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LEE HING DEVELOPMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 68)

PROPOSED CASH ACQUISITION OF PURECIRCLE LIMITED

This announcement is made by the Company on a voluntary basis to keep shareholders of the Company informed of the developments of the affairs of the Company.

The proposed Acquisition

On 9 April 2020 (UK time), PureCircle Limited announced that it has reached agreement with Bidco (a private limited company incorporated under the laws of England and Wales and formed for the purpose of the Acquisition). The Acquisition will be implemented by means of a scheme of arrangement under the provisions of section 99 of the Bermuda Companies Act and is subject to, among other conditions, approval of the requisite majority PureCircle Shareholders at the Court Meeting and the General Meeting and the sanction of the Court. Under the terms of the Acquisition, PureCircle Shareholders will be entitled to receive 100 pence in cash for each PureCircle Share or elect to receive one Bidco Share for each PureCircle Share. The Share Alternative is limited to a maximum of 111,874,671 Bidco Shares. To the extent the elections for the Share Alternative cannot be satisfied in full, they will be scaled back pro rata to the size of such elections and the balance of the consideration due to the PureCircle Shareholders will be satisfied in cash. Full details of the Acquisition is set out in the announcement of PureCircle Limited dated 9 April 2020 (<https://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary/BMG7300G1096GBGBXSSMM.html>)

As at the date of this announcement, the Group has interest in 45,392,610 PureCircle Shares. The Group has irrevocably undertaken to Bidco:

- (a) to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or procure the acceptance of, the Takeover Offer; and
- (b) to elect to accept one Bidco Share for each PureCircle Share the Group is interested in.

Upon completion of the Acquisition, the Group will cease to hold any interest in PureCircle Limited. The number of Bidco Shares to be issued to the Group will be subject to the extent of elections by PureCircle Shareholders for the Share Alternative. Assuming that all PureCircle Shareholders elected the Share Alternative, the Group will receive at least £4.9 million in cash under the terms of the Acquisition. Further announcement(s) will be made by the Company upon determination of portion of cash and the number of Bidco Shares the Group is entitled to.

PureCircle Shareholders who elect for the Share Alternative will enter into a shareholders' agreement with Bidco on or about the Effective Date (the "**Shareholders' Agreement**").

For three consecutive years commencing 2022, the Minority Shareholders have a put option to require Ingredion to purchase, each year, in aggregate 6.25% of the issued Bidco Shares and an ability to put any remaining ordinary B Bidco Shares in the year commencing 2025.

After the fifth anniversary of the Effective Date, Ingredion will be able to exercise a call option to require each Minority Shareholder to sell any Bidco Shares that the Minority Shareholder still owns. Further, Ingredion has the right, for four consecutive years commencing 2022, to offer to buy, each year, in aggregate 6.25% of the issued Bidco Shares (as at the Effective Date). Ingredion is not obliged, however, in each of the three consecutive years commencing 2022, to acquire more than 6.25% of the issued Bidco Shares (as at Effective Date) each year, across both the put option and the offer to buy. Accordingly, unless Ingredion agrees do so, the maximum number of ordinary B Bidco Shares it will be obliged to acquire in aggregate under the put option and under the offer to buy in each of the three consecutive years commencing 2022 will be equal to 6.25% of the issued Bidco Shares (as at the Effective Date). The Bidco Shares to be acquired under the put option and/or the call option shall be at the fair price as assessed by Ingredion unless the relevant Minority Shareholders refers determination of the fair price to an independent valuer who will be required to determine the price based on discounted cash flows based on past performance of Bidco and projected five year cash flows of Bidco.

The principal activities of the Group are sale and purchase of securities, property investment, property development, investment holding and general investment . Net gain from disposal of securities have always been accounted for as income of the Group under the business segment "share investment and dealing". The PureCircle Shares held the Group and the Bidco Shares to be held by the Group upon completion of the Acquisition will be accounted for as "financial assets at fair value through profit and loss" in the financial statements of the Group and are items of a revenue nature.

