



SINARMAS LAND LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 199400619R

**APPENDICES TO THE NOTICE OF ANNUAL GENERAL MEETING OF
SINARMAS LAND LIMITED
DATED 2 APRIL 2024**

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APPENDICES TO THE NOTICE OF ANNUAL GENERAL MEETING OF SINARMAS LAND LIMITED (THE “COMPANY” OR “SML”) DATED 2 APRIL 2024

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 the Company, you should immediately hand these Appendices and the enclosed Notice of Annual General Meeting and Proxy Form to the purchaser or bank, stockbroker or agent through whom you effected the sale for transmission to the purchaser.

Note: The Singapore Exchange Securities Trading Limited (“SGX-ST”) takes no responsibility for the accuracy of any statements or opinions made, or reports contained in these Appendices. 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.

APPENDIX 1

- PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

1. INTRODUCTION

At the last Annual General Meeting (“AGM”) of the Company held on 24 April 2023, shareholders of the Company (“Shareholders”) approved a general mandate authorising 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 (10) per cent. of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date on which the resolution authorising the same was 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 23 April 2024 (“2024 AGM”).

The Directors propose to seek the approval of Shareholders for the renewal of the Share Purchase Mandate, under the same terms and conditions, at the 2024 AGM. If the proposed resolution for the renewal of the Share Purchase Mandate is approved at the 2024 AGM, the renewed 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 held 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 2024 AGM.

2. RATIONALE

The renewal of the Share Purchase Mandate will provide the Company with the ability to undertake purchases of its issued Shares (excluding treasury shares and subsidiary holdings), 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

The authority and limits placed on purchases of Shares by the Company under the Share Purchase Mandate are summarised below:

Maximum number of Shares

The total number of Shares that may be purchased shall not be more than ten (10) per cent. of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date on which the resolution authorising the same is passed (the “**Approval Date**”).

Duration of authority

Purchases of Shares may be made, at any time and from time to time, from the Approval Date up to the earlier of:

- (a) the conclusion of the next AGM or the date by which such AGM is required by law to be held; or
- (b) the date on which the purchases or acquisition of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by Shareholders in general meeting.

Manner of purchase

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 1967 (“**Companies Act**”).

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Companies Act and the listing rules of the SGX-ST (“**Listing Rules**”) 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 provide 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 by way of 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 by the Company 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 a Share will be determined by the Directors.

However, the purchase price to be paid for the Shares 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 during the relevant 5-day period and the day of the Market Purchase;

“**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 purchase any Shares in the previous 12 months preceding 28 February 2024, being the latest practicable date prior to the printing of this Appendix 1 (“**Latest Practicable Date**”).

5. STATUS OF PURCHASED SHARES

A Share purchased by the Company is 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 to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased and which are not held as treasury shares.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

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 greater or 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 (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares (or any of them); 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, 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 Constitution, 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 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 and/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 (excluding treasury shares and subsidiary holdings) of 4,255,159,396 Shares as at the Latest Practicable Date and assuming no further Shares are issued or repurchased on or prior to the 2024 AGM, the exercise in full of the Share Purchase Mandate would result in the purchase of up to 425,515,939 Shares (the "**Maximum Number of Shares**"). 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 net tangible assets ("**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 4,255,159,396 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued or repurchased on or prior to the 2024 AGM), based on the financial statements of the Group and the Company for the financial year ended 31 December 2023, and having regard to the amount of the Company's total capital and reserves of approximately S\$2,109,616,000 as at that date, the total amount of funds required to purchase 42,551,593 Shares representing 1% of its total number of Shares in issue (excluding treasury shares and subsidiary holdings) by way of Market Purchases at the maximum purchase price of S\$0.177 for each Share (being the price equivalent to 105% of the Average Closing Price preceding the Latest Practicable Date), would be approximately S\$7,532,000 and the total amount of funds required to purchase 42,551,593 Shares representing 1% of its total number of Shares in issue (excluding treasury shares and subsidiary holdings) by way of an Off-Market Purchase at the maximum purchase price of S\$0.204 for each Share (being the price equivalent to 120% of the Highest Last Dealt Price preceding the Latest Practicable Date), would be approximately S\$8,681,000. 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 2023</u>				
Total equity	5,014,927	5,007,395	2,109,616	2,102,084
NTA	4,592,462	4,584,930	2,109,616	2,102,084
Current assets	3,343,298	3,335,766	271,783	264,251
Current liabilities	1,210,394	1,210,394	113,318	113,318
Working capital	2,132,904	2,125,372	158,465	150,933
Total liabilities	2,916,215	2,916,215	114,233	114,233
Profit attributable to Owners of the Company	272,499	272,243	27,845	27,589
Number of Shares (excluding treasury shares and subsidiary holdings) ('000)	4,255,159	4,212,608	4,255,159	4,212,608
<u>Financial ratios</u>				
NTA per Share (S\$)	1.0793	1.0884	0.4958	0.4990
Earnings per Share (S\$)	0.0640	0.0646	0.0065	0.0065
Gearing (%)	58.15	58.24	5.41	5.43
Current ratio (times)	2.76	2.76	2.40	2.33

Notes:

- (1) NTA equals total equity less intangible assets.
- (2) Earnings per share equals profit attributable to Owners of the Company divided by number of Shares in issue (excluding treasury shares and subsidiary holdings) as at 31 December 2023.
- (3) Gearing equals total liabilities divided by total equity.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Share purchased are made out of capital and cancelled.

As illustrated above, the purchase of Shares will have the effect of reducing the NTA of the Company and the consolidated NTA and working capital of the Group by the dollar value of the Shares purchased. The consolidated NTA per Share as at 31 December 2023 will however, increase from S\$1.0793 to S\$1.0884 as a result of the reduction in the number of issued Shares.

Assuming that the purchase of Shares had taken place on 1 January 2023, the consolidated earnings per Share of the Group for the financial year ended 31 December 2023 would increase from S\$0.0640 to S\$0.0646 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 2023</u>				
Total equity	5,014,927	5,006,246	2,109,616	2,100,935
NTA	4,592,462	4,583,781	2,109,616	2,100,935
Current assets	3,343,298	3,334,617	271,783	263,102
Current liabilities	1,210,394	1,210,394	113,318	113,318
Working capital	2,132,904	2,124,223	158,465	149,784
Total liabilities	2,916,215	2,916,215	114,233	114,233
Profit attributable to Owners of the Company	272,499	272,204	27,845	27,550
Number of Shares (excluding treasury shares and subsidiary holdings) ('000)	4,255,159	4,212,608	4,255,159	4,212,608
<u>Financial ratios</u>				
NTA per Share (S\$)	1.0793	1.0881	0.4958	0.4987
Earnings per Share (S\$)	0.0640	0.0646	0.0065	0.0065
Gearing (%)	58.15	58.25	5.41	5.44
Current ratio (times)	2.76	2.75	2.40	2.32

Notes:

- (1) NTA equals total equity less intangible assets.
- (2) Earnings per share equals profit attributable to Owners of the Company divided by number of Shares in issue (excluding treasury shares and subsidiary holdings) as at 31 December 2023.
- (3) Gearing equals total liabilities divided by total equity.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Shares purchased are made out of capital and cancelled.

As illustrated above, the purchase of Shares will have the effect of reducing the NTA of the Company and the consolidated NTA and working capital of the Group by the dollar value of the Shares purchased. The consolidated NTA per Share as at 31 December 2023 will however, increase from S\$1.0793 to S\$1.0881 as a result of the reduction in the number of issued Shares.

Assuming that the purchase of Shares had taken place on 1 January 2023, the consolidated earnings per Share of the Group for the financial year ended 31 December 2023 would increase from S\$0.0640 to S\$0.0646 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) co-operate, 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 Constitution, 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

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 are held by the public. As there is, as at the Latest Practicable Date, a public float of approximately 29.62% in the issued Shares (excluding treasury shares and subsidiary holdings), 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 2024 AGM as set out in the Notice of AGM dated 2 April 2024.

13. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and substantial Shareholders in the Shares as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders pursuant to Sections 164 and 88 of the Companies Act respectively, as at the Latest Practicable Date before and (assuming the Company purchases the Maximum Number of Shares and there is no change in the number of Shares held by the Directors and substantial Shareholders (direct and deemed interest)) after the purchase by the Company of the Maximum Number of Shares pursuant to the Share Purchase Mandate were/will be as follows:

Name of Director	BEFORE SHARE PURCHASE				AFTER SHARE PURCHASE			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾	No. of shares	%	No. of shares	%
Ms Margaretha Natalia Widjaja ⁽²⁾	-	-	2,991,194,781	70.30	-	-	2,991,194,781	78.11
Mr Hong Pian Tee	2,581,900	0.06	-	-	2,581,900	0.07	-	-
Mr Lim Jun Xiong, Steven	3,999	n.m ⁽³⁾	-	-	3,999	n.m ⁽³⁾	-	-
Name of Substantial Shareholder								
Lyon Investments Limited (“Lyon”)	2,991,194,781	70.30	-	-	2,991,194,781	78.11	-	-
Piccadilly Peak Ltd (“PPL”) ⁽⁴⁾	-	-	2,991,194,781	70.30	-	-	2,991,194,781	78.11
Golden SM Pte. Ltd. (“GSMPL”) ⁽⁵⁾	-	-	2,991,194,781	70.30	-	-	2,991,194,781	78.11
Ms Margaretha Natalia Widjaja ⁽²⁾	-	-	2,991,194,781	70.30	-	-	2,991,194,781	78.11
Ms Marcellyna Junita Widjaja ⁽⁶⁾	-	-	2,991,194,781	70.30	-	-	2,991,194,781	78.11

Notes:

- (1) Percentage calculated based on 4,255,159,396 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) The deemed interest of Ms Margaretha Natalia Widjaja arises from her interest in 2,991,194,781 Shares held indirectly by her family trust, Golden SM Trust, through Lyon.
- (3) n.m - Not meaningful. Percentage of shareholding less than 0.01%.
- (4) The deemed interest of PPL arises from its interest in 2,991,194,781 Shares held by its wholly-owned subsidiary, Lyon.
- (5) The deemed interest of GSMPL arises from its interest in 2,991,194,781 Shares held by Lyon. Lyon is wholly-owned by PPL, which is in turn wholly-owned by GSMPL.
- (6) The deemed interest of Ms Marcellyna Junita Widjaja arises from her interest in 2,991,194,781 Shares held indirectly by her family trust, Golden SM Trust, through Lyon.

