

APPENDIX DATED 12 OCTOBER 2015

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to the shareholders of Sim Lian Group Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 30 June 2015 (the “**Annual Report**”). Its purpose is to explain to the Shareholders the rationale, and provide information to the Shareholders, for the proposed renewal of the IPT Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting of the Company to be held on 27 October 2015 at Jurong Country Club, Ficus 1, Level 2, 9 Science Centre Road, Singapore 609078 at 10.00 a.m..

The Notice of the Annual General Meeting and a proxy form are enclosed with the Annual Report.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Appendix.

If you have sold all your Shares (as defined in this Appendix), you should immediately forward this Appendix, the Annual Report and proxy form to the purchaser or to the bank, stockbroker or agent through whom the sale was effected for onward transmission to the purchaser.

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



SIM LIAN GROUP LIMITED

(Company Registration Number 200004760C)
(Incorporated in the Republic of Singapore)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR
INTERESTED PERSON TRANSACTIONS**

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DEFINITIONS

"2014 AGM"	:	The Company's previous AGM held on 28 October 2014
"2015 AGM"	:	Has the meaning ascribed to it in Section 1.1
"AGM"	:	Annual general meeting
"Appendix"	:	This appendix dated 12 October 2015
"Audit Committee"	:	The audit committee of the Company
"CDP"	:	The Central Depository (Pte) Limited
"Company" or "Sim Lian"	:	Sim Lian Group Limited
"Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended, varied or supplemented from time to time
"Construction Services IPTs"	:	Has the meaning ascribed to it in Section 2.5(a)
"control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
"Controlling Shareholder"	:	In relation to a company listed on the SGX-ST, a person who: (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company. The Exchange may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
"Depositor"	:	Has the meaning ascribed to it in Section 130A of the Companies Act
"Directors"	:	The directors of the Company as at the Latest Practicable Date
"EAR Group" or "Entities At Risk Group"	:	The companies comprised in the EAR Group are: (a) the Company; (b) subsidiaries of the Company that are not listed on the SGX-ST or an approved exchange; and (c) associated companies of the Company that are not listed on the SGX-ST or an approved exchange, provided that the Company, or the Company and its interested person(s), has or have control over the associated companies
"IPT Mandate"	:	The Shareholders' general mandate pursuant to Chapter 9 of the Listing Manual permitting the EAR Group companies, or any of them, to enter into certain types of transactions of a recurrent nature with specified classes of the Company's interested persons (as defined in Chapter 9 of the Listing Manual)
"Latest Practicable Date"	:	2 October 2015, being the latest practicable date prior to the printing of this Appendix
"Listing Manual"	:	The Listing Manual of the SGX-ST, as amended, varied or supplemented from time to time

"NTA"	:	Net tangible assets
"Property IPTs"	:	Has the meaning ascribed to it in Section 2.5(b)
"SGX-ST" or the "Exchange"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders of Shares except that where the registered holder is CDP, the term " Shareholders " shall, in relation to such Shares, mean the Depositors to whose securities accounts with CDP are credited with the Shares
"Shares"	:	Ordinary shares in the capital of the Company
"Sim Lian Group"	:	The Company and its subsidiaries
"SLH"	:	Sim Lian Holdings Pte Ltd
"Substantial Shareholder"	:	A person who has an interest in not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the Company
"\$"	:	Singapore dollars
"%" or "per cent."	:	Percentage or per centum

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Securities and Futures Act (Chapter 289) of Singapore ("**Securities and Futures Act**"), the Companies Act, the Listing Manual or any statutory modification thereof and used in this Appendix shall have the same meaning assigned to it under the Securities and Futures Act, the Companies Act, the Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of day and date in this Appendix is made by reference to Singapore time and date respectively, unless otherwise stated.

