



Sinarmas Land Limited

Listed on the Singapore Exchange

SINARMAS LAND LIMITED

(Formerly known as “AFP Properties Limited”)

(Incorporated in the Republic of Singapore)

Company Registration No. 199400619R

**APPENDICES TO THE NOTICE OF ANNUAL GENERAL MEETING OF
SINARMAS LAND LIMITED (THE “COMPANY” OR “SML”)
DATED 5 APRIL 2012**

SINARMAS LAND LIMITED
(Formerly known as "AFP Properties Limited")
(Incorporated in the Republic of Singapore)
Company Registration No. 199400619R

**APPENDICES TO THE NOTICE OF ANNUAL GENERAL MEETING OF
SINARMAS LAND LIMITED (THE "COMPANY" OR "SML")
DATED 5 APRIL 2012**

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold all your shares in the capital of Sinarmas Land Limited, you should immediately hand these Appendices and the enclosed Notice of Annual General Meeting and Proxy Form to the purchaser or to the stockbroker or agent through whom you effected the sale for transmission to the purchaser.

Note: The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in these Appendices.

**APPENDIX 1 -
PROPOSED RENEWAL OF SHARE PURCHASE MANDATE**

1. Introduction

On 27 April 2011, at the last Annual General Meeting ("**AGM**") of the Company, shareholders approved to grant a general mandate to authorise the directors of the Company ("**Directors**") to make purchases of fully-paid ordinary shares in the capital of the Company ("**Shares**") representing up to a maximum of ten per cent. of the issued ordinary share capital of the Company as at the date on which the resolution authorising the same is passed, at a price of up to but not exceeding the Maximum Price (as defined below) (the "**Share Purchase Mandate**"). The Share Purchase Mandate will expire on the date of the forthcoming AGM to be held on 26 April 2012. If the proposed resolution for the renewal of the Share Purchase Mandate is approved at the forthcoming AGM, the Share Purchase Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM is or is required by law to be held, whichever is the earlier.

The purpose of this Appendix 1 is to provide information relating to and to explain the rationale for the proposed renewal of the Share Purchase Mandate at the forthcoming AGM.

2. Rationale

The renewal of the Share Purchase Mandate will provide the Company with the ability to undertake purchases of its issued Shares, at any time and from time to time while the renewed authority is in force, but only if and when circumstances permit. Such flexibility will:

- (a) allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net asset value per Share; and
- (b) provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner.

Share purchases will only be effected when the Directors are of the view that such Share purchases will benefit the Company and its shareholders.

3. Authority and Limits of Share Purchase Mandate

Purchases of Shares may be made by way of:

- (a) market purchases (“**Market Purchases**”) effected on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)’s Central Limit Order Book trading system; and/or
- (b) off-market purchases (“**Off-Market Purchases**”) effected in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Companies Act, Chapter 50 of Singapore (“**Companies Act**”) and the listing rules of the SGX-ST as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. An equal access scheme must, however, satisfy all the following conditions:

- (1) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (2) all those persons shall be given a reasonable opportunity to accept the offers made; and
- (3) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

The listing rules of the SGX-ST provides that in addition to furnishing at least the information as stipulated in (cc) to (gg) below as well as the information required under the Companies Act when obtaining shareholders’ approval, when making an Off-Market Purchase, the Company must issue an offer document to all shareholders containing at least the following information:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed share buy-back;
- (dd) the consequences, if any, of share purchases by the Company that will arise under the Singapore Code on Take-overs and Mergers (the “**Take-over Code**”) or other applicable takeover rules;
- (ee) whether the share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (ff) details of any share buy-back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (gg) whether shares purchased will be cancelled or kept as treasury shares.

Maximum purchase price

The purchase price (*excluding* brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price,

(the “**Maximum Price**”) in either case, *excluding* related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 market days on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4. No Shares Purchased in the Previous 12 Months

The Company did not buy back any Shares between 20 February 2011 and 20 February 2012, the latter date being the latest practicable date prior to the issue of this Appendix 1 (“**Latest Practicable Date**”).

5. Status of Purchased Shares

Shares purchased by the Company are deemed cancelled immediately on purchase (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased and which are not held as treasury shares.

6. Treasury Shares

Under the Companies Act, Shares purchased by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act, are summarised below:

6.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

6.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

6.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.

Under the listing rules of the SGX-ST, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares, and stating such details as required.

7. Sources of Funds

In purchasing Shares, the Company may only apply funds legally available for such purchase in accordance with its Memorandum and Articles, and the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than cash, or in the case of Market Purchases, for settlement otherwise than in accordance with the trading rules of the SGX-ST. The Companies Act, now permits the Company to purchase its own Shares out of capital as well as from its distributable profits so long as the Company is solvent. Any purchases by the Company may be made out of profits that are available for distribution as dividends or out of the capital of the Company in accordance with the Companies Act.

The Company may use internal sources of funds to finance purchases of its Shares. The Company may exercise the powers under the Share Purchase Mandate, provided the Directors are of the view that such Share purchases will benefit the Company and its shareholders.

