any Rights in respect of your MSF Shares on your acceptance of the Offer, you must give Mitr Siam all documents that Mitr Siam needs to give Mitr Siam title to those Rights. If you do not give those documents to Mitr Siam, or if you have received or become entitled to the benefit of those Rights before Mitr Siam provides the consideration to you, Mitr Siam will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Mitr Siam) of those Rights in accordance with section 10.12.
- 10.12 If:
- (a) you have (or any previous holder of your MSF Shares) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise);
 - (b) you are (or any previous holder of your MSF Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend, if you are (or any previous holder of your MSF Shares is) the registered holder of the MSF Share at the specified time for determining those entitled to the dividend); or
 - (c) your MSF Shares were issued (or otherwise came into existence) on or after the record date in respect of any Rights to MSF Shareholders,
- then:
- (d) in the case of Rights to non-cash benefits, Mitr Siam may deduct the value (as reasonably assessed by Mitr Siam) of such Rights from any consideration otherwise payable to you; or
 - (e) in the case of Rights to cash benefits, Mitr Siam may deduct the amount of any such Rights (together with the value, as reasonably assessed by Mitr Siam, of any franking credits attached to the Rights) from any consideration otherwise payable to you.

If Mitr Siam does not, or cannot, make such a deduction, you must pay such value or amount to Mitr Siam.

10 Terms and Conditions of the Offer

(continued)

How to accept the Offer

General

- 10.13 The method by which you can accept the Offer will depend on whether your MSF Shares are in an Issuer Sponsored Holding or in a CHES Holding.
- 10.14 Your MSF Shares will be in an Issuer Sponsored Holding if they are sponsored directly by MSF as issuer. Your MSF Shares will be in a CHES Holding if they are sponsored by a Controlling Participant (usually your Broker) or if you are a Participant. The enclosed Acceptance Form indicates whether you have an Issuer Sponsored Holding (indicated by an "I" next to your holder number on the Acceptance Form) or a CHES Holding (indicated by an "X" next to your holder number on the Acceptance Form).

Issuer Sponsored Holdings

- 10.15 If any of your MSF Shares are in an Issuer Sponsored Holding, to accept the Offer in respect of those MSF Shares you must:
- complete and sign the enclosed Acceptance Form in accordance with the terms of the Offer and the instructions on the form; and
 - ensure that the Acceptance Form (including any other documents required by the terms of the Offer and the instructions on the Acceptance Form) is sent so that it is received before the expiry of the Offer Period at the address shown on the Acceptance Form.

CHES Holdings

- 10.16 If any of your MSF Shares are in a CHES Holding, to accept the Offer in respect of those MSF Shares you must:
- if you are not a Participant, you must instruct your Controlling Participant (usually your Broker) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the expiry of the Offer Period; or
 - if you are a Participant, you must initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the expiry of the Offer Period.
- 10.17 Alternatively, you may authorise Mitr Siam to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf. To effect acceptance of the Offer in this manner you must complete, sign and send the Acceptance Form (including any other documents required by the terms of the Offer and the instructions on the Acceptance Form) in respect of your MSF Shares which are in a CHES Holding in accordance with the instructions on the Acceptance Form. You must ensure that the Acceptance Form is received in time for Mitr Siam to give instructions to your Controlling Participant and your Controlling Participant to carry out those instructions before the expiry of the Offer Period. You will be taken to have completed acceptance of the Offer when your Controlling Participant initiates acceptance of the Offer in respect of your MSF Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules.
- 10.18 If your MSF Shares are held in your name in a CHES Holding you must comply with the applicable ASX Settlement Operating Rules to effect acceptance of the Offer.

MSF Shares held in different holdings

- 10.19 If some of your MSF Shares are held in different parcels in different forms, you may need to take the steps set out under section 10.8 in relation to the different parcels of your MSF Shares to accept the Offer.

Nominee holdings

- 10.20 If your MSF Shares are registered in the name of a Broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.

Status of Acceptance Form

- 10.21 The personalised Acceptance Form which accompanies this Bidder's Statement forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer.

Mailing and delivery details

- 10.22 A reply paid envelope has been enclosed with this Bidder's Statement to enable MSF Shareholders with Australian addresses to return their completed Acceptance Form. Overseas MSF Shareholders should return their Acceptance Form by airmail.

10.23 MSF Shareholders should mail their completed Acceptance Form, whether in the reply paid envelope or by airmail, to the following address:

MSF Sugar Takeover
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

10.24 The method chosen to deliver the Acceptance Form and other documents is at the risk of each accepting MSF Shareholder.

Power of attorney, deceased estate

10.25 When accepting the Offer you must also forward for inspection:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; or
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased MSF Shareholder, the relevant grant of probate, letters of administration or certificates of grant accompanied (where required by law for the purpose of transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.

10.26 If the Acceptance Form is executed under power of attorney, the attorney declares by executing the Acceptance Form that the attorney has no notice of revocation of the power of attorney.

When acceptance of the Offer is complete

10.27 Subject to sections 10.13 to 10.25, acceptance of the Offer is complete once either:

- (a) in relation to holdings which are not CHES Holdings, the completed Acceptance Form (including any other documents required by the terms of the Offer and the instructions on the Acceptance Form) has been received at the address referred to in section 10.23 and the requirements of sections 10.13 to 10.25 (inclusive) have been met; or
- (b) in relation to CHES Holdings, acceptance has been carried out in accordance with Rule 14.14 of the ASX Settlement Operating Rules.

Validity of acceptances

10.28 Mitr Siam will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Mitr Siam is not required to communicate with you prior to making its determination as to any of the matters referred to in this section 10.28 or any determination to waive any requirement for a valid acceptance of the Offer in respect of any of your MSF Shares. The determination of such matters by Mitr Siam will be final and binding on all of the parties.

10.29 Mitr Siam may at its discretion waive any requirement for a valid acceptance of the Offer in respect of any of your MSF Shares. Without limiting the foregoing, except in relation to any of your MSF Shares in a CHES Holding, Mitr Siam may treat the receipt by it of an executed Acceptance Form as a valid acceptance of the Offer even though it does not receive any other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements of the acceptance.

10.30 Where the requirements for a valid acceptance of the Offer have been complied with in respect of some but not all of your MSF Shares, Mitr Siam may, in its sole discretion, deem your acceptance of the Offer complete in respect of all or none of your MSF Shares.

10.31 If Mitr Siam determines to waive any requirement for a valid acceptance of the Offer in respect of any of your MSF Shares, payment of the Offer Price in accordance with the Offer may be delayed until any irregularity has been resolved or waived and Mitr Siam has received any other documents required to procure registration of the relevant MSF Shares.

10.32 Mitr Siam will provide the consideration to you in accordance with sections 10.53 to 10.57 (inclusive) with respect to any of your MSF Shares in relation to which Mitr Siam has determined to waive any requirement for a valid acceptance of the Offer.

