

RBVT and IB Joint Statement

Beijing, China: November 2, 2018 – In response to a false statement issued on November 1, 2018 in the name of Red Bull Vitamin Drink Co., Ltd. (RBVC), Red Bull Vitamin Drink (Thailand) Co., Ltd. (RBVT) and Inter-Biopharm Holding Limited (IB) would like to clarify the following:

1. The contents of our joint-statement issued on October 31, 2018 and this Joint Statement are completely accurate. We welcome the media and public's scrutiny in this matter.
2. In response to the false statement issued on November 1, 2018 in the name of RBVC, we would like to provide the following additional clarifications:

(1) The following three items are our arbitration claims:

- Confirmation that the RBVC joint venture term had expired on December 25, 2015 – and not as falsely stated that "confirmation of the JV Company's business term is 20 years";
- Compensation from the respondents for the expenses incurred by the claimants for this arbitration case;
- And that arbitration fees in this case should be borne by the respondents

With regards to our first claim and as stated in our Joint Statement issued on October 31, 2018, the Tribunal finds that, the JV Company's business term is 20 years according to the Articles of Association (AOA) and the Joint Venture Contract (JVC) which should have expired on December 25, 2015. However, due to a mistake made by a member of RBVC's personnel, RBVC's business term was recorded in its business license to expire on September 29, 2018. The Tribunal finds that the consequence for RBVC's mistake in submitting the wrong application with the Beijing Administration of Industry and Commerce (Beijing AIC) should be borne by the JV and its investors, therefore the Tribunal finds that the joint venture term expired on September 29, 2018.

Since the Tribunal did not support our claim that "the JV Company's joint venture term expired on December 25, 2015", but determined that the 20-year JV term expired on September 29, 2018, the other claims that the arbitration costs shall be borne by the respondents are therefore not supported by the Tribunal.

- (2) The ruling of the Award does not include only two items as falsely stated in the aforementioned statement, but does in fact explicitly feature a third item: the Tribunal ordered that all arbitration costs arising from the counter claims raised by Market Global Holdings Limited (Market Global) shall be borne by themselves.

In order to delay on-going arbitration proceedings Market Global raised three counterclaims and subsequently withdrew them after it became very clear that

the Tribunal was about to dismiss them. One of the mentioned counterclaims was quoted in our Joint Statement yesterday “that the JV term is 30 years”, rather than the so-called “at least 30 years” erroneously outlined in said statement.

The Tribunal finds that the JV business term is 20 years and the counter claim of 30 years raised by Market Global was in nature trying to modify the provision of the JV business term, however, Market Global failed to provide any evidence, nor did they provide any factual or legal basis to support such a counter claim and was therefore rejected.

In the absence of favorable support from the Tribunal regarding his 30-year joint venture term claim, Mr. Yan Bin then decided to announce that the joint venture term was 50 years. The self-evident contradictions of such an announcement shows the lack of any respect for contractual spirit and the government approvals in place as well as blatant disregard for judicial decisions. We can only conclude that its sole motivation is to once again further delay the liquidation procedure which the JV should commence immediately pursuant to the law.

3. Considering that the Arbitral Award is final and takes legal effect upon its issuance and that it clearly confirms that the 20-year joint venture term had expired on September 29, 2018, and the fact that we, as the shareholders who collectively hold 95% of the shares of the JV Company have repeatedly reiterated in no uncertain terms that we wholeheartedly disagree to extend the JV Company's business term, it is therefore illegal to submit the so-called "application for extension of the business term" to the Beijing AIC under the name of the JV Company. These illegal actions are only to deceive local governmental authorities, waste public resources, and mislead the public and as such should never be supported by the government.
4. In view of the fact that the shareholders of the JV Company have confirmed that the legally binding JVC and AOA and the effective Certificates of Approval and Business Licences of RBVC issued by competent Chinese authorities unequivocally state that the joint venture term of RBVC is 20 years and has expired no later than September 29th, 2018 and considering the effective CIETAC Award which clearly confirms that the 20-year joint venture term of the JV Company had expired on September 29, 2018, there is absolutely no room for misinterpretation or debate about the fact that the JV Company's joint venture term and business term is 20 years and have expired. According to Articles 180 and 183 of the Company Law of the People's Republic of China and Article 64 of the AOA of the JV Company, the JV Company shall immediately carry out liquidation and stop any business activities unrelated to the liquidation. Based on this, we have a sufficient legal and factual basis for the application for compulsory liquidation submitted to the Beijing No. 1 Intermediate People's Court.
5. In 2016, in accordance with the law and AOA, RBVT, as a majority shareholder holding 88% of the JV Company had removed the following former company directors from

their positions within RBVC: Mr. Yan Bin, Ms. Yan Danhua, Mr. Zhang Ligang and Ms. Fei Xiaoxuan – Mr. Yan Bin’s positions as Chairman and legal representative had also been revoked. As such, none of the aforementioned individuals or their working staff have any authorization to make any statements or take any action on behalf of the JV Company. We reserve all rights to pursue legal liabilities for any misconduct including any misappropriation of the name of the JV Company to make any false statements to the public.

We have full confidence in the Chinese judicial and administrative system, the strength of our legal position and the merits of our claims, and trust that justice will be served.

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