8. Financial Impact

Under the Companies Act, purchases of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent (as prescribed under section 76F of the Companies Act).

Where the consideration paid by the Company for the purchase of Shares is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Based on the Company's existing number of Shares in issue of 3,041,959,437 Shares as at the Latest Practicable Date, the exercise in full of the Share Purchase Mandate would result in the purchase of up to 304,195,943 Shares. Based on the financial statements of the Group and the Company for the financial year ended 31 December 2011, and having regard to (a) the amount of the Company's total capital and reserves of approximately S\$1,925,126,000 as at the date and (b) the last transacted price for a Share on the SGX-ST of S\$0.380 as at the Latest Practicable Date, it is unlikely, given the Company's financial position, that the Company would purchase, and the Company does not currently intend to purchase, Shares representing, in aggregate, more than 1% of its total number of Shares in issue as at the Latest Practicable Date. In view of the foregoing, any purchases of Shares as aforesaid is not expected to have any significant impact on the net tangible assets ("**NTA**") and earnings per Share. Notwithstanding the foregoing, the Directors do not propose to exercise the proposed Share Purchase Mandate to such an extent as would have a material adverse effect on the working capital requirements of

the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed Share Purchase Mandate on the NTA and earnings per Share as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase prices paid at the relevant time, and whether the Shares purchased are held in treasury or cancelled.

Purely for illustration purposes (on the basis of 3,041,959,437 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the 2012 AGM), based on the financial statements of the Group and the Company for the financial year ended 31 December 2011, and having regard to the amount of the Company's total capital and reserves of approximately S\$1,925 million as at that date, the total amount of funds required to purchase 30,419,594 Shares representing 1% of its total number of Shares in issue by way of Market Purchases at the maximum purchase price of S\$0.399 for each Share (being the price equivalent to 105% of the Average Closing Price preceding the Latest Practicable Date), would be S\$12,137,418 and the total amount of funds required to purchase 30,419,594 Shares representing 1% of its total number of Shares in issue by way of an Off-Market Purchase at the maximum purchase price of S\$0.468 for each Share (being the price equivalent to 120% of the Highest Last Dealt Price preceding the Latest Practicable Date), would be S\$14,236,370. Assuming that Share purchases are made to the extent aforesaid and that such Share purchases are financed solely by internal sources of funds, the impact of such purchases on the financial positions of the Group and the Company is illustrated below.

Market Purchase

	← Group →		← Company →	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<u>As at 31 December 2011</u>				
Equity attributable to owners of the Company	1,456,950	1,444,813	1,925,126	1,912,989
NTA	1,454,810	1,442,673	1,925,126	1,912,989
Current assets	1,183,118	1,170,981	531,725	519,588
Current liabilities	432,909	432,909	35,112	35,112
Working capital	750,209	738,072	496,613	484,476
Total liabilities	869,082	869,082	35,282	35,282
Profit attributable to owners of the Company	88,841	88,826	17,115	17,100
Number of Shares ('000)	3,041,959	3,011,540	3,041,959	3,011,540
<u>Financial ratios</u>				
NTA per Share (S\$)	0.4782	0.4790	0.6329	0.6352
Earnings per Share (S\$)	0.0292	0.0295	0.0056	0.0057
Gearing (%)	59.65	60.15	1.83	1.84
Current ratio (times)	2.73	2.70	15.14	14.80

Notes:

- (1) NTA equals total equity attributable to owners of the Company less intangible assets.
- (2) Gearing equals total liabilities divided by total equity attributable to owners of the Company.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) Share purchased are made out of capital and cancelled.

Based on the above, if feasible, and to the extent that it will not affect the financial health of the Company, the Directors will only commit a sum not exceeding S\$12,137,000 to effect a purchase of up to 1% of the total number of Shares in issue at the Maximum Price computed at the Latest Practicable Date. As illustrated above, the purchase of Shares will have the effect of reducing the working capital and the NTA of the Company and the Group by the dollar value of the Shares purchased. The consolidated NTA per Share as at 31 December 2011 will however, increase from S\$0.4782 to S\$0.4790 as a result of the reduction in the number of issued Shares.

Assuming that the purchase of Shares had taken place on 1 January 2011, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2011 would increase from S\$0.0292 to S\$0.0295 after taking into account the reduction in the number of issued Shares.

Off-Market Purchase

	← Group →		← Company →	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<u>As at 31 December 2011</u>				
Equity attributable to owners of the Company	1,456,950	1,442,714	1,925,126	1,910,890
NTA	1,454,810	1,440,574	1,925,126	1,910,890
Current assets	1,183,118	1,168,882	531,725	517,489
Current liabilities	432,909	432,909	35,112	35,112
Working capital	750,209	735,973	496,613	482,377
Total liabilities	869,082	869,082	35,282	35,282
Profit attributable to owners of the Company	88,841	88,823	17,115	17,097
Number of Shares ('000)	3,041,959	3,011,540	3,041,959	3,011,540
<u>Financial ratios</u>				
NTA per Share (S\$)	0.4782	0.4784	0.6329	0.6345
Earnings per Share (S\$)	0.0292	0.0295	0.0056	0.0057
Gearing (%)	59.65	60.24	1.83	1.85
Current ratio (times)	2.73	2.70	15.14	14.74

Notes:

- (1) NTA equals total equity attributable to owners of the Company less intangible assets.
- (2) Gearing equals total liabilities divided by total equity attributable to owners of the Company.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) Shares purchased are made out of capital and cancelled.