SIM LIAN GROUP LIMITED

(Company Registration Number 200004760C)
(Incorporated in the Republic of Singapore)

Board of Directors:

Mr. Kuik Ah Han (Executive Chairman)
Mr. Kuik Thiam Huat (Non-Executive Deputy Chairman)
Mr. Kuik Sin Pin (Group Chief Executive Officer)
Mr. Kuik Sing Beng (Executive Director)
Ms. Kuik Sin Leng (Executive Director)
Dr. Sim Loo Lee (Lead Independent and Non-Executive Director)
Mr. Tan Hong Bak (Independent and Non-Executive Director)
Mr. Robson Lee Teck Leng (Independent and Non-Executive Director)

Registered Office:

205 Upper Bukit Timah
Road, #02-01
Singapore 588181

To: The Shareholders of Sim Lian Group Limited

12 October 2015

Dear Sir/Madam

1. INTRODUCTION

- 1.1 The Directors are convening an AGM to be held at Jurong Country Club, Ficus 1, Level 2, 9 Science Centre Road, Singapore 609078 on 27 October 2015 at 10.00 a.m. (the “**2015 AGM**”) to seek the Shareholders’ approval for, *inter alia*, the proposed renewal of the existing IPT Mandate for interested person transactions pursuant to Chapter 9 of the Listing Manual.
- 1.2 At the extraordinary general meeting of the Company held on 12 July 2007, the Shareholders had approved the IPT Mandate for the Company to enter into certain interested person transactions in accordance with the guidelines and review procedures as described in the circular to Shareholders dated 27 June 2007. The IPT Mandate was last renewed at the 2014 AGM (“**2014 Mandate**”). The validity period of the 2014 Mandate will expire at the 2015 AGM. Accordingly, the Directors are seeking approval from the Shareholders for the renewal of the IPT Mandate at the 2015 AGM.
- 1.3 This Appendix is circulated to Shareholders together with the Company’s Annual Report. The purpose of this Appendix is to explain the reasons for, and to provide Shareholders with information relating to, the proposed renewal of the IPT Mandate to be tabled at the 2015 AGM.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions between a listed company or any of its subsidiaries and associated companies that are considered to be at risk and the listed company’s interested persons. Under Chapter 9 of the Listing Manual, where the value of an interested person transaction, or the aggregate value of all transactions entered into with the same interested person during the same financial year is equal to or exceeds certain materiality thresholds, the listed company is required to make an immediate announcement and/or seek its shareholders’ approval for that transaction.

For the avoidance of doubt, the rules of Chapter 9 of the Listing Manual do not apply to any transaction which is below \$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk from its interested person.

* Ms. Kuik Sin Leng has stepped down as Executive Director of the Company with effect from 2 October 2015.

An immediate announcement is required where:

- (a) the value of an interested person transaction is equal to, or more than, 3% of the listed group's latest audited NTA; or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the listed group's audited NTA.

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

- (i) 5% of the listed group's latest audited consolidated NTA; or
- (ii) 5% of the listed group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

For illustration purposes, based on the audited accounts of Sim Lian Group for the financial year ended 30 June 2015, the consolidated NTA of Sim Lian Group was approximately \$1,166,814,000. Accordingly, in relation to the Company, and for the purposes of Chapter 9 of the Listing Manual, in the current financial year and until such time that the audited consolidated results of Sim Lian Group for the financial year ending 30 June 2016 are published by the Company, 5% of the latest audited consolidated NTA of Sim Lian Group would be approximately \$58,340,700. Based on the above figures, Shareholders' approval would be required for (i) any transaction with a value equal to or exceeding \$58,340,700; or (ii) any transaction, when aggregated with other transactions entered into with the same interested person during the same financial year (save for any transaction which has been approved by the Shareholders, or is the subject of aggregation with another transaction that has been approved by the Shareholders), with a value equal to or exceeding \$58,340,700.

Chapter 9 of the Listing Manual permits a listed company to seek a general mandate from its shareholders for recurrent interested person transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses).