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 the 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 this 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 this 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 (if the Company announces its quarterly results, whether required by the SGX-ST or otherwise) and (ii) 1 month before the announcement of the Company’s half year and full year results (if the Company does not announce its quarterly results), and ending on the date of announcement of the relevant results.

**APPENDIX 2 –
PROPOSED RENEWAL OF, AND AMENDMENTS TO, GENERAL MANDATE FOR INTERESTED PERSON
TRANSACTIONS**

1. INTRODUCTION

1.1 Chapter 9 of the Listing Manual of the SGX-ST (the “Listing Manual”)

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

- (a) his immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such a director, chief executive officer or controlling shareholder;
- (b) 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
- (c) 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 substantial shareholder or 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.

A “**controlling shareholder**” means a person who (a) holds directly or indirectly 15% or more of the total voting rights in the company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder); or (b) who in fact exercises control over the company.

An “**entity at risk**” means:

- (a) the listed company;
- (b) a subsidiary of the listed company that is not listed on SGX-ST or an approved exchange; or
- (c) 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 a director, chief executive officer or controlling shareholder.

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

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 or "NTA"⁽¹⁾ are reached or exceeded.

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

- (a) 5% of the listed group's latest audited NTA⁽²⁾; or
- (b) 5% of the listed group's latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person (as defined in Rule 908 of the Listing Manual) 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.

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 such as the purchase and sale of services, supplies and materials, which may be carried out with the listed company's interested persons, but not for the purchase or sale of assets, undertakings or businesses.

1.5 Legal adviser

Resource Law LLC (in alliance with Reed Smith) is the legal adviser to the Company in relation to the proposed renewal of, and amendments to, the IPT Mandate (as defined below).

2. PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT MANDATE

2.1 Existing IPT Mandate

At the previous Annual General Meeting ("AGM") of the Company held on 24 April 2023 (the "**Latest Shareholders' Approval**"), shareholders of the Company ("**Shareholders**") approved and renewed the general mandate 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 ("**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 ("**2024 AGM**") of the Company.

2.2 Amended IPT Mandate

The Company is seeking to renew and amend the existing IPT Mandate at the 2024 AGM of the Company (referred to as the "**Amended IPT Mandate**"). The rationale for the Amended IPT Mandate is as follows, with further details on the scope of the Amended IPT Mandate, the benefit to Shareholders, description of Interested Persons, the particulars of the Interested Person Transactions and the review procedures for Interested Person Transactions set out hereunder.

(a) **Description of Interested Persons**

As part of the effort to enhance continuous disclosures, Rule 920 of the Listing Manual was revised on 7 February 2020 which requires any interested person covered by the IPT Mandate to be identified on a named basis.

Notes:

⁽¹⁾ Based on the latest audited consolidated financial statements of the SML Group for the financial year ended 31 December 2023, the SML Group's latest audited NTA was S\$4,592,462,000.

⁽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 SML Group for the year ending 31 December 2024, are published by the Company, 5% of the SML Group's latest audited NTA would be S\$229,623,100.

The Company is proposing to amend the description of Interested Persons (as defined below) in accordance with Rule 920 of the Listing Manual, as amended on 7 February 2020.

(b) **Clarification of scope of certain Interested Person Transactions**

The Company is proposing to clarify the scope of the following Interested Person Transactions as a matter of updating and ensuring that these transactions remain relevant for SML Group's present purposes:

- (i) clarifying that other than the leasing of premises to companies in which the Interested Persons have an interest, there may also be rental of premises from companies in which the Interested Persons have an interest; and
- (ii) clarifying that the provision to and receipt of electronic services includes both information technology ("IT") and web-based services for continued present-day relevance having regard to rapidly developing and evolving electronic services sector, such as IT support and maintenance, software and content creation, development or purchase, cloud and electronic data hosting and management services.

(c) **Review procedures for Interested Person Transactions**

The Company is proposing to revise and/or enhance the review procedures in the Amended IPT Mandate with a view to ensuring 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 by:

- (i) including the general principles that (A) the terms extended to Interested Persons are no more favourable than the terms extended to unrelated third parties; and (B) the terms extended by Interested Persons to the SML Group (as defined below) are no less favourable than the terms offered by unrelated third parties to the SML Group;
- (ii) including the existing requirement for the Audit Committee's prior approval for Interested Person Transaction which has a value equal to or more than 3% of the SML Group's latest audited NTA;
- (iii) providing for, in the case of providing services or products to Interested Persons (as described in the transactions described in paragraphs 3.3(a)(iii) to (xiii) but excluding paragraphs 3.3(a)(vi) and (xi) below), comparisons to be made against (A) prevailing market prices or (B) contemporaneous or recent successful transactions of a similar or substantially similar nature of product or services offered to unrelated third parties, to ensure that the price and terms of such Interested Person Transactions are no more favourable than those offered to unrelated third parties;
- (iv) providing for, in the case of receiving services or products from Interested Persons (as described in the transactions described in paragraphs 3.3(a)(iii) to (xiii) but excluding paragraphs 3.3(a)(vi) and (ix) below), comparisons to be made against contemporaneous or recent unrelated third party quotations for transactions of a similar or substantially similar nature of product or services, to ensure that the price and terms of such Interested Person Transactions are no less favourable than those offered by unrelated third parties;
- (v) in the case of the renting from, or leasing of premises to, Interested Persons (as described in paragraph 3.3(a)(vi) below), including the requirement for the rent payable to or from Interested Persons to be benchmarked against prevailing market rental rates for premises within the vicinity of similar or comparable standing and facilities;
- (vi) providing for, in the case of the provision of supporting security as a condition for the extension of credit facilities by unrelated third party banks or financial institutions to a subsidiary or associated company of the Company in which Interested Persons have an interest (as described in paragraph 3.3(a)(xiv) below), approval from the Audit Committee is to be obtained;

- (vii) including the procedures to be taken by the SML Group (as described in paragraphs 3.5(a)(viii) and (ix) below) in the event that price comparisons or unrelated third party quotations (as described in paragraphs 3.5(a)(v) and (vi) below) cannot be obtained; and
- (viii) including the procedures to be taken by the SML Group (as described in paragraph 3.5(a)(x) below) in the event that prevailing market rental rates (as described in paragraph 3.5(a)(vii) below) are not available.

For ease of reference, the text of the review procedures in the Amended IPT Mandate which are different from the existing IPT Mandate is set out in Annex 2C to this Appendix 2 with the material differences blacklined.

3. THE AMENDED IPT MANDATE

3.1 Scope of the Amended IPT Mandate

The Amended 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 “**SML Group**”), or the SML Group and its interested person(s), has control over the associated company.

The Amended 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 Amended IPT Mandate will not cover transactions relating to sales of units in local property 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 Amended 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 1967. Transactions conducted under the Amended 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 Amended IPT Mandate

The Amended IPT Mandate will take effect from the date of the passing of the ordinary resolution relating thereto at the 2024 AGM and will, unless revoked or varied by the Shareholders in general meeting, continue in force until the next AGM of the Company. Approval from Shareholders will be sought for the renewal of the Amended 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 interested persons described in paragraph 3.4 below (“**Interested Persons**”) to which the Amended IPT Mandate applies (“**Interested Person Transactions**”) are broadly categorised as follows:

(a) General Transactions

These transactions comprise:

- (i) the placement of deposits with and the borrowing of loans from financial institutions in which the Interested Persons have an interest;
- (ii) the receipt of advances from companies in which the Interested Persons have an interest;

- (iii) the entering into of factoring and capital leasing transactions with financial institutions in which the Interested Persons have an interest;
- (iv) the entering into of insurance transactions with insurance companies in which the Interested Persons have an interest;
- (v) the entering into of trading transactions (including palm oil products) with trading companies in which the Interested Persons have an interest;
- (vi) the renting from, or leasing of premises to, companies in which the Interested Persons have an interest⁽³⁾;
- (vii) the entering into of securities transactions (including underwriting agreements) with securities companies in which the Interested Persons have an interest;
- (viii) the entering into of construction transactions (including engineering consultancy and project management contracts) with construction companies in which the Interested Persons have an interest;
- (ix) the provision of storage and trading facilities to companies in which the Interested Persons have an interest;
- (x) the provision of management services by and to companies in which the Interested Persons have an interest;
- (xi) the provision of paper products and materials by companies in which the Interested Persons have an interest;
- (xii) the supply of plant and equipment by and to companies in which the Interested Persons have an interest;
- (xiii) the provision to and receipt of electronic services, including both IT and web-based services to/from companies in which the Interested Persons have an interest, such as IT support and maintenance, software and content creation, development or purchase, cloud services and electronic data hosting and management services⁽⁴⁾; and
- (xiv) the provision of supporting security (such as corporate guarantees and indemnities, letters of comfort/awareness, and other security instruments) by the SML Group, 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 in which the Interested Persons operate, in addition to dealing and transacting with unrelated third party customers and/or suppliers of products and/or services.

(b) **Treasury Transactions**

These transactions comprise:

Notes:

⁽³⁾ As described in paragraph 2.2(b)(i) above, the scope of this transaction has clarified to reflect that other than the leasing of premises to companies in which the Interested Persons have an interest, there may also be rental of premises from companies in which the Interested Persons have an interest.