Based on the above, if feasible, and to the extent that it will not affect the financial health of the Company, the Directors will only commit a sum not exceeding S\$14,236,000 to effect a purchase of up to 1% of the total number of Shares in issue at the Maximum Price computed at the Latest Practicable Date. As illustrated above, the purchase of Shares will have the effect of reducing the working capital and the NTA of the Company and the Group by the dollar value of the Shares purchased. The consolidated NTA per Share as at 31 December 2011 will however, increase from S\$0.4782 to S\$0.4784 as a result of the reduction in the number of issued Shares.

Assuming that the purchase of Shares had taken place on 1 January 2011, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2011 would increase from S\$0.0292 to S\$0.0295 after taking into account the reduction in the number of issued Shares.

9. Take-over Code Implications arising from Purchase of Shares

If as a result of any purchase by the Company of its Shares, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change in control, or as a result of such increase a shareholder or group of shareholders acting in concert obtain or consolidate control, it may in certain circumstances give rise to an obligation on the part of such shareholders to make a take-over offer under Rule 14 of the Take-over Code.

The circumstances under which shareholders, including Directors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, any person or any person who, together with persons acting in concert with him will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such person and his concert parties would increase to 30% or more, or if the voting rights of such person and his concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such person and his concert parties would increase by more than 1% in any period of 6 months.

Under the Take-over Code, persons acting in concert comprise, inter alia, individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will be presumed to be acting in concert: (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with one another. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

Under Appendix 2 of the Take-over Code, a shareholder and persons acting in concert with him will incur an obligation to make a take-over offer after a Share purchase by the Company if, inter alia, their voting rights increase to 30% or more as a result of a Share purchase by the Company, or if they already hold between 30% and 50% of the Company's voting rights and as a result of a Share purchase by the Company their voting rights increase by more than 1% in any period of 6 months.

Under Appendix 2 of the Take-over Code, a shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such shareholder would increase to 30% or more, or, if such shareholder holds between 30% and 50% of the Company's voting rights, the

voting rights of such shareholder would increase by more than 1% in any period of 6 months. Such shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

The interests of the Directors and substantial shareholders of the Company in the Shares, if any, are disclosed in paragraph 13 below.

Pursuant to the Company's Articles of Association, there are no restrictions on foreign shareholding limits.

The Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the Securities Industry Council before they acquire any Shares in the Company during the period when the Share Purchase Mandate is in force.

10. Tax implications

Under Section 10J of the Income Tax Act, a Singapore Resident Company which buys back its own shares from a shareholder using funds other than contributed capital of the Company will be regarded as having paid a dividend to the shareholders from whom the shares are acquired.

Under the 'One tier taxation system', the amount paid out of the Company's distributable profit, for the Share buy-back, would be deemed as tax exempt (one-tier) dividend.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

11. Listing Status on SGX-ST/Listing Rules

The Directors will use their best endeavours to ensure that the Company does not effect a purchase of Shares which would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

The Listing Rules provide that a listed company shall ensure that at least 10% of a class of its listed securities is at all times held by the public. As there is, as at the Latest Practicable Date, a public float of approximately 34% in the issued Shares, the Company is of the view that there is, at the present, a sufficient number of the Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST. Additionally, the Company will consider investor interests when maintaining a liquid market in its securities, and will ensure that there is a sufficient float for an orderly market in its securities when purchasing its issued Shares.

The Listing Rules specify that a listed company will notify the SGX-ST of any share purchases effected by Market Purchases not later than 9.00 am on the market day, i.e. a day on which the SGX-ST is open for securities trading ("**Trading Day**"), following the day on which the share purchases by way of Market Purchases were made, and in the case of Off-Market Purchases under an equal access scheme, not later than 9.00 am on the second Trading Day after the close of acceptances of the offer. The notification of such Share Purchases to the SGX-ST shall be in such form and shall include such details as the SGX-ST may prescribe.

12. Directors' Recommendation

For the reasons set out in paragraph 2 above, the Directors are of the opinion that the renewal of the Share Purchase Mandate is in the interests of the Company and accordingly recommend that shareholders vote in favour of the ordinary resolution relating to the renewal of the Share Purchase Mandate to be proposed at the AGM as set out in the Notice of AGM dated 5 April 2012.

13. Interests of Directors and Substantial Shareholders

No Director had any interests in the Shares as recorded in the Register of Directors' Shareholdings pursuant to Section 164 of the Companies Act, as at the Latest Practicable Date.