The definitions of certain terms which are used in Chapter 9 of the Listing Manual (such as "entity at risk", "interested person", "interested person transaction" and "associate"), are set out in Annex A to this Appendix.

The rationale for the proposed renewal of the IPT Mandate, the scope of the IPT Mandate, the benefits to Shareholders, the classes of interested persons, the particulars of the interested person transactions and the review procedures for interested person transactions under the IPT Mandate remain unchanged since the last renewal of the IPT Mandate at the 2014 AGM.

2.2 Rationale for the Proposed Renewal of the IPT Mandate

It is envisaged that in the ordinary course of their businesses, transactions between the EAR Group companies and the Company's interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the sale and purchase of properties, in the ordinary course of business, by the EAR Group to (or from) the Company's interested persons or the provision or receipt of services to (or from) such interested persons.

In view of the time-sensitive nature of commercial transactions, obtaining the renewal of the IPT Mandate will enable an EAR Group company to enter into the categories of transactions (the "**Interested Person Transactions**") as set out in Section 2.5 below with the specified classes of the Company's interested persons (the "**Interested Persons**") as set out in Section 2.4 below, in the ordinary course of the business, without being separately subject to the obligations in Rules 905 and 906 of the Listing Manual, provided such Interested Person Transactions are made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.3 Scope of the IPT Mandate

The IPT Mandate will cover a wide range of transactions arising in the ordinary course of business of Sim Lian Group, including its principal business of property development and building construction (as described in Section 2.5 below).

The IPT Mandate will not cover any transaction entered into by any EAR Group company with an Interested Person that is below \$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9, and/or other applicable provisions, of the Listing Manual.

2.4 Classes of Interested Persons

The IPT Mandate will apply to Interested Person Transactions that are carried out with the following classes of Interested Persons:

- (a) SLH and its associates, and SLH's shareholders⁽¹⁾, including Mr. Kuik Ah Han, Mr. Kuik Thiam Huat, Mr. Kuik Sing Beng, Ms. Kuik Sin Leng*, and Mr. Kuik Sin Pin who are also directors of the Company (and in the case of Mr. Kuik Ah Han, a Controlling Shareholder of the Company). SLH is a Controlling Shareholder of the Company and presently carries on the business of the development of commercial and industrial properties;
- (b) directors of the Company; and
- (c) Controlling Shareholders of the Company.

Note:

- (1) Other shareholders of SLH include Mr. Kuik Sin Pheng and Mr. Kuik Ah Chong, who are directors of SLH, and Mdm. Lim Ah Kie, who is a director of SLH and a Controlling Shareholder of the Company.

2.5 Categories of Interested Person Transactions

The Interested Person Transactions with the Interested Persons that will be covered by the IPT Mandate are set out below:

(a) Provision of construction-related services

Provision of the services set out below by any EAR Group company to SLH or its associates (including associates of SLH in which the Directors and Controlling Shareholders have an interest):

- (i) construction-related services, provided by the EAR Group company in its capacity as the main contractor, to construct projects undertaken by the above-mentioned Interested Persons; and
- (ii) other services pursuant to agreements for the supply of equipment or services to the above-mentioned Interested Persons. Such services include but are not limited to supplying equipment or services necessary for the building and construction of properties, and related engineering or technical services,

(collectively, "**Construction Services IPTs**").

* Ms. Kuik Sin Leng has stepped down as Executive Director of the Company with effect from 2 October 2015.

(b) Sale or purchase of property units

- (i) The sale of units in the properties, (including but not limited to residential, commercial and industrial buildings) developed by the EAR Group to the Interested Persons. Notwithstanding the IPT Mandate, the Company will announce the sale of any such units by itself or any EAR Group company, as required under Rule 910 of the Listing Manual; and
- (ii) the purchase by entities in the EAR Group of units in the properties (including but not limited to commercial and industrial buildings) developed by the Interested Persons,

(collectively, "**Property IPTs**").