⁽⁴⁾ As described in paragraph 2.2(b)(ii) above, the scope of this transaction has clarified to reflect that the provision to and receipt of electronic services includes both IT and web-based services for continued present-day relevance having regard to rapidly developing and evolving electronic services sector, such as IT support and maintenance, software and content creation, development or purchase, cloud and electronic data hosting and management services.

- (i) the borrowing of funds from any Interested Person on a short-term or medium-term basis;
- (ii) the placement of funds with any Interested Person on a short-term or medium-term basis;
- (iii) the entry into with any Interested Person of forex, swap, and option transactions for hedging purposes; and
- (iv) 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 unrelated third party banks or 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.

(c) **Property-based Transactions**

These transactions comprise:

- (i) sales or purchases of investment properties (such as commercial and office buildings) and/or development properties (such as land and buildings for development or redevelopment purposes) to or from Interested Persons; and
- (ii) 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 Amended 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 Description of Interested Persons

The Amended IPT Mandate will apply to transactions falling within the categories described in paragraph above that are carried out with the Interested Persons as set out in Annex 2A to this Appendix 2.

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, consistent with the SML Group's usual business practises and policies, and are not prejudicial to the interests of the Company and the minority Shareholders, based on the general principles that (A) the terms extended to Interested Persons are no more favourable than the terms extended to unrelated third parties; and (B) the terms extended by Interested Persons to the SML Group are no less favourable than the terms offered by the unrelated third parties to the SML Group.

(a) **General Transactions**

- (i) each transaction with an Interested Person will first have to be reviewed and approved by the directors of the relevant member of the SML Group (with no interest, direct or indirect in the transaction) which is a party to the transaction;

- (ii) (further to the initial review process described paragraph 3.5(a)(i) above) where a proposed transaction with an Interested Person has a value less than 3% of the SML Group's latest audited NTA, the transaction will be reviewed and approved by the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads, and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction);
- (iii) (further to the initial review process described paragraph 3.5(a)(i) above) where a proposed transaction with an Interested Person has a value equal to or more than 3% of the SML Group's latest audited NTA, the transaction must be approved by the Audit Committee prior to entry into the Interested Person Transaction;
- (iv) 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 third 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(a)(i) 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(a)(ii) above that are of a treasury nature, the Review Processes and Procedures described in paragraph (b) below in relation to "Borrowings" shall apply;
- (v) in the case of the provision of services or products to the Interested Person (as described in the transactions described in paragraphs 3.3(a)(iii) to (xiii) but excluding paragraphs 3.3(a)(vi) and (xi) above):
 - (a) the transactions shall be at no lower than the prevailing market prices of the services or products offered by the SML Group to unrelated third parties; or
 - (b) the terms of two (2) other contemporaneous or recent successful transactions of a similar or substantially similar type of products or services offered to unrelated third parties, will be used as a comparison to ensure that the price (including fee or profit margins) and terms of the interested person transactions are no more favourable to the Interested Persons than the commercial terms extended to other unrelated third parties;
- (vi) in the case of the provision of services or products by the Interested Person (as described in the transactions described in paragraphs 3.3(a)(iii) to (xiii) but excluding paragraphs 3.3(a)(vi) and (ix) above), the terms of two (2) other quotations from unrelated third parties for the similar or substantially similar type of products or services, contemporaneously in time, will be used as a comparison to ensure that the price and terms of the interested person transactions are no less favourable to the SML Group than the commercial terms extended by other unrelated third parties to the SML Group;
- (vii) in the case of the renting from, or leasing of premises to, Interested Persons (as described in paragraph 3.3(a)(vi) above):
 - (a) (in the case of leases to Interested Persons) the rent payable from Interested Persons shall be no lower than the prevailing market rental rates, and to ensure that the rent payable is fair and reasonable, any lease (new or renewed) shall be entered into after comparison of the rental rates quoted to two (2) unrelated third parties for premises within the vicinity of similar or comparable standing and facilities or after considering prevailing market rental rates for such premises; and
 - (b) (in the case of leases from Interested Persons) the rent payable to Interested Persons shall be in line with the prevailing market rental rates for other premises within the vicinity of similar or comparable standing and facilities, taking into consideration the tenure of the lease, the area of the leased premises or after considering prevailing market rental rates for such premises;

- (viii) in situations where price comparisons and quotations may not be practicable or appropriate for products or services to be provided by or to the SML Group (as described in the transactions described in paragraphs 3.3(a)(iii) to (xiii) but excluding paragraph 3.3(a)(vi) above), such as where there are no independent third party customers or suppliers of similar or substantially similar type of products and services, in determining whether the price and terms offered are fair and reasonable, the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction), will determine whether the price and terms offered to or by the Interested Person are fair and reasonable, having regard to the costs and benefits of entering into the transaction, as well as factors including, but not limited to, costs of products/services, delivery and project schedules, specification compliance, track record, market standing, experience and expertise, purpose of the transaction, risk for such transactions and cost in managing such risks and whether the price and terms are in accordance with usual business practices and pricing policies and consistent with the usual margins and/or terms to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken at arm's length and on normal commercial terms; and
- (ix) without prejudice to sub-paragraph (viii) above and specifically in situations where price comparisons and quotations may not be practicable or appropriate for management services to be provided by or to the SML Group:
 - (a) (in the case of the provision of management services to Interested Persons) the fees charged shall be based on a cost-recovery basis based on an allocation of the overheads of the SML Group's manpower to the Interested Person (taking into consideration the Interested Person's estimated resource requirements) and an agreed mark up, in accordance with the terms of the relevant service agreement. Where the time spent exceeds that set out in the agreement, additional charges would be applicable, based on the actual excess time spent; and
 - (b) (in the case of the provision of management services by Interested Persons) the fees payable shall be the actual cost incurred by the Interested Persons in performing the scope of services, including but not limited to salaries, bonuses, allowances, central provident fund contribution, government levies and other benefits paid or payable to the employees of the Interested Persons, plus a pre-determined mark-up. When determining the mark-up, the SML Group will take into account factors such as the cost to be incurred by the SML Group to obtain such management services from unrelated third party professional firms. The total fees payable to the Interested Persons shall not be higher than the total costs to be incurred by the SML Group if the SML Group engages unrelated third parties or hires additional manpower to provide such services;
- (x) in determining the prevailing market rental rates, the SML Group may adopt measures such as making relevant enquiries with unrelated third party landlords for similar properties, or obtaining reports or reviews published by unrelated third party property agents (including an independent valuation report by a property valuer, where appropriate). In situations where that prevailing market rental rates are not available, whether due to the unavailability or impracticality of obtaining rental comparisons or otherwise, in determining whether rent is fair and reasonable, the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction), will determine whether the rent offered to or by the Interested Person is fair and reasonable in accordance with usual business practices and policies, having regard to the size, location and condition, the fittings and the façade, and other factors which are relevant to the rental rates. As part of the SML Group's usual business practices and policies, the SML Group maintains an internal rental price list (which is based on, *inter alia*, the last available prevailing market rental rates, the existing rental rates payable, or received, by the SML Group and other relevant market comparisons) which is used as:

- (a) a minimum guide for all rental rates and other charges offered by the SML Group to prospective tenants or existing tenants upon the renewal; and
- (b) a maximum guide for all rental rates and other charges payable by the SML Group to prospective landlords or existing landlords upon renewal.

The approval of the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction) is required for all proposed changes and updates to the internal rental price list, as well as for:

- (A) any offer of rent and other charges by the SML Group to prospective or existing tenants which is lower than the minimum rate for the relevant type of premises as set out in the latest available internal rental price list; and
- (B) the acceptance of rent and other charges by the SML Group offered by prospective or existing landlords which is higher than the maximum rate for the relevant type of premises as set out in the latest available internal rental price list.

The comparison against the internal price list serves as an additional factor in determining whether the rent offered to or by the Interested Person is fair and reasonable; and

- (xi) in the case of any provision of supporting security as a condition for the extension of credit facilities by unrelated third party banks or financial institutions to a subsidiary or associated company of the Company in which Interested Persons have an interest (as described in paragraph 3.3(a)(xiv) above), the Audit Committee shall review and approve the terms of the supporting security to ensure that the provision of such supporting security is undertaken on commercial terms no better than that extended to subsidiaries and associated companies within the SML Group:
 - (a) taking into consideration factors, including but not limited to, the terms of the relevant supporting security, the commercial benefit and the rationale for the provision of the supporting security and the exposure of risk from such provision, whether the granting of such supporting security is required before credit or other banking and financing facilities can be secured, the applicable interest rate if the supporting security is not provided, the operation requirements and risks and other factors which the Audit Committee deems pertinent; and
 - (b) where available, the commercial terms of similar or substantially similar supporting security which have been contemporaneously or recently provided by the SML Group as a condition for the extension of credit facilities by unrelated third party banks or financial institutions to a subsidiary or associated company of the Company, will be used as a comparison to ensure that the provision of such supporting security is undertaken on commercial terms no better than that extended to subsidiaries and associated companies within the SML Group.

(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 higher than the lowest rate quoted by the SML Group's principal bankers for loans of an equivalent amount and tenure, after taking into consideration relevant factors including, but not limited to, the quantum of the borrowings, the speed of loan approval, any restrictions on fund usage, any requisite securities or collaterals, operational requirements and risks, and location of operations. 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 or published (as the case may be) by the Interested Person is not less than the highest of the rates quoted or published by the SML Group's principal bankers (other than bankers

which are Interested Persons) for deposits of an equivalent amount and tenure, after taking into consideration relevant factors including, but not limited to, the quantum of the placements, operational requirements and risks, and location of operations. 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, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer 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, quantum of the funds, 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 SML 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 unrelated 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, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer 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 unrelated third party subscribers or purchasers for these debt securities issued by Interested Persons, the Audit Committee of the Company will evaluate and 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 after having 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 equal to or exceed 3% of 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 equal to or exceed 3% 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 2B; and
- (ii) each transaction with an Interested Person will have to be approved by the directors of the relevant member of the SML Group (with no interest, direct or indirect in the transaction) which is a party to the transaction.