The interests of the substantial shareholders in the Shares as recorded in the Register of Substantial Shareholders pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date before and (assuming the Company purchases the maximum amount of 10% of its total number of Shares in issue and there is no change in the number of Shares held by the substantial shareholders (direct and deemed interest)) after the purchase by the Company of 10% of its total number of Shares in issue pursuant to the Share Purchase Mandate were/will be as follows:

Name of Substantial Shareholder	BEFORE SHARE PURCHASE				AFTER SHARE PURCHASE			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Golden Moment Limited	169,000,000	5.55	-	-	169,000,000	6.17	-	-
Flambo International Limited	1,825,129,854	60.00	169,000,000	5.55	1,825,129,854	66.66	169,000,000	6.17
The Widjaja Family Master Trust(2)	-	-	1,994,129,854	65.55	-	-	1,994,129,854	72.84

14. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix 1 and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix 1 constitutes full and true disclosure of all material facts about the proposed renewal of Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix 1 misleading. Where information in the Appendix 1 has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix 1 in its proper form and context.

15. Suspension of Purchases

The Company may not purchase Shares after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced.

In particular, the Company may not purchase its Shares on the SGX-ST during the period commencing (i) 2 weeks before the announcement of the Company's first, second and third quarter results and (ii) 1 month before the announcement of the Company's full year results, and ending on the date of announcement of the relevant results.

APPENDIX 2 - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Introduction

1.1 Chapter 9 of the Listing Manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST")

Chapter 9 of the Listing Manual ("**Chapter 9**") applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 (as stated in Rule 901 of the Listing Manual) is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

1.2 Main terms used in Chapter 9

An "**entity at risk**" means:

- 1.2.1 the listed company;
- 1.2.2 a subsidiary of the listed company that is not listed on SGX-ST or an approved exchange; or
- 1.2.3 an associated company of the listed company that is not listed on SGX-ST or an approved exchange, provided that the listed company and its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company.

An "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

A "**controlling shareholder**" means a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company; or who in fact exercises control over the company.

An "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder (being an individual), means:

- (i) his immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder,
- (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more

and, in relation to a controlling shareholder (being a company), an "associate" means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

An "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9.

An "**interested person transaction**" means a transaction between an entity at risk and an interested person.

1.3 Materiality thresholds, announcement requirements, and shareholders' approval

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company or its shareholders at risk to its interested person and are hence excluded from the ambit of Chapter 9, immediate announcement, or, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed group's latest audited net tangible assets ("**NTA**")⁽¹⁾ are reached or exceeded.

In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

1.3.1 5% of the listed group's latest audited NTA⁽²⁾; or

1.3.2 5% of the listed group's latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person and/or its associates during the same financial year.

1.4 Shareholders' general mandate

Chapter 9 allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons, but not for the purchase or sale of assets, undertakings or businesses.

2. Proposed Renewal of IPT Mandate for Interested Person Transactions

Existing IPT Mandate

On 30 June 2000, the Company obtained approval from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the specific classes of person who are considered to be "interested persons" for the purposes of the then Chapter 9A of the previous Listing Manual (the "**IPT Mandate**"). Particulars of the IPT Mandate were set out in the Company's Circular dated 7 June 2000.

At the previous Annual General Meeting ("AGM") of the Company held on 27 April 2011 (the "**Latest Shareholders' Approval**"), shareholders approved and renewed the IPT Mandate for the Company, its subsidiaries and controlled associated companies to enter into certain types of transactions with interested persons, to take effect until the forthcoming AGM of the Company.

The Company is seeking to renew the existing IPT Mandate at the forthcoming AGM of the Company. The rationale of the IPT Mandate, the scope of the IPT Mandate, the benefit to shareholders, the classes of Interested Persons, the particulars of the Interested Person Transactions and the review procedures for Interested Person Transactions in respect of which the IPT Mandate is sought to be renewed remain unchanged from the IPT Mandate approved by shareholders in the previous general meeting held on 27 April 2011.

Particulars of the existing IPT Mandate are set out in the following paragraph 3.

Notes:

- (1) Based on the latest audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2011, the Group's latest audited NTA was S\$1,454,810,000.
- (2) In relation to the Company, for the purposes of Chapter 9, in the current financial year and until such time that the audited consolidated financial statements of the Group for the year ending 31 December 2012 are published by the Company, 5% of the Group's latest audited NTA would be S\$72,740,500.

3. The IPT Mandate

3.1 Scope of the IPT Mandate

The IPT Mandate will cover a wide range of transactions arising in the normal course of business operations of the Company, its subsidiaries that are not listed on SGX-ST or an approved exchange, and its associated companies that are not listed on SGX-ST or an approved exchange, provided that the Company and its subsidiaries (the "**Group**"), or the Group and its interested person(s), has control over the associated company ("**SML Group**").

The IPT Mandate will not cover any transaction with an interested person which has a value below S\$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such transactions.