10 Terms and Conditions of the Offer

(continued)

Effect of acceptance

10.33 By accepting the Offer in accordance with sections 10.13 to 10.25, you will, or will be deemed to have:

- (a) irrevocably accepted the Offer (and any variation of it) for all of your MSF Shares and irrevocably agreed, subject to the Conditions of the Offer being fulfilled or freed, to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) all your MSF Shares to Mitr Siam;
- (b) authorised Mitr Siam (and its directors, officers, servants or agents) to complete or alter the Acceptance Form by:
 - (i) inserting correct details of your MSF Shares;
 - (ii) filling in any blanks remaining in the Acceptance Form; and
 - (iii) rectifying any errors in or omissions from the Acceptance Form (including, without limitation, altering the number of MSF Shares stated to be held by you if it is otherwise than as set out in the Acceptance Form),

as may be necessary to make the Acceptance Form an effective acceptance of the Offer or to enable to the transfer of all of your MSF Shares to Mitr Siam to be registered;

- (c) if you signed the Acceptance Form in respect of any of your MSF Shares in a CHESS Holding, irrevocably authorised Mitr Siam to:
 - (i) instruct your Controlling Participant to initiate acceptance of the Offer in respect of all such MSF Shares in accordance with the ASX Settlement Operating Rules; and
 - (ii) give to your Controlling Participant any other instructions concerning those MSF Shares on your behalf which are contemplated by the sponsorship agreement between you and the Controlling Participant and are necessary or appropriate to facilitate your acceptance of the Offer in respect of all such MSF Shares,

and Mitr Siam will be so authorised even though at the time of such transfer it has not paid the Offer Price due to you under the Offer.
- (d) represented and warranted to Mitr Siam, as a fundamental condition of the contract resulting from your acceptance that, both at the time of acceptance of the Offer and at the time you transfer your MSF Shares to Mitr Siam:
 - (i) your MSF Shares (including any Rights) will be fully paid and free from Encumbrances and that you have paid to MSF all amounts which are due for payment in respect of your MSF Shares; and
 - (ii) you have full power, capacity and authority to sell and to transfer your MSF Shares (including the power, capacity and authority to transfer the legal and beneficial ownership of your MSF Shares and any Rights to Mitr Siam);

- (e) represented and warranted to, and agreed with, Mitr Siam that your MSF Shares will be purchased by Mitr Siam with all Rights and you will execute all such instruments as Mitr Siam may require for the purposes of vesting in it any such Rights;

- (f) with effect from the date that any contract resulting from your acceptance of the Offer, becomes unconditional (even where Mitr Siam has not yet provided the consideration due to you), irrevocably appointed Mitr Siam and each of its directors, secretaries and officers severally as your attorney, agent and proxy (such power of attorney, being coupled with an interest, being irrevocable) in your name and on your behalf, to:
 - (i) do all things which you could lawfully do concerning your MSF Shares or in exercise of any right derived from the holding of your MSF Shares, including powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings of the MSF in respect of your MSF Shares and to request the MSF to register in the name of the Mitr Siam or its nominee, your MSF Shares, as appropriate, with full power of substitution;

- (ii) execute all documents, forms and notices (including an instrument appointing one of Mitr Siam's directors, secretaries or officers as a proxy in respect of any or all of your MSF Shares and any application to MSF for a replacement share certificate in respect of any share certificate which has been lost or destroyed for your MSF Shares) and resolutions relating to your MSF Shares, and generally to exercise all powers and rights which you have as a registered holder of your MSF Shares; and
 - (iii) receive from MSF or any other party, and retain, any share certificates which were held by MSF or any other party, whether pursuant to the terms of any employee incentive scheme (including and employee share scheme) or otherwise for your MSF Shares;
- (g) agreed that in exercising the powers conferred by the power of attorney in section 10.33(f), each attorney may act in the interests of Mitr Siam as the intended registered holder and beneficial holder of your MSF Shares;
 - (h) agreed to do all such acts, matters and things that Mitr Siam may require to give effect to the matters the subject of this section 10.33 (including the execution of a written form of proxy to the same effect as this section 10.33 which complies in all respects with the requirements of the constitution of MSF) if requested by Mitr Siam;
 - (i) irrevocably authorised and directed MSF to pay Mitr Siam or to account to Mitr Siam for all Rights in respect of your MSF Shares it acquires under the Offer subject, however, to any such Rights received by Mitr Siam being accounted for by Mitr Siam to you if the Offer is withdrawn or the contract formed by your acceptance of the Offer is rescinded or rendered void;
 - (j) except where the Rights have been paid or accounted for under clause (i) above, irrevocably authorised Mitr Siam and its Directors to deduct from the consideration payable to you in accordance with the terms of the Offer the amount of all Rights referred to in clause (i) above or any amount equal to the value of those Rights as reasonably assessed by Mitr Siam (or if there is a dispute, by the Chairman of the ASX or his nominee);
 - (k) with effect from the date that any contract resulting from your acceptance of the Offer becomes unconditional (even where Mitr Siam has not yet provided the consideration due to you), authorised Mitr Siam (or its agents or nominees) to do all things necessary or desirable to your MSF Shares into the name of Mitr Siam;
 - (l) if at the time of acceptance of the Offer any of your MSF Shares are in a CHESS Holding, with effect from the date that any contract resulting from your acceptance of the Offer becomes unconditional (even where Mitr Siam has not yet provided the consideration due to you), authorised Mitr Siam (or its agents or nominees) to cause a message to be transmitted to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to transfer those MSF Shares to Mitr Siam's takeover transferee holding;
 - (m) agreed to indemnify Mitr Siam and each of its agents in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your MSF Shares being registered by MSF without production of your Holder Identification Number or Securityholder Reference Number;
 - (n) represented and warranted to Mitr Siam that unless you have notified Mitr Siam in accordance with sections 10.6 to 10.8 your MSF Shares do not consist of several parcels of MSF Shares;
 - (o) with effect from the date that any contract resulting from your acceptance of the Offer becomes unconditional (even where Mitr Siam has not yet provided the consideration due to you), agreed not to attend or vote in person at any meeting of MSF in respect of your MSF Shares or to exercise or purport to exercise any of the powers conferred on Mitr Siam or any of its directors, secretaries or officers under section 10.33(e) above; and
 - (p) irrevocably authorised Mitr Siam to notify MSF on your behalf that your address for the purpose of serving notices upon you in respect of your MSF Shares is the address specified by Mitr Siam in the notification.

10 Terms and Conditions of the Offer

(continued)

Effect of acceptance (continued)

- 10.34 The undertakings and authorities in section 10.33 will remain in force after you receive the consideration for your MSF Shares acquired by Mitr Siam and after Mitr Siam becomes the registered holder of them.
- 10.35 By accepting the Offer, you will be deemed to have agreed to the undertakings and authorities in section 10.33, notwithstanding that the Offer may not yet have been caused to be accepted in accordance with the ASX Settlement Operating Rules.

Conditions of the Offer

- 10.36 The Offer and any contract that results from the acceptance of the Offer is subject to the conditions set out in Annexure 2 being fulfilled or waived by Mitr Siam.