3.6 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, he or she will abstain from reviewing/approving that particular transaction.
- (3) All transactions with interested persons will be properly documented and collated by the relevant department for submission to the Audit Committee of the Company for review on a quarterly basis, and prior thereto, be reviewed by the Chief Financial Officer.
- (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 and consistent with the Code of Corporate Governance 2018. The internal auditor shall report directly to the Audit Committee on all of its findings from the review of the interested person transactions at least on an annual basis.
- (5) The Audit Committee shall, when it deems necessary, have the right to require the appointment of auditors or any independent professionals to review all matters relating to the Amended IPT Mandate.
- (6) All the members of the Audit Committee shall be non-executive Directors who do not hold any executive directorships or equity interests in the interested persons directly or indirectly. In the event that a director of the relevant member of the SML Group or a member of the Audit Committee holds directorship or equity interest in the interested persons, or is interested in a transaction with an interested person, he or she shall abstain from reviewing/approving that particular transaction.
- (7) The Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.
- (8) The Company shall maintain a register to record all interested person transactions comprising a comprehensive record of all interested persons and interested person transactions entered into by the SML Group (including interested person transactions below S\$100,000), with details on the nature of the transaction, the identity of the Interested Person(s), the basis of entering into the transactions including the comparative quotations and supporting evidence or records and the amount of and detailed calculation for the fees and charges given to support the basis as well as the approving authority, as well as any relevant non-quantitative factors which were taken into account.

(9) Periodic Review

- (i) The Company's Audit Committee will carry out reviews of all interested person transactions in the register and the review procedures on at least a quarterly basis to (i) ensure that the established guidelines and review procedures for the interested person transactions have been complied with and the relevant approvals have been obtained; and (ii) determine if such guidelines and review procedures are adequate and/or commercially practicable in ensuring that the interested person transactions are conducted on normal commercial terms, are in the interest of the Company and are not prejudicial to the interests of the Company and its minority Shareholders.
- (ii) If, during these reviews, the Audit Committee is of the view that the above guidelines and review procedures have become inappropriate or have become insufficient to ensure that the interested person transactions will be conducted on normal commercial terms, are in the interest of the Company and are not prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new guidelines and review procedures for transactions with the SML Group. During the period after the expiry of the current mandate and prior to obtaining a fresh mandate from Shareholders, all transactions with the SML Group will be subject to a prior review and approval of the Audit Committee.

4. RATIONALE AND BENEFIT

The SML Group, together with the Interested Persons described in paragraph 3.4 above, operate multiple businesses in several countries. These businesses comprise, broadly, pulp and paper, agriculture and food, financial services (including banking and insurance), real estate development, management and related aspects as to infrastructure, utilities and amenities, communications and technology (including e-commerce and data hosting and management), energy and infrastructure as well as healthcare.

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 Amended 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 Interested Persons described in paragraph 3.4 above in the normal course of the SML 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 SML Group.

In view of the time-sensitive and recurrent nature of commercial transactions, the obtaining of such Amended IPT Mandate seeks to allow the entry of 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 Amended 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.

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 Amended 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 Amended IPT Mandate continues in force.

6. IFA OPINION

The Company has appointed Novus Corporate Finance Pte. Ltd. as the independent financial adviser (“**IFA**”), in accordance with Chapter 9 of the Listing Manual, to opine on whether the methods or procedures for determining the transaction prices of the Interested Person Transactions as set out in the Amended IPT Mandate, if adhered to, 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.

Having regard to the considerations set out in the IFA’s letter dated 2 April 2024 addressed to Non-Interested Directors in relation to the Amended IPT Mandate (“**IFA Letter**”) and the information available to the IFA as at the Latest Practicable Date (as defined below), the IFA is of the opinion that the methods or procedures for determining the transaction prices of the Interested Person Transactions as set out in paragraph 3.5 above, if adhered to, are sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders who are deemed to be independent in respect of the Amended IPT Mandate.

The IFA Letter is reproduced and appended as Annex 2D to this Appendix 2 and Shareholders are advised to read the IFA Letter carefully.

7. AUDIT COMMITTEE’S STATEMENT

The Audit Committee of the Company having considered the scope, rationale and benefit for compliance and review procedures of the Amended IPT Mandate and the opinion of the IFA as set out in the IFA Letter, is of the opinion that the methods and procedures for determining transaction prices of Interested Person Transactions as set out in paragraph 3.5 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 its minority 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.

8. DIRECTORS’ RECOMMENDATION AND ABSTENTION FROM VOTING

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 Amended IPT Mandate, and the statement of the Audit Committee in respect thereof, and believe that the renewal of, and amendments to, the IPT Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution relating to the Amended IPT Mandate as set out in the Notice of AGM dated 2 April 2024.

The Interested Directors, being Mr Franky Oesman Widjaja, Mr Muktar Widjaja and Ms Margaretha Natalia Widjaja, have abstained from making any recommendation on the renewal of, and amendments to, the IPT Mandate and will not accept appointments as proxies unless specific instructions as to voting are given. The same Interested Directors have undertaken to ensure that their associates will abstain from voting on the said resolution at the 2024 AGM.

Mr Willy Shee Ping Yah, a Non-executive Independent Director of the Company, is concurrently a non-executive independent director of Golden Agri-Resources Ltd, which is an Interested Person. Mr Shee has similarly abstained from making any recommendations on the renewal of, and amendments to, the IPT Mandate and will likewise not accept appointment as proxy unless specific instructions as to voting are given.

Lyon Investments Limited, Golden SM Pte. Ltd., Piccadilly Peak Ltd, Ms Margaretha Natalia Widjaja and Ms Marcellyna Junita Widjaja which/who are controlling shareholders and are considered as Interested Persons, together with their associates, will abstain from voting on the ordinary resolution relating to the renewal of, and amendments to, the IPT Mandate at the 2024 AGM, and the Company will disregard any votes cast by them in respect thereof.

In the event the review methods or procedures of the Amended 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.

As different Shareholders would have different investment objectives, the Non-Interested Directors recommend that any individual Shareholder who may require specific advice in relation to the Amended IPT Mandate should consult his/her stockbroker, bank manager, solicitor, accountant or other professional advisers.

9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the ordinary shares of the Company ("**Shares**") as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company, respectively, as at 28 February 2024, being the latest practicable date ("**Latest Practicable Date**") prior to the printing of this Appendix 2 are set out below:

<u>Name of Director</u>	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Ms Margaretha Natalia Widjaja ⁽²⁾	-	-	2,991,194,781	70.30
Mr Hong Pian Tee	2,581,900	0.06	-	-
Mr Lim Jun Xiong, Steven	3,999	n.m. ⁽³⁾	-	-
<u>Name of Substantial Shareholder</u>				
Lyon Investments Limited (" Lyon ")	2,991,194,781	70.30	-	-
Piccadilly Peak Ltd (" PPL ") ⁽⁴⁾	-	-	2,991,194,781	70.30
Golden SM Pte. Ltd. (" GSMPL ") ⁽⁵⁾	-	-	2,991,194,781	70.30
Ms Margaretha Natalia Widjaja ⁽²⁾	-	-	2,991,194,781	70.30
Ms Marcellyna Junita Widjaja ⁽⁶⁾	-	-	2,991,194,781	70.30

Notes:

- (1) Percentage calculated based on 4,255,159,396 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) The deemed interest of Ms Margaretha Natalia Widjaja arises from her interest in 2,991,194,781 Shares held indirectly by her family trust, Golden SM Trust, through Lyon.
- (3) n.m – Not meaningful. Percentage of shareholding less than 0.01%.
- (4) The deemed interest of PPL arises from its interest in 2,991,194,781 Shares held by its wholly-owned subsidiary, Lyon.
- (5) The deemed interest of GSMPL arises from its interest in 2,991,194,781 Shares held by Lyon. Lyon is wholly-owned by PPL, which is in turn wholly-owned by GSMPL.
- (6) The deemed interest of Ms Marcellyna Junita Widjaja arises from her interest in 2,991,194,781 Shares held indirectly by her family trust, Golden SM Trust, through Lyon.

10. 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, and amendments to, 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 2 misleading. Where information in this 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 this Appendix 2 in its proper form and context.

Description of Interested Persons

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

- (a) Golden Agri-Resources Ltd*;
- (b) Golden SM Pte. Ltd., a deemed controlling shareholder of the Company;
- (c) Lyon Investments Limited, a controlling shareholder of the Company;
- (d) Ms Margaretha Natalia Widjaja, a Director and deemed controlling shareholder of the Company;
- (e) Ms Marcellyna Junita Widjaja, a deemed controlling shareholder of the Company;
- (f) Piccadilly Peak Ltd, a deemed controlling shareholder of the Company;
- (g) PT Arara Abadi;
- (h) PT Cakrawala Mega Indah;
- (i) PT Dian Swastatika Sentosa Tbk#;
- (j) PT Duta Penata Sarana;
- (k) PT Gema Kreasi;
- (l) PT Indah Kiat Pulp & Paper Tbk#;
- (m) PT Lumbung Nusantara Hebat;
- (n) PT Pabrik Kertas Tjiwi Kimia Tbk#;
- (o) PT Pelangi Mas Media;
- (p) PT Pelita Reliance International Hospital;
- (q) PT Pindo Deli Pulp and Paper Mills;
- (r) PT Purinusa Ekapersada;
- (s) PT Samakta Mitra;
- (t) PT Serasi Niaga Sakti;
- (u) PT Sinar Mas Eka;
- (v) PT Sinar Mas Multiartha Tbk#;
- (w) PT Sinar Mas Specialty Minerals;
- (x) PT Sinar Mas Tjipta;
- (y) PT Sinar Mas Tunggal;
- (z) PT Sinar Media Perkasa;

- (aa) PT Sinar Media Prima;
- (bb) PT Sinar Mediamas;
- (cc) PT Sinar Rasa Abadi;
- (dd) PT Sinar Rasa Cemerlang;
- (ee) PT Sinar Sinergi Propertindo;
- (ff) PT Smartfren Telecom Tbk#;
- (gg) PT Wijaya Pratama Raya;
- (hh) SML Strand Limited;
- (ii) SML Strand Property Limited;
- (jj) Windsor Park Pte Ltd; and
- (kk) their subsidiaries and/or associates.