In relation to Property-based Transactions (as described below), the IPT Mandate will not cover transactions relating to sales of units in residential property development projects of the SML Group to Interested Persons that are subject to the requirements of Rules 910 to 914 of Chapter 9 of the Listing Manual.

Transactions with interested persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual and/or the Companies Act, Chapter 50 of Singapore. Transactions conducted under the IPT Mandate are not separately subject to Rules 905 and 906 of Chapter 9 of the Listing Manual pertaining to threshold and aggregation requirements.

3.2 Duration of the IPT Mandate

The IPT Mandate will take effect from the date of the passing of the Ordinary Resolution relating thereto at the forthcoming AGM and will continue in force until the next AGM of the Company. Approval from shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the interested person transactions.

3.3 Categories of Interested Person Transactions

The types of transactions with the classes of interested persons specified in paragraph 3.4 below ("**Interested Persons**") to which the IPT Mandate applies ("**Interested Person Transactions**") are broadly categorised as follows:

(1) General Transactions

These transactions comprise:

- (a) the placement of deposits with and the borrowing of loans from Bank International Ningbo and certain other financial institutions in which the Interested Persons have an interest;
- (b) the receipt of advances from companies in which the Interested Persons have an interest;
- (c) the entering into of factoring and capital leasing transactions with financial institutions in which the Interested Persons have an interest;
- (d) the entering into of insurance transactions with insurance companies in which the Interested Persons have an interest;
- (e) the entering into of trading transactions (including palm oil products) with trading companies in which the Interested Persons have an interest;
- (f) the leasing of premises to companies in which the Interested Persons have an interest;

- (g) the entering into of securities transactions (including underwriting agreements) with securities companies in which the Interested Persons have an interest;
- (h) the entering into of construction transactions (including engineering consultancy and project management contracts) with construction companies in which the Interested Persons have an interest;
- (i) the provision of storage and trading facilities to companies in which the Interested Persons have an interest;
- (j) the provision of management services by and to companies in which the Interested Persons have an interest;
- (k) the provision of paper products and materials by companies in which the Interested Persons have an interest;
- (l) the supply of plant and equipment by and to companies in which the Interested Persons have an interest;
- (m) the provision to and receipt of electronic (e-commerce) services to/from companies in which the Interested Persons have an interest; and
- (n) the provision of supporting security (such as corporate guarantees and indemnities, letters of comfort/awareness, and other security instruments) by the Company, as a condition imposed by any unrelated third party bank or financial institution, for the extension by such bank or financial institution of any credit facilities to a subsidiary or associated company (as defined in Chapter 9 of the Listing Manual) of the Company in which the Interested Persons have an interest.

The SML Group will benefit from having access to competitive pricing from the different companies in the different business sectors and industries which the Interested Persons operate, in addition to dealings and transacting with unrelated third party customers and/or suppliers of products and/or services.

(2) Treasury Transactions

These transactions comprise:

- (1) the borrowing of funds from any Interested Person on a short-term or medium-term basis;
- (2) the placement of funds with any Interested Person on a short-term or medium-term basis;
- (3) the entry into with any Interested Person of forex, swap, and option transactions for hedging purposes; and
- (4) the subscription of debt securities issued by any Interested Person and the issue of debt securities to any Interested Person and the buying from, or the selling to, any Interested Person of debt securities.

The SML Group can benefit from competitive rates or quotes from Interested Persons and third party financial institutions in an expedient manner. By transacting directly with an Interested Person, the Company may obtain better yields through the elimination of margins which third party intermediaries might ordinarily be expected to earn.

(3) Property-based Transactions

These transactions comprise:

- (1) sales or purchases of investment properties (such as commercial and office buildings) and/or development properties (such as land and buildings for development or re-development purposes) to or from Interested Persons; and
- (2) sales or purchases of premises in investment properties (such as office) and/or development projects (such as units in commercial, industrial, mixed and resort developments) to or from Interested Persons (but excluding sales of units in residential property development projects of the SML Group to Interested Persons that are subject to the requirements of Rules 910 to 914 of Chapter 9 of the Listing Manual).

As property investment and development comprises the core businesses of the SML Group, the inclusion of the above category of transactions within the ambit of the IPT Mandate will facilitate such transactions by the SML Group with Interested Persons that arise in the ordinary course of business of the SML Group in a more expeditious manner, and the SML Group will be able to transact with such Interested Persons in addition to unrelated third parties.

3.4 Classes of Interested Persons

The IPT Mandate will apply to transactions falling within the categories described in paragraph 3.3 above that are carried out with the following classes of Interested Persons:

- (a) certain members of the Widjaja family (collectively, the “**Widjaja Family**”) who are or may from time to time be or become beneficiaries of the Widjaja Family Master Trust(2) (“**WFMT2**”), which is a deemed substantial shareholder of the Company;
- (b) associates of the Widjaja Family, including BII Limited, Cook Islands and Bank International Ningbo (“**BIN**”). BIN is a company incorporated in The People's Republic of China (“**PRC**”) in 1993, with address at No 768 LingQiao Road, Ningbo 315000, PRC. It was constituted by the Ningbo Industrial and Commercial Administration Bureau with a registration number 330200400050909. It has a banking licence granted by the China Bank Regulation Committee referred to as B0023H133020001.