Information on PureCircle Limited

The shares of PureCircle Limited have been listed on the Main Market of the London Stock Exchange since 28 October 2015. PureCircle Limited is a leading producer and innovator of stevia sweeteners for the global food and beverage industry. Trading of the shares of PureCircle Limited has been suspended with effect from 28 October 2019 as a result of the delay in the completion of the audit of the final results of PureCircle Limited for the year ended 30 June 2019. PureCircle Limited has published its audited final results for the year ended 30 June 2019 on 31

March 2020 and the unaudited interim results for the six months ended 31 December 2019 on 9 April 2020. For the financial year ended 30 June 2019 and the six months ended 31 December 2020, PureCircle Limited generated revenue of approximately US\$124.0 million and US\$46.8 million, gross profit of US\$1.2 million and US\$10.7 million and loss before taxation of US\$72.2 million and US\$13.8 million, respectively. Shares of PureCircle Limited has resumed trading as at the date of this announcement.

Information on Bidco

Bidco was incorporated on 1 April 2020 under the laws of England and Wales and will acquire the PureCircle Shares pursuant to the Acquisition. Bidco has not traded since the date of its incorporation. As at the date of this announcement, Bidco is wholly owned by Ingredion. Upon completion of the Acquisition, taking into account the Bidco Shares to be issued and allotted to those PureCircle Shareholders (including the Group) which has elected the Share Alternative, Bidco will be held as to 75% by Ingredion and as to 25% by PureCircle Shareholders (including the Group) which has elected the Share Alternative.

Bidco Shares comprise of ordinary A shares, which are held by Ingredion and ordinary B shares, which will be held by those PureCircle Shareholders who have elected the Share Alternative. Both the ordinary A Bidco Shares and the ordinary B Bidco Shares have equal rights to dividends, with equal voting rights and will rank *pari passu* on the winding up of Bidco.

Bidco Shares will be unlisted, that is, not admitted to trading on any stock exchange and will be subject to, among other things, restrictions on transfer. There are no plans to seek a public quotation on any recognised investment exchange or other public market for the Bidco Shares to be issued to PureCircle Shareholders under the Share Alternative.

Definitions

In this announcement, unless otherwise defined, capitalised terms shall have the following meanings:

“Acquisition”	the cash acquisition, with the Share Alternative, being made by Bidco to acquire the entire issued share capital of PureCircle not already directly or indirectly owned by Bidco to be effected by means of the Scheme, or by way of a Takeover Offer;
“Bermuda Companies Act”	Bermuda Companies Act 1981, as amended;
“Bidco”	Ingredion SRSS Holdings Limited;
“Bidco Share(s)”	share(s) in the capital of Bidco;

“Company”	Lee Hing Development Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange;
“Court”	Supreme Court of Bermuda;
“Court Meeting”	meeting of PureCircle Shareholders to be convened pursuant to an order of the Court under section 99(1) of the Bermuda Companies Act and the bye-laws of PureCircle Limited for the purpose of approving the Scheme;
“Effective Date”	the date on which either (i) the Scheme becomes effective in accordance with its terms; or (ii) if Bidco elects to implement the Acquisition by way of a Takeover Offer, the date on which such Takeover Offer becomes or is declared unconditional in all respects;
“General Meeting”	meeting of PureCircle Shareholders to be convened in connection with the Scheme for the purpose of, among other things, to approve the Scheme;
“Group”	the Company together with its subsidiaries;
“Hong Kong”	The Hong Kong Special Administration Region of The People’s Republic of China;
“Ingredient”	Ingredient Incorporated which is headquartered in Chicago, Illinois metropolitan area and is a leading global ingredient solutions provider serving customers in more than 120 countries, with its common stock listed on the New York Stock Exchange;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Minority Shareholders”	PureCircle Shareholders who have elected the Share Alternative and become shareholders of Bidco (including the Group) other than Ingredient;
“PureCircle Share(s)”	share(s) in the capital of PureCircle Limited;
“PureCircle Shareholder(s)”	holder(s) of PureCircle Shares from time to time;
“Scheme”	proposed scheme of arrangement under section 99 of the Bermuda Companies Act between PureCircle and the PureCircle Shareholders in connection with the Acquisition;
“Share Alternative”	the arrangement pursuant to which PureCircle Shareholders may elect to receive one Bid Share for each PureCircle Share; and

“Takeover Offer”

should the Acquisition be implemented by way a tender offer in accordance with the provisions of section 102 of the Bermuda Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued share capital of PureCircle Limited.

By order of the Board
Lee Hing Development Limited
Tan Boon Seng
Chairman and Managing Director

Hong Kong, 15 April 2020

As at the date of this announcement, the Board comprises two executive Directors, Mr. Tan Boon Seng and Mr. Chan Kai Kwok; and three independent non-executive Directors, Mr. Ho Hau Chong, Norman, Mr. Fung Ka Pun and Mr. Lim Lay Leng.