Notes:

- (*) This company is presently listed on the SGX-ST.
- (#) These companies are presently listed on the Indonesia Stock Exchange.

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 sale shall be carried out at the prevailing prices offered by the SML Group to members of the public and 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 (with no interest, direct or indirect in the transaction), 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 and to the requirements of the Listing Manual on property valuation. When appointing a professional valuer (who shall meet the minimum qualification requirements applicable to property valuers set out in the Listing Manual), the Audit Committee will take into consideration relevant factors including, but not limited to, the valuer’s track record, credentials, reputation, whether the valuer has relevant experience in performing valuations for type(s) of properties in question, as well as the valuer’s quote for performing the required valuation.

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 prevailing purchase price offered by the Interested Person) 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 (with no interest, direct or indirect in the transaction), 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 and to the requirements of the Listing Manual on property valuation. When appointing a professional valuer (who shall meet the minimum qualification requirements applicable to property valuers set out in the Listing Manual), the Audit Committee will take into consideration relevant factors including, but not limited to, the valuer's track record, credentials, reputation, whether the valuer has relevant experience in performing valuations for type(s) of properties in question, as well as the valuer's quote for performing the required valuation.

The Amended IPT Mandate

**APPENDIX 2 –
PROPOSED RENEWAL OF SHAREHOLDERS', AND AMENDMENTS TO, GENERAL
MANDATE FOR INTERESTED PERSON TRANSACTIONS**

1. INTRODUCTION

1.1 Chapter 9 of the Listing Manual of the SGX-ST (the “Listing Manual”)

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 controlled 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 “**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 “**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 total voting rights 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, substantial shareholder or controlling shareholder (being an individual), means:

(a) (i) his immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such a director, chief executive officer or controlling shareholder;

(b) (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

(c) (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 substantial shareholder or 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.

A **"controlling shareholder"** means a person who (a) holds directly or indirectly 15% or more of the total voting rights in the company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder); or (b) who in fact exercises control over the company.

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

- (a) the listed company;
- (b) a subsidiary of the listed company that is not listed on SGX-ST or an approved exchange; or
- (c) 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 a director, chief executive officer or controlling shareholder.

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~~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:

- (a) ~~1.3.1~~ 5% of the listed group's latest audited NTA⁽²⁾; or
- (b) ~~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 (as defined in Rule 908 of the Listing Manual) 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.

Notes:

⁽¹⁾ Based on the latest audited consolidated financial statements of the Company and its subsidiaries (the "Group") SML Group for the financial year ended 31 December ~~2022~~2023, the SML Group's latest audited NTA was ~~S\$4,303,790,000~~S\$4,592,462,000.

⁽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 SML Group for the year ending 31 December ~~2023~~2024, are published by the Company, 5% of the SML Group's latest audited NTA would be ~~S\$215,189,500~~S\$229,623,100.

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 such as the purchase and sale of services, supplies and materials, which may be carried out with the listed company's interested persons, but not for the purchase or sale of assets, undertakings or businesses.

1.5 Legal adviser

Resource Law LLC (in alliance with Reed Smith) is the legal adviser to the Company in relation to the proposed renewal of, and amendments to, the IPT Mandate (as defined below).

2. PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Existing IPT Mandate

~~On 30 June 2000, the Company obtained approval from shareholders of the Company ("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 ~~29~~²⁴ April ~~2022~~²⁰²³ (the "**Latest Shareholders' Approval**"), shareholders of the Company ("Shareholders") approved and renewed the general mandate 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 ("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 ("~~2023~~²⁰²⁴ AGM") of the Company.

2.2 Amended IPT Mandate

The Company is seeking to renew and amend the existing IPT Mandate at the ~~2023~~²⁰²⁴ AGM of the Company (referred to as the "**Amended IPT Mandate**"). The rationale ~~of~~ for the Amended IPT Mandate, is as follows, with further details on the scope of the Amended IPT Mandate, the benefit to Shareholders, ~~the classes~~description 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 AGM held on 29 April 2022~~set out hereunder~~.

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

(a) Description of Interested Persons

As part of the effort to enhance continuous disclosures, Rule 920 of the Listing Manual was revised on 7 February 2020 which requires any interested person covered by the IPT Mandate to be identified on a named basis.

The Company is proposing to amend the description of Interested Persons (as defined below) in accordance with Rule 920 of the Listing Manual, as amended on 7 February 2020.

(b) Clarification of scope of certain Interested Person Transactions

The Company is proposing to clarify the scope of the following Interested Person Transactions as a matter of updating and ensuring that these transactions remain relevant for SML Group's present purposes:

- (i) clarifying that other than the leasing of premises to companies in which the Interested Persons have an interest, there may also be rental of premises from companies in which the Interested Persons have an interest; and
- (ii) clarifying that the provision to and receipt of electronic services includes both information technology ("IT") and web-based services for continued present-day relevance having regard to rapidly developing and evolving electronic services sector, such as IT support and maintenance, software and content creation, development or purchase, cloud and electronic data hosting and management services.

(c) Review procedures for Interested Person Transactions

The Company is proposing to revise and/or enhance the review procedures in the Amended IPT Mandate with a view to ensuring 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 by:

- (i) including the general principles that (A) the terms extended to Interested Persons are no more favourable than the terms extended to unrelated third parties; and (B) the terms extended by Interested Persons to the SML Group (as defined below) are no less favourable than the terms offered by unrelated third parties to the SML Group;
- (ii) including the existing requirement for the Audit Committee's prior approval for Interested Person Transaction which has a value equal to or more than 3% of the SML Group's latest audited NTA;
- (iii) providing for, in the case of providing services or products to Interested Persons, (as described in the transactions described in paragraphs 3.3(a)(iii) to (xiii) but excluding paragraphs 3.3(a)(vi) and (xi) below), comparisons to be made against (A) prevailing market prices or (B) contemporaneous or recent successful transactions of a similar or substantially similar nature of product or services offered to unrelated third parties, to ensure that the price and terms of such Interested Person Transactions are no more favourable than those offered to unrelated third parties;
- (iv) (providing for, in the case of receiving services or products from Interested Persons, (as described in the transactions described in paragraphs 3.3(a)(iii) to (xiii) but excluding paragraphs 3.3(a)(vi) and (ix) below), comparisons to be made against contemporaneous or recent unrelated third party quotations for transactions of a similar or substantially similar nature of product or services, to ensure that the price and terms of such Interested Person Transactions are no less favourable than those offered by unrelated third parties;
- (v) in the case of the renting from, or leasing of premises to, Interested Persons, (as described in paragraph 3.3(a)(vi) below), including the requirement for the rent payable to or from Interested Persons to be benchmarked against prevailing market rental rates for premises within the vicinity of similar or comparable standing and facilities;
- (vi) providing for, in the case of the provision of supporting security as a condition for the extension of credit facilities by unrelated third party banks or financial institutions to a subsidiary or associated company of the Company in which Interested Persons

have an interest, (as described in paragraph 3.3(a)(xiv) below), approval from the Audit Committee is to be obtained:

(vii) including the procedures to be taken by the SML Group (as described in paragraphs 3.5(a)(viii) and (ix) below) in the event that price comparisons or unrelated third party quotations (as described in paragraphs 3.5(a)(v) and (vi) below) cannot be obtained; and

(viii) including the procedures to be taken by the SML Group (as described in paragraph 3.5(a)(x) below) in the event that prevailing market rental rates (as described in paragraph 3.5(a)(vii) below) are not available.

For ease of reference, the text of the review procedures in the Amended IPT Mandate which are different from the existing IPT Mandate is set out in Annex 2C to this Appendix 2 with the material differences blacklined.

3. THE AMENDED IPT MANDATE

3.1 Scope of the Amended IPT Mandate

The Amended 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 "**SML Group**"), or the SML Group and its interested person(s), has control over the associated company (~~"SML Group"~~).