3.5 Review Processes and Procedures

The Company has in place an internal control system to ensure that transactions with interested persons (including, but not limited to transactions described in paragraph 3.3 above with the Interested Persons referred to in paragraph 3.4 above) are made on commercial terms, and are not prejudicial to the interests of the Company and the shareholders. In particular, they include the following in relation to Interested Person Transactions covered by the IPT Mandate:

(a) General Transactions

- (i) each transaction with an Interested Person will have to be approved by the directors of the relevant member of the SML Group which is a party to the transaction;
- (ii) the terms of each proposed transaction with an Interested Person shall not be less favourable to the relevant member of the SML Group than the terms offered by or to other unrelated parties, giving due consideration to all circumstances of the transaction, provided that where the SML Group proposes to enter into a placement transaction as described in paragraph 3.3 (1) (a) above, the Review Processes and Procedures described in paragraph 3.5 (b) below in relation to "Placements" shall apply, and provided that where the SML Group proposes to enter into a "receipt of advances" transaction as described in paragraph 3.3 (1) (b) above that are of a treasury nature, the Review Processes and Procedures described in paragraph 3.5 (b) below in relation to "Borrowings" shall apply; and

- (iii) in relation to the provision of management services by and to companies in which the Interested Persons have an interest, the Audit Committee of the Company will satisfy itself, by the replacement cost and other relevant factors, when considering whether the actual cost incurred are on commercial terms and on arm's length basis.

(b) Treasury Transactions

Borrowings. The SML Group will only borrow funds from an Interested Person if the interest rate quoted by the Interested Person is not more than the lowest rate quoted by the SML Group's principal bankers for loans of an equivalent amount and tenure. Quotations of rates will be procured from at least two of the SML Group's principal bankers (other than bankers which are Interested Persons) each time that funds are proposed to be borrowed from an Interested Person.

Placements. The SML Group will only place funds with an Interested Person if the interest rate quoted by the Interested Person is not less than the highest of the rates quoted by the SML Group's principal bankers (other than bankers which are Interested Persons) for deposits of an equivalent amount and tenure. Quotations of rates will be procured from at least two of the SML Group's principal bankers (other than bankers which are Interested Persons) each time that funds are proposed to be placed with an Interested Person.

In addition to the interest rate factor as described above, the SML Group will, as far as is possible, place funds with Interested Persons with good credit rating as determined by an international credit rating agency. In the absence of such credit rating, the senior management of the relevant company in the SML Group (with no interest, direct or indirect, in the transaction) when determining whether or not to make such placement, will take into consideration factors including, but not limited to, operational requirements and risks, location of operations, country of incorporation of the relevant company in the SML Group, the Interested Person's willingness to transact with the SML Group, and other pertinent factors.

Forex, swaps and options. The SML Group will only enter into forex, swap and option transactions with an Interested Person if the rates quoted by the Interested Person are no less favourable to the SML Group than those quoted by the Group's principal bankers (other than bankers which are Interested Persons). Quotations of rates will be procured from at least two of the SML Group's principal bankers (other than bankers which are Interested Persons) each time that a forex, swap or option transaction is proposed to be entered into with an Interested Person.

Debt securities. The SML Group will only subscribe for debt securities issued by Interested Persons if the price(s) at which such debt securities are to be subscribed by the members of the SML Group are not higher than the price(s) at which such debt securities are subscribed by third parties. Any issue/sale of debt securities held by the SML Group to Interested Persons will be at price(s) and terms no less favourable than those offered by the SML Group to unrelated third party purchasers.

In addition, the SML Group will, as far as is possible, subscribe for debt securities issued by Interested Persons with good credit rating as determined by an international credit rating agency. In the absence of such credit rating, the senior management of the relevant company in the SML Group (with no interest, direct or indirect, in the transaction), when determining whether or not to make such subscription, will take into consideration factors including, but not limited to, operational requirements and risks, location of operations, country of incorporation of the relevant company in the SML Group, the corporate benefit to the SML Group, and other pertinent factors.

In the event that there are no other third party subscribers or purchasers for these debt securities, the Audit Committee of the Company will satisfy itself that the terms of the subscription or the purchase of the debt securities, as the case may be, are on commercial terms and on arm's length basis, and will have regard for all relevant factors (including but

not limited to economic factors and corporate benefit to the SML Group) to assist in its evaluation.

In addition, the Company will monitor the treasury transactions entered into with Interested Persons as follows:

- (i) where the aggregate value of funds placed with, and debt securities subscribed which are issued by, the same Interested Person (as such term is construed under Chapter 9) shall at any time exceed the consolidated total equity attributable to owners of the Company (based on its latest audited financial statements), each subsequent placement of funds with, or subscription of debt securities issued by, the same Interested Person shall require the prior approval of the Audit Committee; and
- (ii) where the aggregate principal amount of all forex, swap and option transactions entered into with the same Interested Person exceeds at any time the equivalent of the consolidated total equity attributable to owners of the Company (based on its latest audited financial statements), each subsequent forex, swap or option transaction to be entered into with the same Interested Person shall require prior approval of the Audit Committee.