2.6 **Benefits to Shareholders**

The renewal of the IPT Mandate, if approved at the 2015 AGM, will enhance the ability of the EAR Group companies to pursue business opportunities which are time-sensitive in nature and will eliminate the need for the Company to announce and/or convene separate general meetings on each occasion to seek the Shareholders' prior approval for the entry by an EAR Group company into such transactions. As such transactions are also carried out by Sim Lian Group in its ordinary course of business and/or are necessary for its day-to-day operations (but not in respect of the purchase or sale of assets, undertakings or businesses), an IPT Mandate will substantially reduce the expenses associated with the convening of general meetings on an *ad hoc* basis, improve administrative efficacy considerably, and allow manpower resources and time to be channeled towards attaining other corporate objectives and business opportunities.

Construction Services IPTs

For the Construction Services IPTs, the EAR Group will also benefit from having an increased source of revenue as well as certainty in the pricing of such services as such pricing would be made on a cost-plus basis. When Interested Person(s) purchase, lease or procure materials or services from any EAR Group company, the payments made by an Interested Person to an EAR Group company will be based on:

- (a) the estimated cost price of supplying such equipment and services (the "**Estimated Cost Price**"); and
- (b) a margin over the Estimated Cost Price (the "**Profit Margin**").

An independent quantity surveyor will be appointed by the Company to determine, as far as practicable, the Estimated Cost Price as well as the prevailing market range for the margins paid by other companies carrying on similar business activities (the "**Benchmark Companies**"), taking into account the current market conditions. Prior to the appointment of any such independent quantity surveyor, the Company will seek the written confirmation of such independent quantity surveyor that it is not at that time, under the engagement of any of SLH or its associates.

The prevailing market range for the margin will be expressed as a percentage of the cost price paid by the Benchmark Companies for similar materials or services, for instance, 5% of total construction costs ("**Percentage Market Margin**").

The independent quantity surveyor will derive the Profit Margin for the EAR Group company by applying the Percentage Market Margin to the Estimated Cost Price he has determined. By way of illustration only, if the Estimated Cost Price is estimated to be \$10,000,000, and the Percentage Market Margin is determined to be 5%, the Interested Person will be required to pay a Profit Margin of \$500,000 (5% of \$10,000,000). The Interested Person will pay the Profit Margin so derived notwithstanding any subsequent changes in the Estimated Cost Price. In addition, the Interested Person will pay the actual costs of the materials or services even if such costs subsequently turn out to be higher or lower than what was originally estimated by the independent quantity surveyor as the Estimated Cost Price.

When undertaking the transactions contemplated in Section 2.5(a) above, an EAR Group company will enjoy greater cost efficiencies and is insulated from any adverse price fluctuations in the cost of goods or services supplied while being assured of a pre-determined profit over its actual costs since it will be receiving a positive margin pegged to market rates (as determined by the independent quantity surveyor at the time the Interested Person Transaction is entered into).

Property IPTs

In relation to sale of units to Interested Persons, the EAR Group would benefit from an additional source of buyers, particularly when the property market is weak. In relation to the purchase of properties from the Interested Persons, the EAR Group would benefit from having access to choice units at preview sales of such units, before the units are released for sale to the public. As set out in Section 2.7.1(b)(v) below, any purchase of properties from Interested Persons would also be supported by a valuation report.

For more information relating to the guidelines and review procedures for such transactions, please refer to Section 2.7.

2.7 Guidelines and Review Procedures

The Company has in place internal control systems to ensure that transactions with its interested persons (including the Interested Persons) are made on normal commercial terms, and are consistent with the Company's usual business practices and policies. The Audit Committee will also review and approve the transactions where applicable, as described below.

One (1) or more senior management executive(s) of the Company who are not Interested Persons will maintain a register to record all Interested Person Transactions (and the basis for entry into such transactions including the quotations, if any, obtained to support such basis) which are entered into pursuant to the IPT Mandate.