The Amended 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 Amended IPT Mandate will not cover transactions relating to sales of units in ~~residential local~~ 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 Amended 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 1967. Transactions conducted under the Amended 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 Amended IPT Mandate

The Amended IPT Mandate will take effect from the date of the passing of the ordinary resolution relating thereto at the ~~2023~~2024 AGM and will, unless revoked or varied by the Shareholders in general meeting, continue in force until the next AGM of the Company. Approval from Shareholders will be sought for the renewal of the Amended 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 described in paragraph 3.4 below ("**Interested Persons**") to which the Amended IPT Mandate applies ("**Interested Person Transactions**") are broadly categorised as follows:

(a) ~~(1)~~ **General Transactions**

These transactions comprise:

- (i) ~~(a)~~ the placement of deposits with and the borrowing of loans from financial institutions in which the Interested Persons have an interest;
- (ii) ~~(b)~~ the receipt of advances from companies in which the Interested Persons have an interest;
- (iii) ~~(c)~~ the entering into of factoring and capital leasing transactions with financial institutions in which the Interested Persons have an interest;
- (iv) ~~(d)~~ the entering into of insurance transactions with insurance companies in which the Interested Persons have an interest;
- (v) ~~(e)~~ the entering into of trading transactions (including palm oil products) with trading companies in which the Interested Persons have an interest;
- (vi) ~~(f)~~ the renting from, or leasing of premises to companies in which the Interested Persons have an interest⁽³⁾;
- (vii) ~~(g)~~ the entering into of securities transactions (including underwriting agreements) with securities companies in which the Interested Persons have an interest;
- (viii) ~~(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;
- (ix) ~~(i)~~ the provision of storage and trading facilities to companies in which the Interested Persons have an interest;
- (x) ~~(j)~~ the provision of management services by and to companies in which the Interested Persons have an interest;
- (xi) ~~(k)~~ the provision of paper products and materials by companies in which the Interested Persons have an interest;
- (xii) ~~(l)~~ the supply of plant and equipment by and to companies in which the Interested Persons have an interest;
- (xiii) ~~(m)~~ the provision to and receipt of electronic (e-commerce) services, including both IT and web-based services to/from companies in which the Interested Persons have an interest, such as IT support and maintenance, software and content creation, development or purchase, cloud services and electronic data hosting and management services⁽⁴⁾; and

Notes:

⁽³⁾ As described in paragraph 2.2(b)(i) above, the scope of this transaction has clarified to reflect that other than the leasing of premises to companies in which the Interested Persons have an interest, there may also be rental of premises from companies in which the Interested Persons have an interest.

⁽⁴⁾ As described in paragraph 2.2(b)(ii) above, the scope of this transaction has clarified to reflect that the provision to and receipt of electronic services includes both IT and web-based services for continued present-day relevance having regard to rapidly developing and evolving electronic services sector, such as IT support and maintenance, software and content creation, development or purchase, cloud and electronic data hosting and management services.

~~(xiv)~~ ~~(n)~~—the provision of supporting security (such as corporate guarantees and indemnities, letters of comfort/awareness, and other security instruments) by the ~~Company~~ SML Group, 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 in which the Interested Persons operate, in addition to dealing and transacting with unrelated third party customers and/or suppliers of products and/or services.

(b) ~~(2)~~ **Treasury Transactions**

These transactions comprise:

- (i) ~~(1)~~—the borrowing of funds from any Interested Person on a short-term or medium-term basis;
- (ii) ~~(2)~~—the placement of funds with any Interested Person on a short-term or medium-term basis;
- (iii) ~~(3)~~—the entry into with any Interested Person of forex, swap, and option transactions for hedging purposes; and
- (iv) ~~(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 unrelated third party banks or 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.

(c) ~~(3)~~ **Property-based Transactions**

These transactions comprise:

- (i) ~~(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 redevelopment purposes) to or from Interested Persons; and
- (ii) ~~(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 Amended 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 Description of Interested Persons

The Amended 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: as set out in Annex 2A to this Appendix 2.~~

- ~~(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.~~

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, consistent with the SML Group’s usual business practises and policies, and are not prejudicial to the interests of the Company and the minority Shareholders. ~~In particular, they include the following in relation to Interested Person Transactions covered by the IPT Mandate: based on the general principles that (A) the terms extended to Interested Persons are no more favourable than the terms extended to unrelated third parties; and (B) the terms extended by Interested Persons to the SML Group are no less favourable than the terms offered by the unrelated third parties to the SML Group.~~

(a) General Transactions

- (i) each transaction with an Interested Person will first have to be reviewed and approved by the directors of the relevant member of the SML Group (with no interest, direct or indirect in the transaction) which is a party to the transaction;
- (ii) ((further to the initial review process described paragraph 3.5(a)(i) above) where a proposed transaction with an Interested Person has a value less than 3% of the SML Group’s latest audited NTA, the transaction will be reviewed and approved by the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads, and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction);
- (iii) (further to the initial review process described paragraph 3.5(a)(i) above) where a proposed transaction with an Interested Person has a value equal to or more than 3% of the SML Group’s latest audited NTA, the transaction must be approved by the Audit Committee prior to entry into the Interested Person Transaction;
- (iv) ~~(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 third 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)(i)~~ 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(1a) ~~(b)(ii)~~ 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.

- (v) in the case of the provision of services or products to the Interested Person (as described in the transactions described in paragraphs 3.3(a)(iii) to (xiii) but excluding paragraphs 3.3(a)(vi) and (xi) above):
- (a) the transactions shall be at no lower than the prevailing market prices of the services or products offered by the SML Group to unrelated third parties; or
 - (b) the terms of two (2) other contemporaneous or recent successful transactions of a similar or substantially similar type of products or services offered to unrelated third parties, will be used as a comparison to ensure that the price (including fee or profit margins) and terms of the interested person transactions are no more favourable to the Interested Persons than the commercial terms extended to other unrelated third parties;
- (vi) in the case of the provision of services or products by the Interested Person (as described in the transactions described in paragraphs 3.3(a)(iii) to (xiii) but excluding paragraphs 3.3(a)(vi) and (ix) above), the terms of two (2) other quotations from unrelated third parties for the similar or substantially similar type of products or services, contemporaneously in time, will be used as a comparison to ensure that the price and terms of the interested person transactions are no less favourable to the SML Group than the commercial terms extended by other unrelated third parties to the SML Group;
- (vii) in the case of the renting from, or leasing of premises to, Interested Persons (as described in paragraph 3.3(a)(vi) above):
- (a) (in the case of leases to Interested Persons) the rent payable from Interested Persons shall be no lower than the prevailing market rental rates, and to ensure that the rent payable is fair and reasonable, any lease (new or renewed) shall be entered into after comparison of the rental rates quoted to two (2) unrelated third parties for premises within the vicinity of similar or comparable standing and facilities or after considering prevailing market rental rates for such premises; and
 - (b) (in the case of leases from Interested Persons) the rent payable to Interested Persons shall be in line with the prevailing market rental rates for other premises within the vicinity of similar or comparable standing and facilities, taking into consideration the tenure of the lease, the area of the leased premises or after considering prevailing market rental rates for such premises;
- (viii) in situations where price comparisons and quotations may not be practicable or appropriate for products or services to be provided by or to the SML Group (as described in the transactions described in paragraphs 3.3(a)(iii) to (xiii) but excluding paragraph 3.3(a)(vi) above), such as where there are no independent third party customers or suppliers of similar or substantially similar type of products and services, in determining whether the price and terms offered are fair and reasonable, the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction), will determine whether the price and terms offered to or by the Interested Person are fair and reasonable, having regard to the costs and benefits of entering into the transaction, as well as factors including, but not limited to, costs of products/services, delivery and project schedules, specification compliance, track record, market standing, experience and expertise, purpose of the transaction, risk for such transactions and cost in managing such risks and whether the price and terms are in accordance with usual business practices and pricing policies and consistent with the usual margins and/or terms to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken at arm's length and on normal commercial terms; and

- (ix) without prejudice to sub-paragraph (viii) above and specifically in situations where price comparisons and quotations may not be practicable or appropriate for management services to be provided by or to the SML Group:
- (a) (in the case of the provision of management services to Interested Persons) the fees charged shall be based on a cost-recovery basis based on an allocation of the overheads of the SML Group's manpower to the Interested Person (taking into consideration the Interested Person's estimated resource requirements) and an agreed mark up, in accordance with the terms of the relevant service agreement. Where the time spent exceeds that set out in the agreement, additional charges would be applicable, based on the actual excess time spent; and
- (b) (in the case of the provision of management services by Interested Persons) the fees payable shall be the actual cost incurred by the Interested Persons in performing the scope of services, including but not limited to salaries, bonuses, allowances, central provident fund contribution, government levies and other benefits paid or payable to the employees of the Interested Persons, plus a pre-determined mark-up. When determining the mark-up, the SML Group will take into account factors such as the cost to be incurred by the SML Group to obtain such management services from unrelated third party professional firms. The total fees payable to the Interested Persons shall not be higher than the total costs to be incurred by the SML Group if the SML Group engages unrelated third parties or hires additional manpower to provide such services;
- (x) in determining the prevailing market rental rates, the SML Group may adopt measures such as making relevant enquiries with unrelated third party landlords for similar properties, or obtaining reports or reviews published by unrelated third party property agents (including an independent valuation report by a property valuer, where appropriate). In situations where that prevailing market rental rates are not available, whether due to the unavailability or impracticality of obtaining rental comparisons or otherwise, in determining whether rent is fair and reasonable, the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction), will determine whether the rent offered to or by the Interested Person is fair and reasonable in accordance with usual business practices and policies, having regard to the size, location and condition, the fittings and the façade, and other factors which are relevant to the rental rates. As part of the SML Group's usual business practices and policies, the SML Group maintains an internal rental price list (which is based on, *inter alia*, the last available prevailing market rental rates, the existing rental rates payable, or received, by the SML Group and other relevant market comparisons) which is used as:
- (a) a minimum guide for all rental rates and other charges offered by the SML Group to prospective tenants or existing tenants upon the renewal; and
- (b) a maximum guide for all rental rates and other charges payable by the SML Group to prospective landlords or existing landlords upon renewal.

The approval of the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction) is required for all proposed changes and updates to the internal rental price list, as well as for:

- (A) any offer of rent and other charges by the SML Group to prospective or existing tenants which is lower than the minimum rate for the relevant type of premises as set out in the latest available internal rental price list; and
- (B) the acceptance of rent and other charges by the SML Group offered by prospective or existing landlords which is higher than the maximum rate for the relevant type of premises as set out in the latest available internal rental price list.