(c) Property-based Transactions

- (i) the terms of the transaction with the Interested Person shall be in accordance with (where applicable) the Guidelines for Property-based Transactions set forth in Annex 2A; and
- (ii) each transaction with an Interested Person will have to be approved by the directors of the relevant member of the SML Group which is a party to the transaction.

Code of practice

The following practices shall apply to the review/approval procedures for all transactions that are carried out with interested persons:

- (1) The Board and the Audit Committee of the Company shall have overall responsibility for determination of the review procedures established to monitor, review and approve transactions with interested persons, with the authority to sub-delegate to individuals or committees within the Company and/or the SML Group as they deem appropriate, including but not limited to the Internal Audit Department of the Company.
- (2) In the event that a director of the relevant member of the SML Group or a member of the Audit Committee is interested in a transaction with an interested person (including an Interested Person), he will abstain from reviewing/approving that particular transaction.
- (3) All transactions with interested persons will be properly documented and submitted to the Audit Committee of the Company for review on a quarterly basis.
- (4) The annual audit plan of the Company will include a review of the transactions carried out with interested persons during the financial year to ensure that the review procedures and guidelines for such transactions have been adhered to.

Additionally, the Company will maintain a register of Interested Person Transactions carried out pursuant to the IPT Mandate.

4. Rationale and Benefit

The SML Group, together with the specific classes of Interested Persons named in paragraph 3.4 above, operate multiple businesses in several countries. These businesses include palm oil production, paper production, food production, property transaction and investments, banking,

insurance and finance. The Company, as holding company and headquarters of the SML Group, plans and ensures that any Interested Person Transactions are applied to benefit and complement the activities of the SML Group as a whole. To this end, in each year, several Interested Person Transactions may arise.

The IPT Mandate will benefit the Company by facilitating entry by members of the SML Group into the transactions described in paragraph 3.3 above with the specified classes of Interested Persons above in the normal course of the Group's business on commercial terms, in a timely fashion, and eliminate the need for the Company on each occasion, pursuant to the financial limits imposed under Chapter 9 of the Listing Manual, to announce and to convene separate general meetings to seek shareholders' approval as and when potential transactions with the specified classes of Interested Persons arise, thereby reducing substantially the administrative time, inconvenience and costs associated with the convening of such meetings without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

In view of the time-sensitive and recurrent nature of commercial transactions, the obtaining of such IPT Mandate seeks to allow such transactions provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The IPT Mandate will also benefit the SML Group in that it will have access to competitive pricing from the different companies in the different business sectors and industries where the Interested Persons operate.

BIN provides banking and other financial services to the SML Group. The IPT Mandate ensures a smooth continuation of the SML Group's transaction with BIN, especially in the continual negotiations for loan restructuring and lending. Any transactions with BIN will be carried out on commercial basis and will be subject to compliance with the methods and procedures as outlined in the IPT Mandate as required. The SML Group has terminated all banking arrangements with BII Limited (formerly known as BII Bank Limited), Cook Islands, and subsequently known as Golden Pulp & Paper Limited.

5. Disclosure in Annual Report and Announcement of Results

Disclosure will be made, within the time frame and format as may be specified from time to time in the Listing Manual, in the Company's Annual Report and Announcement of Results of the aggregate value of transactions in excess of S\$100,000 conducted pursuant to the IPT Mandate during the financial year (or financial period, as the case may be) to which the Annual Report or Announcement of Results relate, for so long as the IPT Mandate continues in force.

6. Audit Committee's Statement

The Audit Committee of the Company having considered the scope, rationale and benefit for compliance and review procedures of the IPT Mandate, confirms that (i) the methods and procedures for determining transaction prices of Interested Person Transactions as set out in paragraph 3.5 above, have not changed since the Latest Shareholders' Approval; and (ii) the methods and procedures in (i) above, are sufficient to ensure that such Interested Person Transactions will be carried out on normal commercial terms which are not prejudicial to the interests of the Company and/or the independent shareholders.

However, should the Audit Committee subsequently no longer be of this view, the Company will revert to shareholders for a fresh mandate based on new guidelines and/or review procedures.

7. Directors' Recommendation

The Directors of the Company (other than the Interested Directors as stated below) have considered the scope, rationale and benefit for compliance and review procedures of the IPT Mandate, and the statement of the Audit Committee in respect thereof, and believe that the renewal of the IPT Mandate is in the interests of the shareholders. Accordingly they recommend that shareholders vote in favour of the Ordinary Resolution relating to the IPT Mandate as set out in the Notice of AGM dated 5 April 2012.