The internal control systems will also include the following guidelines and procedures to ensure that the Interested Person Transactions are undertaken with the Interested Persons on normal commercial terms.

2.7.1 Specific Guidelines and Review Procedures

The EAR Group will monitor the Interested Person Transactions as follows:

- (a) Construction Services IPTs
 - (i) a Construction Services IPT with a value equal to or greater than \$100,000, but does not exceed (or equal to) \$1,000,000 shall be reviewed by the Audit Committee at its quarterly meetings;
 - (ii) a Construction Services IPT with a value exceeding \$1,000,000, but less than (or equal to) \$10,000,000 shall be reviewed by the Audit Committee within one (1) month from the end of the month in which that Interested Person Transaction was entered into;
 - (iii) a Construction Services IPT with a value exceeding \$10,000,000 shall be reviewed and approved by the Audit Committee prior to the entry by the EAR Group into such Interested Person Transaction; and
 - (iv) the provision of equipment and services to Interested Persons (being a Construction Services IPT) shall be on the usual commercial terms available to unrelated third parties and shall be undertaken subject to the Interested Person paying the Profit Margin over the actual costs of equipment and services supplied (as more particularly described in Section 2.6 above).

(b) Property IPTs

- (i) a Property IPT with a value equal to or greater than \$100,000, but does not exceed (or equal to) \$1,000,000 shall be reviewed by the Audit Committee at its quarterly meetings;
- (ii) a Property IPT with a value exceeding \$1,000,000, but less than (or equal to) \$2,000,000 shall be reviewed by the Audit Committee within one (1) month from the end of the month in which such transaction was entered into;
- (iii) a Property IPT with a value exceeding \$2,000,000 shall be reviewed and approved by the Audit Committee prior to the entry by an EAR Group company into such transaction;
- (iv) in addition to and without prejudice to the above, where the Interested Person Transaction relates to the sale of property units to an Interested Person, that Interested Person shall not be entitled to any preferential prices or treatment of privileges not given to other buyers or potential buyers. Notwithstanding the thresholds set out in sub-paragraphs (i) to (iii) above, the sale of any property units to an Interested Person shall be reviewed and approved by the Audit Committee within two (2) weeks. In the event that the sale of a property unit to an Interested Person is not approved by the Audit Committee, the Company will not complete such sale and will refund all deposits paid in connection with such sale. In addition, the Company will also comply with the requirements of Part IV of Chapter 9 of the Listing Manual for the sale of property units to an Interested Person; and
- (v) in addition to and without prejudice to the above, where the Interested Person Transaction relates to the purchase by any EAR Group company of units in the properties (including but not limited to commercial and industrial buildings) developed by the Interested Persons, such purchases will be supported by a valuation report by an independent valuer. In reviewing any such transaction, the Audit Committee will take into account (aa) the valuation report; and (bb) the list price for such properties as contained in the official price list for the sale of such properties.

2.7.2 Reviews by Audit Committee

The Company shall, on a quarterly basis, report to the Audit Committee on all Interested Person Transactions, and the basis of such transactions, entered into by the EAR Group companies during the preceding quarter. The Audit Committee shall review such Interested Person Transactions at its quarterly meetings except where such Interested Person Transactions are required under the review procedures to be reviewed by the Audit Committee within one (1) month of entering into those transactions, or approved by the Audit Committee prior to the entry thereof.

The Audit Committee has the overall responsibility for determining the review procedures with the authority to delegate to individuals within the Company as it deems appropriate. Generally, the Audit Committee will only approve an Interested Person Transaction if the terms of the transaction are no more favourable than the terms offered to unrelated third parties, or in accordance with published or prevailing rates/prices, or otherwise in accordance with prevailing industry norms. The members of the Audit Committee may, as they deem fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including the obtaining of valuations from independent valuers.