Nature and effect of Conditions

- 10.37 The FIRB Condition is a condition precedent to the acquisition by Mitr Siam of any interest in any MSF Shares which would cause a breach of the FATA. Notwithstanding your acceptance of the Offer, unless and until the FIRB Condition is fulfilled:
- (a) no contract for the sale of your MSF Shares will come into force or be binding on you or Mitr Siam; and
 - (b) Mitr Siam will have no rights (conditional or otherwise) in relation to your MSF Shares.
- 10.38 Each of the Conditions set out in Annexure 2, with the exception of the FIRB Condition, is a condition subsequent and does not, until the end of the Offer Period (or in the case of the Condition in relation to prescribed occurrences in paragraph (e) of Annexure 2, until the end of the third Business Day after the end of the Offer Period), prevent a contract to sell your MSF Shares from arising, but entitles Mitr Siam by written notice to you, to rescind the contract resulting from your acceptance of the Offer.
- 10.39 Each of the Conditions set out in Annexure 2 is a separate, severable and distinct condition and will not be taken to limit the meaning or effect of any other Condition.
- 10.40 If:
- (a) Mitr Siam has not declared the Offer to be free from the Conditions before the date applicable under subsection 650F(1) of the Corporations Act; and
 - (b) the Conditions have not been fulfilled or waived at the end of the Offer Period,
- all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such case, Mitr Siam will:
- (c) return all documents forwarded by you to the address shown on the Acceptance Form; and
 - (d) notify ASX Settlement of the lapse of the Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

The benefit of the Conditions

- 10.41 Subject to the provisions of the Corporations Act, Mitr Siam alone is entitled to the benefit of the Conditions and any non-fulfilment of such Conditions may be relied upon only by Mitr Siam, which may waive (generally or in respect of a particular event) breach or non-fulfilment of that Condition.

Freeing the Offer from the Conditions

- 10.42 Subject to section 650F of the Corporations Act, Mitr Siam may, at any time in its sole discretion, declare the Offer free from any or all of the Conditions generally or in relation to any specific occurrence or any specific entity by giving notice in writing to MSF:
- (a) in relation to a Condition relating to an event or circumstance referred to in subsection 652C(1) or (2) of the Corporations Act, not later than three Business Days after the end of the Offer Period; and
 - (b) in relation to any other Condition, not later than seven days before the end of the Offer Period.
- 10.43 If an event occurs which results in the non-fulfilment of a Condition, Mitr Siam might not make a decision as to whether it will either rely on that non-fulfilment or waive the Condition, until the date for giving notice as to the status of the Conditions of the Offer under section 630(3) of the Corporations Act. If Mitr Siam decides that it will waive a condition it will announce that decision to ASX in accordance with section 650F of the Corporations Act.

Notice on the status of the Conditions

- 10.44 The date for giving the notice on the status of the Conditions required by section 630(3) of the Corporations Act is 3 February 2012 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

Date for determining holders of security

- 10.45 For the purposes of section 633 of the Corporations Act, the date for determining the persons to whom information is to be sent under items 6 and 12 of subsection 633(1) of the Corporations Act is the Register Date.

Offer Period

- 10.46 The Offer will remain open for acceptance until 7.00pm (Sydney time) on 10 February 2012, unless it is withdrawn or extended in accordance with the Corporations Act.
- 10.47 Mitr Siam expressly reserves its right under section 650C of the Corporations Act, exercisable in its sole discretion, to extend the period during which the Offer remains open for acceptance.
- 10.48 If within the last seven days of the Offer Period the Offer is varied to improve the consideration offered or if within the last seven days of the Offer Period Mitr Siam's Voting Power in MSF increases to more than 50%, then in either case the Offer Period will be automatically extended in accordance with section 624(2) of the Corporations Act, so that it ends 14 days after the relevant event.
- 10.49 You may accept the Offer at any time during the Offer Period.

Withdrawal of Offer

- 10.50 In accordance with section 652B of the Corporations Act, the Offer may be withdrawn to the extent the Offer is not accepted at the relevant time with the consent in writing of ASIC, which consent may be subject to conditions.
- 10.51 If this occurs, Mitr Siam will give notice of the withdrawal to ASX and to MSF and will comply with any other conditions imposed by ASIC.
- 10.52 Subject to section 10.50, if the Offer is withdrawn, all contracts arising from its acceptance will automatically be void.

Manner of payment of the Offer Price

- 10.53 Mitr Siam will pay to you the consideration for your MSF Shares by cheque (or as otherwise agreed by Mitr Siam) in Australian currency. The cheque will be sent at your risk to you at your address as shown on the Acceptance Form by prepaid ordinary mail or, in the case of addresses outside Australia, by prepaid airmail.

10 Terms and Conditions of the Offer

(continued)

Timing of payment of the Offer Price

10.54 Subject to sections 10.28 to 10.31 and 10.55 and the Corporations Act, if you accept the Offer and the Conditions are fulfilled or waived, Mitr Siam will provide the consideration for your MSF Shares to you on or before the earlier of:

- (a) 21 days after the date you accept the Offer or, if the Offer is subject to any Condition when accepted, 21 days after the contract resulting from your acceptance becomes unconditional; and
- (b) 21 days after the end of the Offer Period.

10.55 Where the Acceptance Form or this Offer requires any one or more additional documents to be given to Mitr Siam with your acceptance (such as a power of attorney) to enable Mitr Siam to become the holder of your MSF Shares:

- (a) if the documents are delivered with your acceptance, Mitr Siam will provide the consideration in accordance with section 10.54;
- (b) if the documents are delivered after acceptance and before the end of the Offer Period at a time when the Offer is no longer subject to any Condition, Mitr Siam will provide the consideration to you by the end of whichever of the following periods ends first:
 - (i) 21 days after the documents are delivered to Mitr Siam; and
 - (ii) 21 days after the end of the Offer Period;
- (c) if the documents are delivered after acceptance and before the end of the Offer Period at a time when the Offer is still subject to any Condition, Mitr Siam will provide the Offer Price to you by the end of whichever of the following periods ends first:
 - (i) 21 days after the contract resulting from your acceptance of the Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period;
- (d) if the documents are delivered after the end of the Offer Period at a time when the Offer is no longer subject to any Condition, Mitr Siam will provide the consideration to you within 21 days after the documents are delivered to Mitr Siam; or
- (e) if the documents are delivered after the end of the Offer Period at a time when the Offer is still subject to any Condition, Mitr Siam will provide the consideration to you within 21 days after the contract which arises upon your acceptance of this Offer becomes unconditional.

10.56 If you do not provide Mitr Siam with the required additional documents within one month after the end of the Offer Period, Mitr Siam may, in its sole discretion, rescind any contract resulting from your acceptance of this Offer.

10.57 Under no circumstances will interest be paid on the consideration payable under the Offer, regardless of any delay in paying the consideration or any extension of the Offer.

10.58 If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to Mitr Siam, but before it has been received; or
- (b) if you send your Acceptance Form and any accompanying documents and for any other reason Mitr Siam does not acquire the MSF Shares to which your Acceptance Form relates,

Mitr Siam will despatch at your risk your Acceptance Form together with all other documents forwarded by you, to your address as shown on the Acceptance, where such address is in Australia, prepaid ordinary mail, or where such address is outside Australia, pre-paid airmail.

Clearances for offshore residents

10.59 If at the time you accept the Offer any of the following:

- (a) *Banking (Foreign Exchange) Regulations 1959* (Cth);
- (b) any regulations made under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth);

- (c) *Charter of the United Nations Act 1945* (Cth) or any regulations made thereunder; or
- (d) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Government Agency to be obtained before you receive any consideration for your MSF Shares, or would make it unlawful for Mitr Siam to provide any consideration to you for your MSF Shares, you will not be entitled to receive any consideration for your MSF Shares until all requisite authorities, clearances or approvals have been received by Mitr Siam.