The comparison against the internal price list serves as an additional factor in determining whether the rent offered to or by the Interested Person is fair and reasonable; and

(xi) in the case of any provision of supporting security as a condition for the extension of credit facilities by unrelated third party banks or financial institutions to a subsidiary or associated company of the Company in which Interested Persons have an interest (as described in paragraph 3.3(a)(xiv) above), the Audit Committee shall review and approve the terms of the supporting security to ensure that the provision of such supporting security is undertaken on commercial terms no better than that extended to subsidiaries and associated companies within the SML Group:

- (a) taking into consideration factors, including but not limited to, the terms of the relevant supporting security, the commercial benefit and the rationale for the provision of the supporting security and the exposure of risk from such provision, whether the granting of such supporting security is required before credit or other banking and financing facilities can be secured, the applicable interest rate if the supporting security is not provided, the operation requirements and risks and other factors which the Audit Committee deems pertinent; and
- (b) where available, the commercial terms of similar or substantially similar supporting security which have been contemporaneously or recently provided by the SML Group as a condition for the extension of credit facilities by unrelated third party banks or financial institutions to a subsidiary or associated company of the Company, will be used as a comparison to ensure that the provision of such supporting security is undertaken on commercial terms no better than that extended to subsidiaries and associated companies within the SML Group.

(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~~ higher than the lowest rate quoted by the SML Group's principal bankers for loans of an equivalent amount and tenure, after taking into consideration relevant factors including, but not limited to, the quantum of the borrowings, the speed of loan approval, any restrictions on fund usage, any requisite securities or collaterals, operational requirements and risks, and location of operations. 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 or published (as the case may be) by the Interested Person is not less than the highest of the rates quoted or published by the SML Group's principal bankers (other than bankers which are Interested Persons) for deposits of an equivalent amount and tenure, after taking into consideration relevant factors including, but not limited to, the quantum of the placements, operational requirements and risks, and location of operations. 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, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer 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, quantum of the funds, operational requirements and risks, location of operations, country of incorporation of the relevant company in the SML Group, the Interested ~~Person's~~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 SML 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 unrelated 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, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer 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 unrelated third party subscribers or purchasers for these debt securities issued by Interested Persons, the Audit Committee of the Company will evaluate and 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~~arm's length basis, ~~and will have~~ after having 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 equal to or exceed 3% of 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 equal to or exceed 3% 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 2A2B; and
- (ii) each transaction with an Interested Person will have to be approved by the directors of the relevant member of the SML Group (with no interest, direct or indirect in the transaction) which is a party to the transaction.

3.6 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 or she will abstain from reviewing/approving that particular transaction.
- (3) All transactions with interested persons will be properly documented and ~~submitted~~ collated by the relevant department for submission to the Audit Committee of the Company for review on a quarterly basis, ~~and prior thereto, be reviewed by the Chief Financial Officer.~~
- (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 ~~and consistent with the Code of Corporate Governance 2018. The internal auditor shall report directly to the Audit Committee on all of its findings from the review of the interested person transactions at least on an annual basis.~~
- (5) The Audit Committee shall, when it deems necessary, have the right to require the appointment of auditors or any independent professionals to review all matters relating to the Amended IPT Mandate.
- (6) All the members of the Audit Committee shall be non-executive Directors who do not hold any executive directorships or equity interests in the interested persons directly or indirectly. In the event that a director of the relevant member of the SML Group or a member of the Audit Committee holds directorship or equity interest in the interested persons, or is interested in a transaction with an interested person, he or she shall abstain from reviewing/approving that particular transaction.
- (7) The Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.
- (8) The Company shall maintain a register to record all interested person transactions comprising a comprehensive record of all interested persons and interested person transactions entered into by the SML Group (including interested person transactions below S\$100,000), with details on the nature of the transaction, the identity of the Interested Person(s), the basis of entering into the transactions including the comparative

quotations and supporting evidence or records and the amount of and detailed calculation for the fees and charges given to support the basis as well as the approving authority, as well as any relevant non-quantitative factors which were taken into account.

(9) Periodic Review

- (i) The Company's Audit Committee will carry out reviews of all interested person transactions in the register and the review procedures on at least a quarterly basis to (i) ensure that the established guidelines and review procedures for the interested person transactions have been complied with and the relevant approvals have been obtained; and (ii) determine if such guidelines and review procedures are adequate and/or commercially practicable in ensuring that the interested person transactions are conducted on normal commercial terms, are in the interest of the Company and are not prejudicial to the interests of the Company and its minority Shareholders.
- (ii) If, during these reviews, the Audit Committee is of the view that the above guidelines and review procedures have become inappropriate or have become insufficient to ensure that the interested person transactions will be conducted on normal commercial terms, are in the interest of the Company and are not prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new guidelines and review procedures for transactions with the SML Group. During the period after the expiry of the current mandate and prior to obtaining a fresh mandate from Shareholders, all transactions with the SML Group will be subject to a prior review and approval of the Audit Committee.

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~~ described 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.~~ comprise, broadly, pulp and paper, agriculture and food, financial services (including banking and insurance), real estate development, management and related aspects as to infrastructure, utilities and amenities, communications and technology (including e-commerce and data hosting and management), energy and infrastructure as well as healthcare.

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 Amended 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 described in paragraph 3.4 above~~ described in paragraph 3.4 above in the normal course of the SML 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' 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 SML Group.

In view of the time-sensitive and recurrent nature of commercial transactions, the obtaining of such Amended IPT Mandate seeks to allow the entry of 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~~shareholders. The Amended 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.

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 Amended 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 Amended IPT Mandate continues in force.

6. IFA OPINION

The Company has appointed Novus Corporate Finance Pte. Ltd. as the independent financial adviser ("IFA"), in accordance with Chapter 9 of the Listing Manual, to opine on whether the methods or procedures for determining the transaction prices of the Interested Person Transactions as set out in the Amended IPT Mandate, if adhered to, 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.

Having regard to the considerations set out in the IFA's letter dated 2 April 2024 addressed to Non-Interested Directors in relation to the Amended IPT Mandate ("IFA Letter") and the information available to the IFA as at the Latest Practicable Date (as defined below), the IFA is of the opinion that the methods or procedures for determining the transaction prices of the Interested Person Transactions as set out in paragraph 3.5 above, if adhered to, are sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders who are deemed to be independent in respect of the Amended IPT Mandate.

The IFA Letter is reproduced and appended as Annex 2D to this Appendix 2 and Shareholders are advised to read the IFA Letter carefully.

7. 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 Amended IPT Mandate, ~~confirms and the opinion of the IFA as set out in the IFA Letter, is of the opinion 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~~its minority 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.

8. 7. DIRECTORS' RECOMMENDATION AND ABSTENTION FROM VOTING

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 Amended IPT Mandate, and the statement of the Audit Committee in respect thereof, and believe that the renewal of, and amendments to, the IPT Mandate is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution relating to the Amended IPT Mandate as set out in the Notice of AGM dated 32 April 2023~~2024~~.

The Interested Directors, being Mr Franky Oesman Widjaja, Mr Muktar Widjaja and Ms Margaretha Natalia Widjaja, have abstained from making any recommendation on the renewal of, and amendments to, the IPT Mandate and will not accept appointments as proxies unless specific instructions as to voting are given. The same Interested Directors have undertaken to ensure that ~~its~~their associates will abstain from voting on the said ~~ordinary~~ resolution at the 2023~~2024~~ AGM. ~~Golden Moment~~

Mr Willy Shee Ping Yah, a Non-executive Independent Director of the Company, is concurrently a non-executive independent director of Golden Agri-Resources Ltd, which is an Interested Person. Mr Shee has similarly abstained from making any recommendations on the renewal of, and amendments to, the IPT Mandate and will likewise not accept appointment as proxy unless specific instructions as to voting are given.

Lyon Investments Limited (“~~Golden Moment~~”) and Flambo International Limited (“~~Flambo~~”), associates of the Widjaja Family, holding shares in the Company which are ~~SM Pte. Ltd., Piccadilly Peak Ltd, Ms Margaretha Natalia Widjaja and Ms Marcellyna Junita Widjaja which/who are controlling shareholders and are considered as~~ Interested Persons, together with their associates, will abstain from voting on the ordinary resolution relating to the renewal of, and amendments to, the IPT Mandate at the 2023~~2024~~ AGM, and the Company will disregard any votes cast by them in respect thereof.

In the event the ~~compliance and review~~ methods or procedures of the Amended 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.

As different Shareholders would have different investment objectives, the Non-Interested Directors recommend that any individual Shareholder who may require specific advice in relation to the Amended IPT Mandate should consult his/her stockbroker, bank manager, solicitor, accountant or other professional advisers.

9. 8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the ordinary shares of the Company (“**Shares**”) as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company, respectively, as at ~~27 February 2023~~28 February 2024, being the latest practicable date (“**Latest Practicable Date**”) prior to the printing of this Appendix 2 are set out below:

<u>Name of Director</u>	Number of Shares			
	Direct Interest		Deemed Interest	
	<u>No. of Shares</u>	%⁽¹⁾	<u>No. of Shares</u>	%⁽¹⁾
<u>Ms Margaretha Natalia Widjaja ⁽²⁾</u>	=	=	<u>2,991,194,781</u>	<u>70.30</u>
<u>Mr Hong Pian Tee</u>	2,581,900	0.06	-	-
<u>Mr Lim Jun Xiong, Steven</u>	3,999	n.m. ⁽²⁾⁽³⁾	-	-
<u>Name of Substantial Shareholder</u>				
<u>Golden Moment</u>	1,034,863,840	24.32	-	-
<u>Flambo ⁽³⁾</u>	1,956,330,941	45.98	1,034,863,840	24.32
<u>WFMT2 ⁽⁴⁾</u>	-	-	2,991,194,781	70.30
<u>Lyon Investments Limited (“Lyon”)</u>	<u>2,991,194,781</u>	<u>70.30</u>	=	=

<u>Piccadilly Peak Ltd (“PPL”) (4)</u>	=	=	<u>2,991,194,781</u>	<u>70.30</u>
<u>Golden SM Pte. Ltd. (“GSMPL”) (5)</u>	=	=	<u>2,991,194,781</u>	<u>70.30</u>
<u>Ms Margaretha Natalia Widjaja (2)</u>	=	=	<u>2,991,194,781</u>	<u>70.30</u>
<u>Ms Marcellyna Junita Widjaja (6)</u>	=	=	<u>2,991,194,781</u>	<u>70.30</u>

Notes:

- (1) (1) Percentage calculated based on 4,255,159,396 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) The deemed interest of Ms Margaretha Natalia Widjaja arises from her interest in 2,991,194,781 Shares held indirectly by her family trust, Golden SM Trust, through Lyon.
- (3) (2) n.m – Not meaningful. Percentage of shareholding less than 0.01%.
- (4) (3) The deemed interest of Flambo PPL arises from its interest in 1,034,863,840 2,991,194,781 Shares held by its wholly-owned subsidiary, Golden Moment in the Company Lyon.
- (5) (4) The deemed interest of WFMT2 GSMPL arises from its interest in 1,956,330,941 2,991,194,781 Shares held by Flambo and 1,034,863,840 Shares held by Golden Moment in the Company Lyon. Lyon is wholly-owned by PPL, which is in turn wholly-owned by GSMPL.
- (6) The deemed interest of Ms Marcellyna Junita Widjaja arises from her interest in 2,991,194,781 Shares held indirectly by her family trust, Golden SM Trust, through Lyon.