In addition to the guidelines and review procedures described above, the Audit Committee will also:

- (a) carry out periodic reviews (at least once a year) to ascertain that the established guidelines and procedures for Interested Person Transactions have been complied with; and
- (b) consider at least once a year whether the established guidelines and procedures for transactions with Interested Persons have become inappropriate or are unable to ensure that the transactions will be carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

If, during a review, the Audit Committee is of the view that the established review procedures are not sufficient or have become inappropriate, in view of changes to the nature of the business activities of the EAR Group, or the manner in which they are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. In that event, the Company will seek a fresh mandate from Shareholders based on new review procedures for transactions with Interested Persons.

For the purpose of the review process, if a member of the Audit Committee has an interest in the transaction to be reviewed by the Audit Committee, he will abstain from any decision-making by the Audit Committee in respect of that transaction.

2.8 Validity Period of the Renewed IPT Mandate

If approved by Shareholders at the 2015 AGM, the renewal of the IPT Mandate will take effect from the passing of the ordinary resolution relating thereto at the 2015 AGM, and will (unless revoked or varied by the Company in a general meeting) continue in force until the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier. 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 transactions with Interested Persons.

2.9 Disclosure in Annual Report

The Company will:

- (i) disclose the transactions entered into under the IPT Mandate in its annual report, giving details of the aggregate value of such transactions during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual; and
- (ii) announce the aggregate value of transactions conducted under the IPT Mandate for the relevant financial periods in accordance with the Listing Manual.

The disclosure in the Company's annual reports will include the following:

- (i) the names of the interested person(s) (including the Interested Person(s));
- (ii) the aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and Interested Person Transactions conducted under the IPT Mandate); and
- (iii) the aggregate value of all Interested Person Transactions conducted under the IPT Mandate (excluding transactions less than \$100,000).

2.10 Directors' and Substantial Shareholders' Interests

Directors' Interest in Shares

The interests of the Directors in the Shares as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Kuik Ah Han	9,696,150	0.96	655,761,362 ⁽²⁾	65.19
Kuik Thiam Huat	42,500,000	4.23	–	–
Kuik Sin Pin	12,682,402	1.26	–	–
Kuik Sing Beng	2,942,000	0.29	848,999 ⁽³⁾	0.08
Kuik Sin Leng*	1,700,000	0.17	–	–
Dr. Sim Loo Lee	450,000	0.04	–	–
Tan Hong Bak	–	–	–	–
Robson Lee Teck Leng	–	–	–	–

Notes:

- (1) Based on 1,005,890,466 issued Shares as at the Latest Practicable Date.
- (2) Mr. Kuik Ah Han is deemed interested in the 552,163,285 Shares held by SLH, and 103,598,077 Shares held by his spouse, Mdm. Lim Ah Kie.
- (3) Mr. Kuik Sing Beng is deemed interested in the 79,999 Shares held by a nominee for his account, and 769,000 Shares held by his spouse.

Substantial Shareholders' Interests in Shares

The interests of the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Sim Lian Holdings Pte Ltd	552,163,285	54.89	–	–
Lim Ah Kie	103,598,077	10.30	561,859,435 ⁽²⁾	55.85
Kuik Ah Han	9,696,150	0.96	655,761,362 ⁽³⁾	65.19

Notes:

- (1) Based on 1,005,890,466 issued Shares as at the Latest Practicable Date.
- (2) Mdm. Lim Ah Kie is deemed interested in the 552,163,285 Shares held by SLH and the 9,696,150 Shares held by her spouse, Mr. Kuik Ah Han.
- (3) Mr. Kuik Ah Han is deemed interested in the 103,598,077 Shares held by his spouse, Mdm. Lim Ah Kie and the 552,163,285 Shares held by SLH.

* Ms. Kuik Sin Leng has stepped down as Executive Director of the Company with effect from 2 October 2015.