Improved Offer Price

10.60 If you have accepted the Offer and Mitr Siam subsequently improves the Offer Price, you will be entitled to the improved consideration and Mitr Siam will pay it to you:

- (a) if the Offer Price has not yet been paid to you, the improved consideration will be paid to you at the time when the consideration under the Offer is paid to you; or
- (b) if the Offer Price has been paid to you prior to the time Mitr Siam improves the Offer Price, the improved consideration will be paid to you as soon as practicable.

Brokerage and other costs

10.61 No brokerage, stamp duty or goods and services tax will be payable by you if you accept the Offer.

10.62 If your MSF Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Mitr Siam, you will not incur any brokerage in connection with your acceptance of the Offer.

10.63 If your MSF Shares are registered in a CHESS Holding, or if you are a beneficial owner whose MSF Shares are registered in the name of a Broker, bank, custodian or other nominee, no brokerage is payable by you but you should ask your Controlling Participant (usually your Broker) or that nominee whether it will charge any transactional fees or services charges in connection with acceptance of the Offer.

Variation

10.64 Mitr Siam may vary the Offer as permitted by Part 6.6 Division 2 of the Corporations Act.

Foreign laws

10.65 The Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of this Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer.

Notices

10.66 Any notice, nomination, or other communication to be given by Mitr Siam to you under the Offer will be deemed to be duly given if it is given in writing and is signed or purports to be signed (whether in manuscript, printed or reproduced form) on behalf of Mitr Siam by any of its directors, secretaries or officers and is delivered to or sent by post in a pre-paid envelope or by courier to your address as recorded on the register of MSF Shareholders or the address shown on the Acceptance Form.

10.67 Any notice or other communication given by you to Mitr Siam in connection with the Offer will be deemed to be duly given if it is in writing and received by mail at the following address:

MSF Sugar Takeover
 Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235

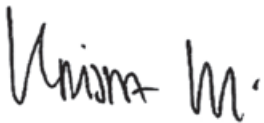
Governing law

10.68 The Offer and any contract that results from your acceptance of the Offer are governed by the laws in force in New South Wales.

11 Authorisation of Bidder's Statement

11.1 This Bidder's Statement was approved by a resolution of the Directors of Mitr Siam on 2 December 2011.

Signed for and on behalf of Mitr Siam International Pte. Ltd



Krisda Monthienvichienchai
Director
Mitr Siam International Pte. Ltd



12 Definitions and interpretation

Defined terms

In this Bidder's Statement the following words have these meanings unless the contrary intention appears or the context otherwise requires:

Acceptance Form means the acceptance form which accompanies this Bidder's Statement.

Advisers means, in relation to an entity, its legal, financial and other expert advisers.

AIFRS means Australian equivalents to International Financial Reporting Standards, which are the Accounting Standards applicable to disclosing entities at the date of this Bidder's Statement.

Announcement Date means the date on which MSF publicly announced that it had entered into the Implementation Agreement with Mitr Phol, being 9 November 2011.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this Bidder's Statement and MSF is the designated body.

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532) as a holder of a licence to operate a clearing and settlement facility.

ASX Settlement Operating Rules means the rules of ASX Settlement from time to time, except to the extent of any relief given by ASX Settlement.

ASX means ASX Limited ACN 008 624 691 or the financial market it operates, as the context requires.

Bid Announcement Date means the date on which Mitr Siam publicly proposed to make the Offer, being 16 November 2011.

Bidder's Statement means this Bidder's Statement in respect of this Offer given by Mitr Siam under Part 6.5 of Chapter 6 of the Corporations Act and any supplementary or replacement bidder's statement.

Broker means a person who is a share broker and a participant in CHESSE.

Business Day means a day on which banks are open for business in Sydney, Australia but not a Saturday, Sunday or public holiday.

CGT means capital gains tax.

CHESSE means Clearing House Electronic Subregister System established and operated by ASX Settlement for the clearing, settlement, transfer and registration of approved securities.

CHESSE Holding means a holding of MSF Shares on the CHESSE subregister of MSF.

Closing Date means 10 February 2012, unless extended in accordance with the Corporations Act.



12 Definitions and interpretation (continued)

Defined terms (continued)

Competing Transaction means a transaction which, if completed, would mean a person (other than Mitr Siam or its Related Bodies Corporate or Representatives) would:

- (a) directly or indirectly, acquire an interest or Relevant Interest in or become the holder of:
 - (i) 50.1% or more of the MSF Shares; or
 - (ii) all or a substantial part or a material part of the business conducted by MSF, including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares or joint venture, but not as a custodian, nominee or bare trustee;
- (b) acquire control of MSF, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with MSF.

Condition means a condition referred to in section 10.36.

Controlling Participant means the Participant who is designated as the controlling participant for MSF Shares in a CHES Holding in accordance with the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

Double Tax Treaty means an agreement entered into between Australia and another country for the relief of double taxation and prevention of fiscal evasion.

Exclusivity Period means the period commencing on the date of the Implementation Agreement and ending on the Implementation Agreement End Date.

Encumbrance means a right, interest, power or arrangement in relation to any property which provides security for, or protects against default by a person in, the payment or satisfaction of a debt, obligation or Liability, including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance or hypothecation.

Facilities means the existing loan facilities of Mitr Phol Sugar, the proceeds drawn down from which will be used by Mitr Phol Sugar to fund the Intercompany Loan.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

FIRB means Foreign Investment Review Board.

FIRB Condition means the condition of the Offer that before the end of the Offer Period:

- (a) Mitr Siam receives written advice from the Treasurer (or his delegate) that there are no objections under Australia's foreign investment policy to the Offer and such advice is either unconditional or, if conditional, on the basis of conditions that impose only non-material requirements; or
- (b) following notice of the Offer having been given by Mitr Siam to the Treasurer under the FATA, the Treasurer has ceased to be empowered to make any order under Part II of the FATA because of lapse of time.

Foreign MSF Shareholder means an MSF Shareholder who is not, and has not been, and will not at any relevant time be, a resident of Australia for the purposes of the Tax Law.

Government Agency means, whether foreign or domestic:

- (a) a government, whether federal, state, territorial or local or a department, office or minister of a government acting in that capacity; or
- (b) a commission, delegate, instrumentality, agency, board, or other government, semi-government, judicial, administrative, monetary or fiscal body, department, tribunal, entity or authority, whether statutory or not, and includes any self-regulatory organisation established under statute or any stock exchange.

GST means a goods and services tax or similar value added tax levied or imposed under the GST Law.

GST Law has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Holder Identification Number has the meaning given to "HIN" in the ASX Settlement Operating Rules.

Implementation Agreement means the agreement entered into by Mitr Siam, Mitr Phol Sugar and MSF, dated 9 November 2011 (as varied on 14 November 2011, 21 November 2011 and 9 December 2011), in relation to the Offer.

Implementation Agreement End Date means the earlier of:

- (a) the date of termination of this agreement in accordance with its terms; and
- (b) 30 April 2012.

Independent Expert means the independent expert engaged by MSF to determine if the Offer is fair and reasonable, being Lonergan Edwards & Associates Limited.

Independent Expert's Report means the report referred to in section 9.12.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this agreement reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Intercompany Loan means the intercompany loan between Mitr Phol Sugar and Mitr Siam, the proceeds drawn down from which will be used by Mitr Siam to fund the consideration under the Offer.