The Interested Directors, being Mr Franky Oesman Widjaja, Mr Muktar Widjaja, Mr Frankle (Djafar) Widjaja and Ms Margaretha Natalia Widjaja, have abstained from making any recommendation on the renewal of the IPT Mandate. The same Interested Directors have undertaken to ensure that its associates will abstain from voting on the said Resolution at the AGM. Golden Moment Limited (“**Golden Moment**”) and Flambo International Ltd (“**Flambo**”), associates of the Widjaja Family, holding shares in the Company which are Interested Persons, together with their associates, will abstain from voting on the Resolution on the IPT Mandate at the AGM.

In the event the compliance and review procedures of the IPT Mandate become inappropriate, the Company will seek the approval of shareholders in general meeting for a fresh mandate based on new guidelines and/or review procedures.

8. Directors’ and Substantial Shareholders’ Interests

None of the Directors had any interest, direct or indirect, in the ordinary shares of the Company (“**Shares**”) as recorded in the Register of Directors’ Shareholdings as at 20 March 2012 being the latest practicable date prior to the printing of this Appendix 2 (“**Latest Practicable Date**”).

The interests of the substantial Shareholders (other than Directors) in the Shares, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date are set out below:

Substantial Shareholder	Direct Interest	(%)	Deemed Interest	(%)
Golden Moment	169,000,000	5.55	-	-
Flambo ⁽¹⁾	1,825,129,854	60.00	169,000,000	5.55
WFMT2 ⁽²⁾	-	-	1,994,129,854	65.55

Notes:

- (1) The deemed interest of Flambo arises from its interest in 169,000,000 Shares held by its wholly-owned subsidiary, Golden Moment in the Company.
- (2) The deemed interest of WFMT2 arises from its interest in 1,825,129,854 Shares held by Flambo and 169,000,000 Shares held by Golden Moment in the Company.

9. Directors’ Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix 2 and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix 2 constitutes full and true disclosure of all material facts about the proposed renewal of IPT Mandate for Interested Person Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix 2 misleading. Where information in the Appendix 2 has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix 2 in its proper form and context.

Guidelines for Property-based Transactions

1. General

All transactions relating to sales and/or purchases of properties must be carried out in the ordinary course of business of the transacting member of the SML Group (the “**Entity At Risk**”) whose principal activities shall include property development and/or investment (whether in respect of commercial, industrial, residential, hotel and leisure, hospitality, infrastructure or a combination thereof).

2. Sales of properties

The following guidelines shall apply to sales by an Entity At Risk of its investment and/or development properties to Interested Persons:

- (a) In respect of sales of units in property projects (whether industrial, commercial or otherwise) which are developed or to be developed for sale to members of the general public:
- (i) the terms of sale to an Interested Person shall be no more favourable than those offered to members of the public from time to time; and
 - (ii) where, in order to generate sales, preferential discounts and/or incentives are offered to members of the public for the purchase of units in the development project concerned, the Interested Person shall be entitled to participate in such offers on the same footing as members of the public.

The above guidelines shall operate independently of any scheme affording preferential discounts for the purchase of units in development properties of the SML Group that may be implemented from time to time for the benefit of employees (“**staff scheme**”). In relation to Interested Persons who also qualify under any staff scheme, in the event of any inconsistency between these guidelines and the rules of the staff scheme, these guidelines shall prevail.

- (b) In respect of sales other than those referred to in (a) above by open tender, invitation to bid, or private treaty, the following guidelines shall apply:
- (i) any sale of an investment or development property by an Entity At Risk to an Interested Person (whether by open tender, invitation to bid, or private treaty) shall be transacted at not less than the market price of the property concerned, and on such terms and conditions consistent with prevailing industry practice and market norms;
 - (ii) the market price of the property shall be determined by the directors of the Entity At Risk, and shall be supported by valuations from at least two independent professional valuers of standing and repute appointed by the Entity At Risk for the proposed sale; and
 - (iii) the professional valuers to be appointed shall be subject to approval of the Audit Committee.

3. Purchases of properties

The following guidelines shall apply to purchases by an Entity At Risk of investment and/or development properties from Interested Persons:

- (a) In respect of purchases of units in property projects (whether industrial, commercial, residential or otherwise) which are developed or to be developed for sale by an Interested Person to members of the general public, the terms of purchase (including the purchase price) shall be no less favourable than those offered to members of the public at the relevant time.
- (b) In respect of purchases of properties other than those referred to in (a) above by open tender, invitation to bid, or private treaty, the following guidelines shall apply:
 - (i) any purchase of an investment or development property by an Entity At Risk from an Interested Person (whether by open tender, invitation to bid, or private treaty) shall be transacted on terms and conditions consistent with prevailing industry practice and market norms;
 - (ii) the purchase price for the property shall be determined by the directors of the Entity At Risk, and shall be supported by valuations from at least two independent professional valuers of standing and repute appointed by the Entity At Risk for the proposed purchase; and
 - (iii) the professional valuers to be appointed shall be subject to approval of the Audit Committee.

This page has been intentionally left blank.

This page has been intentionally left blank.

This page has been intentionally left blank.