2.11 Statement of the Audit Committee

The Audit Committee (comprising Mr. Tan Hong Bak, Dr. Sim Loo Lee and Mr. Robson Lee Teck Leng), having reviewed the IPT Mandate and based on its evaluation of the review procedures adopted by the Company (as set out in Section 2.7), confirms that:

- (i) the methods and procedures for determining the transaction prices under the IPT Mandate have not changed since the last Shareholders' approval of the IPT Mandate that was obtained at the 2014 AGM; and
- (ii) the methods and procedures referred to in Section 2.11(i) above are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

As such, an independent financial adviser's opinion is not required for the renewal of the IPT Mandate pursuant to Rule 920(1)(c) of the Listing Manual.

3. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the proxy form attached to the Notice of the AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at 205 Upper Bukit Timah Road, #02-01, Singapore 588181 not later than 10.00 a.m. on 25 October 2015. Completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the AGM if he so wishes.

3.1 Abstention from Voting

In accordance with the requirements of Chapter 9 of the Listing Manual, the following Shareholders who are Interested Persons or associates of Interested Persons will abstain from voting on the resolution relating to the renewal of the IPT Mandate at the 2015 AGM:

- (i) the following Directors, namely Mr. Kuik Ah Han (who is also a Controlling Shareholder), Mr. Kuik Thiam Huat, Mr. Kuik Sing Beng, Ms. Kuik Sin Leng* and Mr. Kuik Sin Pin and their associates; and
- (ii) the Controlling Shareholders, namely SLH, Mdm. Lim Ah Kie and their associates.

These Interested Persons will not accept appointments as proxies, unless specific instructions as to voting are given.

4. DIRECTORS' RECOMMENDATIONS

The Directors who are independent and/or are considered independent for the purposes of the proposed renewal of the IPT Mandate (being the Directors other than Mr. Kuik Ah Han, Mr. Kuik Thiam Huat, Mr. Kuik Sing Beng, Ms. Kuik Sin Leng* and Mr. Kuik Sin Pin) having considered the terms, the rationale and the benefits of the IPT Mandate and the statement of the Audit Committee, are of the view that the proposed renewal of the IPT Mandate is beneficial to and in the interests of the Company, its subsidiaries and associated companies, and accordingly recommend that the Shareholders vote in favour of the resolution relating to the proposed renewal of the IPT Mandate at the 2015 AGM.

* Ms. Kuik Sin Leng has stepped down as Executive Director of the Company with effect from 2 October 2015.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT 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 misleading.

Where information in this Appendix 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 these sources and/or reproduced in this Appendix in its proper form and context.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The Memorandum and Articles of Association of the Company and the Annual Report of the Company for the financial year ended 30 June 2015 may be inspected at the registered office of our Company during normal business hours on any weekday (public holidays excepted) from the date of this Appendix up to and including the date of the forthcoming AGM.

Yours faithfully
for and on behalf of the Board of Directors
SIM LIAN GROUP LIMITED

Kuik Sin Pin
Group Chief Executive Officer

ANNEX A

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

1.1 Introduction

Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**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. The terms “entity at risk”, “interested person” and “associated companies” as well as other terms used are defined below.

1.2 Certain terms used in Chapter 9:

- (a) An “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has or have control over the associated company.
- (b) An “**associated company**” of a listed company means a company in which at least 20% but not more than 50% of its shares are held by the listed company or the listed group.
- (c) An “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9.
- (d) In the case of a company, an “**interested person**” means:
 - (i) a director, chief executive officer or controlling shareholder of the listed company; or
 - (ii) an associate of any such director, chief executive officer or controlling shareholder.
- (e) In the case of a company, an “**associate**” means:
 - (i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
 - (aa) his immediate family (that is, his spouse, child, adopted child, step-child, sibling and parent);
 - (bb) 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
 - (cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

- (ii) in relation to a substantial shareholder or a controlling shareholder (being a company) 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.
- (f) A "**chief executive officer**" of a listed company means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.
- (g) An "**interested person transaction**" means a transaction between an entity at risk and an interested person.