Issuer Sponsored Holding means a holding of MSF Shares on MSF's issuer sponsored sub-register.

Listing Rules means the official listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver granted by ASX.

Material Adverse Change means one or more occurrences or any fact, matter or circumstance (whenever occurring) that is announced or becomes known to Mitr Siam that individually, or when aggregated with all such occurrences, facts, matters or circumstances, has had or is reasonably likely to have one of the following effects:

- (a) to materially adversely affect the status or terms of any material regulatory consent that is applicable to the MSF Group;
- (b) to prevent or would be likely to prevent MSF from discharging in a material respect its obligations under this agreement;
- (c) to diminish the total consolidated net assets of the MSF Group (calculated on the basis of AIFRS) by A\$11 million or more;
- (d) to otherwise materially adversely affect the business, financial condition, operations, reputation or prospects of the MSF Group including:
 - (i) any material default by the MSF Group or any member of the MSF Group under their existing financing facilities; or
 - (ii) the termination of any Material Contract of the MSF Group,

unless that occurrence, fact, matter or circumstance:

- (a) is required to be done or procured by MSF pursuant to the Implementation Agreement;

12 Definitions and interpretation (continued)

Defined terms (continued)

Material Adverse Change (continued)

- (b) relate to changes in business conditions affecting the industry in which MSF operates, provided that the changes or disruptions do not have a materially disproportionate effect on MSF compared to other participants in the industries in which the MSF business operate; or
- (c) is fairly disclosed, or that is reasonably apparent on its face as potentially to flow from the event, occurrence, matter or information that is fairly disclosed, in information provided by MSF to Mitr Siam or its Representatives, or is otherwise known to Mitr Siam or its Representatives on or prior to the date of the Implementation Agreement or otherwise disclosed in public filings by MSF with ASIC or provided to ASX or any of its Related Bodies Corporate on or prior to the date of the Implementation Agreement.

Material Contract means a contract or commitment:

- (a) requiring total payments in excess of an amount equal to 5% of the relevant party's net annual earnings for financial year ended 31 December 2010; or
- (b) under which a person does not have an unconditional right to terminate within 12 months.

Minimum Acceptance Condition means the condition that during, or at the end of, the Offer Period, the number of MSF Shares in which Mitr Phol and its associates together have Relevant Interests (disregarding any Relevant Interest that Mitr Phol has merely because of the operation of section 608(3) of the Corporations Act) is at least 50.1% (by number) of all the MSF Shares.

Mitr Phol means Mitr Phol Sugar and Mitr Siam together, except in relation to references in this Bidder's Statement to the entity making the Offer in which case Mitr Phol means Mitr Siam.

Mitr Phol Sugar means Mitr Phol Sugar Corp., Ltd, a body incorporated under the laws of Thailand.

Mitr Siam means Mitr Siam International Pte. Ltd, a body incorporated under the laws of Singapore.

MSF Group means MSF and its subsidiaries.

MSF means MSF Sugar Limited ACN 009 658 708.

MSF Board or **MSF Directors** means the board of directors of MSF.

MSF Options means options to subscribe for MSF Shares pursuant to the MSF Options and Performance Rights Plan issued before 9 December 2011.

MSF Options and Performance Rights Plan means the plan approved by MSF Shareholders on 17 November 2005 (as amended) to enable participation by MSF employees and executives in the equity ownership of MSF.

MSF Performance Rights means rights to subscribe for MSF Shares pursuant to the MSF Options and Performance Rights Plan issued before 9 December 2011.

MSF Shareholder means a holder of a MSF Share.

MSF Shares means fully paid ordinary shares in the capital of MSF.

Offer means the offers to acquire MSF Shares by Mitr Siam as set out in this Bidder's Statement.

Offer Announcement means the announcement set out in full in Annexure 1.

Offer Information Line means the information service provided on 1800 622 202 (toll free for callers in Australia) +61 2 8280 7694 (callers outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

Offer Price has the meaning given in section 2.4.

Offer Period means the period commencing 12 December 2011 and ending at 7.00pm on 10 February 2012, unless extended, or withdrawn in accordance with the Corporations Act.

Officers means, in relation to an entity, its directors, officers, partners and employees.

Participant has the meaning given in the ASX Settlement Operating Rules.

Person means an incorporated or unincorporated body or association as well as a natural person.

Prescribed Occurrence means an event listed in Annexure 3.

Register Date means the date set by Mitr Siam under section 633(2) of the Corporations Act, being 10.00am (Sydney time) on 9 December 2011.

Regulatory Approval means:

- (a) any consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, approval, direction, declaration, authority, ruling or exemption from, by or with a Regulatory Authority; or
- (b) in relation to anything that would be fully or partly prohibited or restricted by law if a Regulatory Authority intervened or acted in any way within a specified period after lodgment, filing, registration or notification, the expiry of that period without intervention or action,

as may be necessary to enable a party to fulfill its obligations under the Implementation Agreement.

Regulatory Authority includes:

- (a) ASX, ACCC, ASIC, Bank of Thailand or the Australian Taxation Office;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute,

in each case whether foreign, federal, state, territorial or local in any part of the world.

Related Bodies Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act.

Representatives of a party includes:

- (a) a Related Bodies Corporate of the party; and
- (b) each of the Officers and Advisers of the party or any of its Related Bodies Corporate.

Rights means all accretions, rights or benefits of whatever kind attaching to or arising from MSF Shares directly or indirectly after the Announcement Date, including, but not limited to, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by MSF or any of its Subsidiaries.

Securityholder Reference Number has the same meaning as in the ASX Settlement Operating Rules.

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a publicly announced Competing Transaction which the MSF Board, acting in good faith, and after taking advice from its legal and financial advisers, determines is:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Transaction; and
- (b) more favourable to MSF Shareholders than the Offer, taking into account all terms and conditions of the Competing Transaction.

Stamp Duty includes land rich duty, landholder duty and marketable security duty in any relevant Australian State or Territory.

STL means Sugar Terminals Limited ACN 084 059 601.

Tax Law means the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth).

Treasurer means the Treasurer of the Commonwealth of Australia.

Voting Power has the meaning given to that term in section 610 of the Corporations Act.

VWAP means the volume weighted average price.

12 Definitions and interpretation (continued)

Interpretation

Terms used in this Bidder's Statement and not otherwise defined herein have the meaning (if any) given to them in Chapter 6 of the Corporations Act or the ASX Settlement Operating Rules unless that meaning is inconsistent with the context in which the term is used.

In this Bidder's Statement:

- (a) headings are for convenience only and do not affect the meaning of the sections they introduce; and unless the context otherwise requires;
- (b) the singular includes the plural and the other way around;
- (c) words importing any gender include any other genders;
- (d) references to persons include corporations;
- (e) references to clauses, sections or Annexures are to clauses, sections or Annexures in this Bidder's Statement;
- (f) references to dollar or \$ are references to Australian currency;
- (g) references to "you" are to a person to whom this Offer is made under sections 10.6 to 10.8;
- (h) references to "your MSF Shares" are to MSF Shares in respect of which you were registered as a holder on the Register Date;
- (i) the word 'including' or 'includes' means 'including, but not limited to' or 'includes, without limitation';
- (j) references to legislation, rules or other documents include those instruments as amended, supplemented or replaced, and in the case of legislation includes regulations, rules and instruments made under that legislation; and
- (k) references to time or Sydney time are references to the prevailing time in Sydney, Australia.

Annexure 1

Offer announcement



JOINT ASX AND MEDIA RELEASE

16 November 2011

MSF SUGAR LIMITED AND MITR PHOL SUGAR CORP., LTD. ANNOUNCE RECOMMENDED TAKEOVER OFFER

Further to the announcement on 9 November 2011, MSF Sugar Limited ("**MSF**") (ASX:MSF) and Mitr Phol Sugar Corp., Ltd. ("**Mitr Phol**") are pleased to announce that Mitr Phol has completed its due diligence on MSF and intends to proceed, via its wholly owned subsidiary Mitr Siam International PTE. LTD, to make an all cash off-market takeover offer to acquire all the outstanding shares in MSF not controlled by Mitr Phol for an offer consideration of \$4.45 cash per share (the "**Mitr Phol Offer**").

The Mitr Phol Offer

MSF shareholders who accept the Mitr Phol Offer will receive \$4.45 cash per share (adjusted for any distributions) once the Mitr Phol Offer becomes unconditional.

The Mitr Phol Offer values the total equity of MSF at approximately \$313 million and represents a premium of:

- 30.9% to the closing share price of MSF shares of \$3.40 on 4 November 2011, being the last trading day MSF shares traded on ASX prior to the commencement of the MSF trading halt on 7 November 2011;
- 37.8% to the 1 month volume weighted average price of MSF shares to 4 November 2011 of \$3.23; and
- 37.3% to the 3 month volume weighted average price of MSF shares to 4 November 2011 of \$3.24.

MSF Board Recommendation

The Board of Directors of MSF **unanimously recommend** that MSF shareholders **accept** the Mitr Phol Offer, subject to there being no superior proposal and subject to the independent expert determining that the Mitr Phol Offer is fair and reasonable.

Each director who holds shares either directly or indirectly in MSF intends to **accept** the Mitr Phol Offer for all their shares in the absence of a superior proposal and subject to the independent expert determining that the Mitr Phol Offer is fair and reasonable.

MSF has appointed Lonergan Edwards and Associates Limited to prepare an independent expert's report on whether the Mitr Phol Offer is fair and reasonable for non-Mitr Phol shareholders. Details of their opinion will be included in the Target's Statement.

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Annexure 1 (continued)

Offer announcement (continued)

MSF Chairman Mr James A Jackson said: “The Mitr Phol Offer is an attractive offer and provides all MSF shareholders with a substantial premium to the price at which MSF shares last traded prior to the announcement of the conditional agreement with Mitr Phol on 9 November 2011.”

Provides MSF with a Stable Owner for Long Term Growth

Mitr Phol has a long history dating back 70 years and is proud to be a major sugar organisation that began and continues to operate as a canegrower itself.

Today, Mitr Phol is one of the largest sugar producers in Asia, with an estimated market share of 19% in Thailand (ranked first in production and exports) and 9% in China (Mitr Phol first invested in China mills in 1993 and today is ranked second in terms of production).

Mitr Phol is currently the major cornerstone shareholder in MSF, holding a stake of approximately 22%.

“Mitr Phol is a good long-term strategic owner of MSF. Mitr Phol has deep relationships with key parties in Asia and broad operational expertise to develop the MSF business going forward.” Mr Jackson said.

Mitr Phol’s President, Mr Krisda Monthienvichienchai, said: “Mitr Phol is pleased to make our offer for MSF. We believe it is an attractive offer for MSF shareholders at a substantial premium to MSF’s share price and a compelling opportunity for all stakeholders involved.”

“Mitr Phol believes that MSF’s employees are an integral part of the business’ culture, reputation and success. Our objective is to work with the company’s management, employees and cane farmers to grow the business. We believe that this transaction provides a strong platform for not only MSF’s growth aspirations, but also for canegrowers and other stakeholders to work confidently with MSF going forward. Mitr Phol offers a unique combination of experience, sugar industry understanding and global reach to help make this happen.”

“Mitr Phol has developed a close and respected relationship with the MSF Board and management since becoming the major cornerstone investor over 12 months ago. We look forward to working alongside the MSF Board to progress this offer and transition MSF for its next phase of successful growth.”

Implementation and Conditions

On 9 November 2011, MSF and Mitr Phol entered into a Takeover Implementation Agreement (“**TIA**”). The TIA sets out the terms upon which MSF and Mitr Phol will cooperate with each other in relation to the implementation of the Mitr Phol Offer including customary transaction protection arrangements. Shareholders should review the ASX release made by MSF on 9 November 2011 for a more detailed summary of the TIA (available on the MSF website or via the ASX company announcements platform).

A summary of all of the Mitr Phol Offer conditions is set out in Annexure A of this announcement.

Funding

Mitr Phol will fund its all cash offer through internal resources and existing credit facilities.

Transaction Timing

Mitr Phol's Bidder's Statement is expected to be dispatched to MSF shareholders during early December 2011. MSF expects to dispatch its Target's Statement to MSF shareholders shortly thereafter.

Advisors

MSF is being advised by Greenhill Caliburn and Mallesons Stephen Jaques.

Mitr Phol is being advised by Barclays Capital and Baker & McKenzie.

Further Information:

MSF

James A. Jackson	Lauren Thompson/ Stuart Carson	Jann George
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Mitr Phol

Peter Brookes	Helen McCombie
<i>Partner</i>	<i>Partner</i>
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Annexure 1 (continued)

Offer announcement (continued)

About MSF

MSF Sugar Limited (ASX: MSF) is an integrated sugar company based in Queensland, Australia. It first listed on the Australian Stock Exchange in 1956 and in 2011 entered into a dynamic new phase of its history with the acquisition of additional sugar producing assets in Far North Queensland. It now has four sugar mills and is the only listed sugar miller on the ASX.

About Mitr Phol

Mitr Phol is one of the world's largest sugar producers, with a history dating back over 70 years starting as a grower. Presently Mitr Phol is one of the largest sugar producers in Asia, with an estimated market share of 19% in Thailand (ranked first in production and exports), and 9% in China (Mitr Phol first invested in China mills in 1993 and today is ranked second in terms of production).

Mitr Phol has six principal lines of business: sugar production and sales in Thailand, China and ASEAN, ethanol production and sales, energy production and sales from biomass, logistics, and particle board from bagasse operations. Current sugar production capacity in Thailand is approximately 1.8 mtpa and capacity in China is approximately 1.2 mtpa.

Mitr Phol currently controls approximately 22% of MSF's issued shares.

ANNEXURE A - MITR PHOL OFFER CONDITIONS

The conditions to the Mitr Phol Offer are as follows:

- (a) **(50.1% minimum acceptance condition)** during, or at the end of, the Mitr Phol Offer Period, the number of MSF shares in which Mitr Phol and its associates together have relevant interests (disregarding any relevant interest that Mitr Phol has merely because of the operation of section 608(3) of the Corporations Act) is at least 50.1% of all the MSF shares;
- (b) **(FIRB approval)** prior to the end of the Mitr Phol Offer Period, either:
 - (i) Mitr Phol receives written advice from the Treasurer (or his delegate) that there are no objections under Australia's foreign investment policy to the Mitr Phol Offer and such advice is either unconditional or, if conditional, on the basis of conditions that impose only non-material requirements; or
 - (ii) following notice of the Mitr Phol Offer having been given by Mitr Phol to the Treasurer under the Foreign Acquisitions and Takeovers Act 1975 (Cwlth), the Treasurer has ceased to be empowered to make any order under Part II of that Act because of lapse of time;
- (c) **(Other regulatory approvals)** before the end of the Mitr Phol Offer Period, all regulatory approvals (including the approval of the Bank Thailand in respect of the Mitr Phol Offer and its financing) that are required by law or by any regulatory authority as are necessary to permit:
 - (i) the Mitr Phol Offer to be lawfully made to, and accepted by, MSF shareholders; and
 - (ii) any transaction contemplated by the Mitr Phol Offer to be completed; and
 - (iii) the continued operation of the business of MSF and its subsidiaries or of Mitr Phol and its subsidiaries,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all material respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same. In each case on an unconditional basis or on the basis of conditions that impose only non-material requirements incidental to the approvals set out in this Mitr Phol Offer Condition and, at the end of the Mitr Phol Offer Period, all of those regulatory approvals remain in full force and effect in all material respects and are not subject to any notice or indication of intention to remove, suspend, restrict, modify or not renew those regulatory approvals;

- (d) **(No termination)** between the announcement date and the end of the Mitr Phol Offer Period, there is no material breach by MSF of the "prohibited actions" clause of the Takeover Implementation Agreement;
- (e) **(no Prescribed Occurrence)** there not occurring a prescribed occurrence in respect of MSF during the Mitr Phol Offer Period;
- (f) **(no Material Adverse Change)** there not occurring a Material Adverse Change in the period between 9 November 2011 and the end of the Mitr Phol Offer Period;

Annexure 1 (continued)

Offer announcement (continued)

- (g) **(No actions of regulatory authorities)** between the announcement date and the end of the Mitr Phol Offer Period:
- (i) there is not in effect any preliminary or final decision, order or decree issued by a regulatory authority;
 - (ii) no action or investigation is announced, commenced or threatened by any regulatory authority; and
 - (iii) no application is made to any regulatory authority (other than by Mitr Phol or any of its associates) or commenced by a regulatory authority,

in consequence of or in connection with the Mitr Phol Offer (other than application, decision or order made under, or relating to a breach of, Chapters 6, 6A, 6B or 6C of the Corporations Act or unacceptable circumstances for the purposes of the Corporations Act), which:

- (iv) restrains or prohibits or impedes, or threatens to restrain, prohibit or impede, or otherwise materially adversely impacts on, the making of the Mitr Phol Offer, the acquisition of MSF shares by Mitr Phol under the Mitr Phol Offer, the rights of Mitr Phol in respect of its capacity as a shareholder of MSF or the completion of any transaction contemplated by the Mitr Phol Offer; or
 - (v) seeks to require the divestiture by Mitr Phol of any MSF shares or any material assets of MSF or its subsidiaries;
- (h) **(No untrue statements)** between the announcement date and the end of the Mitr Phol Offer Period, Mitr Phol does not become aware that any document filed by or on behalf of MSF, with ASX or ASIC, contains a statement which is incorrect or misleading in any material particular or from which there is a material omission; and
- (i) **(No change of control rights)** except as fairly disclosed in information provided by MSF to Mitr Phol or its representatives, or is otherwise known to Mitr Phol or its representatives on or prior to the bid announcement date or otherwise disclosed in public filings by MSF with ASIC or provided to ASX on or prior to the bid announcement date, between the bid announcement date and the end of the Mitr Phol Offer Period (each inclusive), as a result (directly or indirectly) of the acquisition or proposed acquisition of any MSF shares by Mitr Phol, no person becomes entitled to exercise, exercises, purports to exercise or states an intention to exercise (whether or not that intention is stated to be a final or determined decision of that person), any rights under any provision of any agreement or other instrument to which MSF or any of its subsidiaries is a party or by or to which MSF or any of its subsidiaries or any of their assets is bound, which results, or could reasonably be expected to result in:
- (i) the termination or amendment of any material contractual relationship between any person and MSF or any of its subsidiaries (for this purpose, amendment includes an amendment, alteration or change as a result of the operation of an agreement or instrument, whether or not that altered operation is provided for under the existing terms of the contract or agreement);
 - (ii) a requirement to terminate, modify or dispose of, or agree to terminate, modify or dispose of, any material interest or asset of MSF or any of its subsidiaries (or any arrangements relating to such an interest or asset); or

- (iii) the acceleration of the performance of, or adverse modification of, any obligation of MSF or any of its subsidiaries under any material agreement, lease, instrument or other legal arrangement,

and, in each case, have a material adverse effect on the business, assets, financial condition, operations, reputation or prospects of the MSF group.

Key definitions used in this Annexure A (unless otherwise defined in this announcement)

Material Adverse Change means one or more occurrences or any fact, matter or circumstance (whenever occurring) that is announced or becomes known to Mitr Phol that individually, or when aggregated with all such occurrences, facts, matters or circumstances, has had or is reasonably likely to have one of the following effects:

- (a) to materially adversely affect the status or terms of any material regulatory consent that is applicable to the MSF group;
- (b) to prevent or would be likely to prevent MSF from discharging in a material respect its obligations under this agreement;
- (c) to diminish the total consolidated net assets of the MSF group (calculated on the basis of AIFRS) by A\$11 million or more;
- (d) to otherwise materially adversely affect the business, financial condition, operations, reputation or prospects of the MSF group including:
 - (i) any material default by the MSF group or any member of the MSF group under their existing financing facilities; or
 - (ii) the termination of any material contract of the MSF group,

unless that occurrence, fact, matter or circumstance:

- (e) is required to be done or procured by MSF pursuant to this agreement;
- (f) relate to changes in business conditions affecting the industry in which MSF operates, provided that the changes or disruptions do not have a materially disproportionate effect on MSF compared to other participants in the industries in which the MSF business operate; or
- (g) is fairly disclosed, or that is reasonably apparent on its face as potentially to flow from the event, occurrence, matter or information that is fairly disclosed, in information provided by MSF to Mitr Phol or its representatives, or is otherwise known to Mitr Phol or its representatives on or prior to the date of this agreement or otherwise disclosed in public filings by MSF with ASIC or provided to ASX on or prior to the date of this agreement.

Mitr Phol Offer means each offer to acquire MSF shares to be made by Mitr Phol to each MSF shareholder for an offer consideration of \$4.45 cash per MSF share.

Mitr Phol Offer Period means the period during which the Mitr Phol Offer is open for acceptance.

Annexure 2

Bid Conditions

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

- (a) (**50.1% minimum acceptance condition**) during, or at the end of, the Offer Period, the number of MSF Shares in which Mitr Siam and its associates together have Relevant Interests (disregarding any Relevant Interest that Mitr Siam has merely because of the operation of section 608(3) of the Corporations Act) is at least 50.1% (by number) of all the MSF Shares;
- (b) (**FIRB approval**) prior to the end of the Offer Period, either:
 - (i) Mitr Siam receives written advice from the Treasurer (or his delegate) that there are no objections under Australia's foreign investment policy to the Offer and such advice is either unconditional or, if conditional, on the basis of conditions that impose only non-material requirements; or
 - (ii) following notice of the Offer having been given by Mitr Siam to the Treasurer under the FATA, the Treasurer has ceased to be empowered to make any order under Part II of that Act because of lapse of time;
- (c) (**Other Regulatory Approvals**) before the end of the Offer Period, all Regulatory Approvals (including the approval of the Bank Thailand in respect of the Offer and its financing) that are required by law or by any Regulatory Authority as are necessary to permit:
 - (i) the Offer to be lawfully made to, and accepted by, MSF Shareholders; and
 - (ii) any transaction contemplated by the Offer to be completed; and
 - (iii) the continued operation of the business of MSF and its Subsidiaries or of Mitr Phol and its Subsidiaries,

are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all material respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same. In each case on an unconditional basis or on the basis of conditions that impose only non-material requirements incidental to the approvals set out in this Condition and, at the end of the Offer Period, all of those Regulatory Approvals remain in full force and effect in all material respects and are not subject to any notice or indication of intention to remove, suspend, restrict, modify or not renew those Regulatory Approvals;

- (d) (**No termination**) between the Announcement Date and the end of the Offer Period, there is no material breach by MSF of the prohibited actions in clause 7.3 of the Implementation Agreement;
- (e) (**no Prescribed Occurrence**) there not occurring a Prescribed Occurrence from the Announcement Date to the end of the Offer Period;
- (f) (**no Material Adverse Change**) there not occurring a Material Adverse Change in the period between the Announcement Date and the end of the Offer Period (each inclusive);
- (g) (**No actions of Regulatory Authorities**) between the Announcement Date and the end of the Offer Period:
 - (i) there is not in effect any preliminary or final decision, order or decree issued by a Regulatory Authority;
 - (ii) no action or investigation is announced, commenced or threatened by any Regulatory Authority; and
 - (iii) no application is made to any Regulatory Authority (other than by Mitr Siam or any of its Associates) or commenced by a Regulatory Authority,

in consequence of or in connection with the Offer (other than application, decision or order made under, or relating to a breach of, Chapters 6, 6A, 6B or 6C of the Corporations Act or unacceptable circumstances for the purposes of the Corporations Act), which:

- (i) restrains or prohibits or impedes, or threatens to restrain, prohibit or impede, or otherwise materially adversely impacts on, the making of the Offer, the acquisition of MSF Shares by Mitr Siam under the Offer, the rights of Mitr Siam in respect of its capacity as a shareholder of MSF or the completion of any transaction contemplated by the Offer; or
- (ii) seeks to require the divestiture by Mitr Siam of any MSF Shares or any material assets of MSF or its Subsidiaries;

- (h) **(No untrue statements)** between the Announcement Date and the end of the Offer Period, Mitr Siam does not become aware that any document filed by or on behalf of MSF, with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission; and
- (i) **(No change of control rights)** except as fairly disclosed in information provided by MSF to Mitr Siam or its Representatives, or is otherwise known to Mitr Siam or its Representatives prior to the Bid Announcement Date or otherwise disclosed in public filings by MSF with ASIC or provided to ASX or any of its Related Bodies Corporate prior to the Bid Announcement Date, between the Bid Announcement Date and the end of the Offer Period (each inclusive), as a result (directly or indirectly) of the acquisition or proposed acquisition of any MSF Shares by Mitr Siam, no person becomes entitled to exercise, exercises, purports to exercise or states an intention to exercise (whether or not that intention is stated to be a final or determined decision of that person), any rights under any provision of any agreement or other instrument to which MSF or any of its Subsidiaries is a party or by or to which MSF or any of its Subsidiaries or any of their assets is bound, which results, or could reasonably be expected to result in:
 - (i) the termination or amendment of any material contractual relationship between any person and MSF or any of its Subsidiaries (for this purpose, amendment includes an amendment, alteration or change as a result of the operation of an agreement or instrument, whether or not that altered operation is provided for under the existing terms of the contract or agreement);
 - (ii) a requirement to terminate, modify or dispose of, or agree to terminate, modify or dispose of, any material interest or asset of MSF or any of its Subsidiaries (or any arrangements relating to such an interest or asset); or
 - (iii) the acceleration of the performance of, or adverse modification of, any obligation of MSF or any of its Subsidiaries under any material agreement, lease, instrument or other legal arrangement,

and, in each case, have a material adverse affect on the business, assets, financial condition, operations, reputation or prospects of the MSF Group.

Excluding the Condition in clause (b) above, the above Conditions are conditions subsequent and do not prevent a contract resulting from acceptance of the Offer from coming into effect but any breach or non-fulfilment of them entitles Mitr Siam to rescind any contracts resulting from acceptance of the Offer. The Condition in clause (b) above is a condition precedent and any contract resulting from acceptance of an Offer will not become binding unless and until that Condition is fulfilled.

Annexure 3

Prescribed Occurrences

- (a) **(Conversion)** MSF converts all or any of its shares into a larger or smaller number of shares.
- (b) **(Reduction of share capital)** MSF or any of its Subsidiaries resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
- (c) **(Buy-back)** MSF or any of its Subsidiaries:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act.
- (d) **(Distribution)** MSF makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).
- (e) **(Issuing or granting shares or options)** MSF or any of its Subsidiaries:
 - (i) issues shares;
 - (ii) grants an option over its shares; or
 - (iii) agrees to make such an issue or grant such an option,
 in each case to a person outside the MSF Group, unless in connection with an MSF Options and Performance Rights Plan in accordance with this agreement.
- (f) **(Securities or other instruments)** MSF or any of its Subsidiaries:
 - (i) issues securities or other instruments convertible into shares or debt securities; or
 - (ii) agrees to issue securities or other instruments convertible into shares or debt securities,
 in each case to a person outside the MSF Group, unless in connection with an MSF Options Employee or Executive Share Plan in accordance with this agreement.
- (g) **(Constitution)** MSF adopts a new constitution or modifies or repeals its constitution or a provision of it.
- (h) **(Disposals)** MSF or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the MSF Group's business or property.
- (i) **(Encumbrances)** other than in the ordinary course of business and consistent with past practice MSF or any of its Subsidiaries creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property.
- (j) **(Insolvency)** MSF or any of its Related Bodies Corporate becomes Insolvent.

Corporate Directory

Directors

Mitr Siam International Pte. Ltd

Mr. Isara Vongkusolkit
Mr. Vitoon Vongkusolkit
Mr. Krisda Monthienvichienchai
Mr. Chong Weiyi

Mitr Phol Sugar Corp., Ltd

Mr. Isara Vongkusolkit
Mr. Vitoon Vongkusolkit
Mr. Krisda Monthienvichienchai
Mr. Chanin Vongkusolkit
Mr. Klanarong Sriroth, PhD
Mr. Chiradet Ousawat, PhD
Wg. Cdr. Lucksamee Vongkusolkit
Mr. Buntoeng Vongkusolkit
Mr. Thaweewat Thaweepiyamaporn
Mr. Chusak Vongkusolkit
Mr. Verajet Vongkusolkit

Registered Office

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Mitr Siam International Pte. Ltd

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Offer Information Line

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Share Registry for the Offer

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Legal adviser

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MITR PHOL