10. 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, and amendments to, the 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 this 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 this Appendix 2 in its proper form and context.

Description of Interested Persons

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

- (a) Golden Agri-Resources Ltd*;
- (b) Golden SM Pte. Ltd., a deemed controlling shareholder of the Company;
- (c) Lyon Investments Limited, a controlling shareholder of the Company;
- (d) Ms Margaretha Natalia Widjaja, a Director and deemed controlling shareholder of the Company;
- (e) Ms Marcellyna Junita Widjaja, a deemed controlling shareholder of the Company;
- (f) Piccadilly Peak Ltd, a deemed controlling shareholder of the Company;
- (g) PT Arara Abadi;
- (h) PT Cakrawala Mega Indah;
- (i) PT Dian Swastatika Sentosa Tbk#;
- (j) PT Duta Penata Sarana;
- (k) PT Gema Kreasi;
- (l) PT Indah Kiat Pulp & Paper Tbk#;
- (m) PT Lumbung Nusantara Hebat;
- (n) PT Pabrik Kertas Tjiwi Kimia Tbk#;
- (o) PT Pelangi Mas Media;
- (p) PT Pelita Reliance International Hospital;
- (q) PT Pindo Deli Pulp and Paper Mills;
- (r) PT Purinusa Ekapersada;
- (s) PT Samakta Mitra;
- (t) PT Serasi Niaga Sakti;
- (u) PT Sinar Mas Eka;
- (v) PT Sinar Mas Multiartha Tbk#;
- (w) PT Sinar Mas Specialty Minerals;
- (x) PT Sinar Mas Tjipta;
- (y) PT Sinar Mas Tunggal;
- (z) PT Sinar Media Perkasa;

- (aa) PT Sinar Media Prima;
- (bb) PT Sinar Mediamas;
- (cc) PT Sinar Rasa Abadi;
- (dd) PT Sinar Rasa Cemerlang;
- (ee) PT Sinar Sinergi Propertindo;
- (ff) PT Smartfren Telecom Tbk#;
- (gg) PT Wijaya Pratama Raya;
- (hh) SML Strand Limited;
- (ii) SML Strand Property Limited;
- (jj) Windsor Park Pte Ltd; and
- (kk) their subsidiaries and/or associates.

Notes:

(*) This company is presently listed on the SGX-ST.

(#) These companies are presently listed on the Indonesia Stock Exchange.

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 sale shall be carried out at the prevailing prices offered by the SML Group to members of the public and 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 (with no interest, direct or indirect in the transaction), 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 and to the requirements of the Listing Manual on property valuation. When appointing a professional valuer (who shall meet the minimum qualification requirements applicable to property valuers set out in the Listing Manual), the Audit Committee will take into consideration relevant factors including, but not limited to, the valuer's track record, credentials, reputation, whether the valuer has relevant experience in performing valuations for type(s) of properties in question, as well as the valuer's quote for performing the required valuation.

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 prevailing purchase price offered by the Interested Person) 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 (with no interest, direct or indirect in the transaction), 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 and to the requirements of the Listing Manual on property valuation. When appointing a professional valuer (who shall meet the minimum qualification requirements applicable to property valuers set out in the Listing Manual), the Audit Committee will take into consideration relevant factors including, but not limited to, the valuer's track record, credentials, reputation, whether the valuer has relevant experience in performing valuations for type(s) of properties in question, as well as the valuer's quote for performing the required valuation.

IFA Letter dated 2 April 2024 to the Non-Interested Directors in relation to the Amended IPT Mandate

NOVUS CORPORATE FINANCE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201723484W)

7 Temasek Boulevard
#18-03B Suntec Tower 1
Singapore 038987

2 April 2024

To: The Non-Interested Directors (as defined herein) of Sinarmas Land Limited
(in respect of the Amended IPT Mandate (as defined below))
Ferdinand Sadeli
Robin Ng Cheng Jiet
Hong Pian Tee
Lim Jun Xiong, Steven
Ng Ee Peng

Dear Sirs,

THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

*Unless otherwise defined or the context otherwise requires, all capitalised terms in this letter shall have the same meanings as defined in Appendix 2 of the appendices to notice of annual general meeting of Sinarmas Land Limited dated 2 April 2024 (the “**Appendices**”).*

1. INTRODUCTION

Sinarmas Land Limited (the “**Company**”) had sought approval from the shareholders of the Company (the “**Shareholders**”) at its previous annual general meeting (“**AGM**”) held on 24 April 2023 in relation to the renewal of its general mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with specific classes of person who are considered to be interested persons pursuant to Chapter 9 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), for the Company, its subsidiaries and controlled associated companies to enter into certain types of transactions with such interested persons (the “**IPT Mandate**”). The IPT Mandate will take effect until the forthcoming AGM of the Company (the “**2024 AGM**”).

The Company is proposing to seek approval from the Shareholders for the proposed renewal of, and amendments to, the IPT Mandate (the “**Amended IPT Mandate**”) at the 2024 AGM. The proposed amendments are in respect of the description of interested persons, the scope of certain interested person transactions and the review procedures for the interested person transactions covered under the Amended IPT Mandate (the “**Interested Person Transactions**”).

Novus Corporate Finance Pte. Ltd. (“**NCF**”) has, in accordance with Chapter 9 of the Listing Manual, been appointed as the independent financial adviser (the “**IFA**”) as required under Rule 920(1)(b)(v) of the Listing Manual to provide an opinion on whether the methods or procedures

for determining the transaction prices of the Interested Person Transactions as set out under the Amended IPT Mandate (the “**Review Procedures**”), if adhered to, are sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Independent Shareholders (as defined herein).

This letter has been prepared pursuant to Rule 920(1)(b)(v) of the Listing Manual as well as for the use by the directors of the Company (the “**Directors**”) who are deemed to be independent in respect of the Amended IPT Mandate (the “**Non-Interested Directors**”). This letter will be incorporated as Annex 2D to Appendix 2 of the Appendices which provides, *inter alia*, details of the Amended IPT Mandate and the opinion of the audit committee of the Company (the “**Audit Committee**”) thereon.

2. TERMS OF REFERENCE

We were neither a party to the negotiations entered into by the Company in relation to the transactions contemplated under the Amended IPT Mandate nor were we involved in the deliberations leading up to the decision of the Directors to seek the approval of the Shareholders who are deemed to be independent in respect of the Amended IPT Mandate (the “**Independent Shareholders**”) for the adoption of the Amended IPT Mandate. We do not, by this letter, warrant the merits of the Amended IPT Mandate other than to form an opinion, for the purposes of Chapter 9 of the Listing Manual, on whether the Review Procedures, if adhered to, are sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Independent Shareholders. We have not conducted a comprehensive review of the business, operations or financial condition of the Company and its subsidiaries (the “**SML Group**”).

For the purposes of arriving at our opinion in respect of the Amended IPT Mandate, we have, as the IFA appointed under Rule 920(1)(b)(v) of the Listing Manual, taken into account the Review Procedures set up by the Company for determining the transaction prices of the Interested Person Transactions pursuant to the Amended IPT Mandate but have not evaluated, and have not been requested to comment on, the strategic or commercial merits or risks of the Amended IPT Mandate or the prospects or earnings potential of the Company or the Group, and such evaluation shall remain the sole responsibility of the Directors.

We were also not required or authorised to obtain, and we have not obtained, any quotation or transacted prices from third parties for products and/or services similar to those which are to be covered by the Amended IPT Mandate, and therefore are not able to and will not compare the transactions covered by the Amended IPT Mandate to similar transactions with third parties.

In the course of our evaluation of the Amended IPT Mandate, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on the information provided and representations made by the Directors and the Company’s management. We have not independently verified such information, representation or assurance made by them, whether written or verbal, and accordingly cannot and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the Company’s representations that, after making all reasonable inquiries and to the best of the Company’s knowledge, information and belief, all material information in connection with the Amended IPT Mandate and the Company has been disclosed to us, that such information is true, complete and accurate in all material aspects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company stated in Appendix 2 of the Appendices to be inaccurate, incomplete or misleading in any material aspect.

Our opinion, as set out in this letter, is based upon the market, economic, political, industry, monetary and other applicable conditions subsisting on, and the information made available to us as of, 28 February 2024 (the “**Latest Practicable Date**”) prior to the issue of this letter. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In arriving at our opinion, we have not had regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of Appendix 2 of the Appendices (other than this letter). Accordingly, we take no responsibility for and state no views, express or implied, on the contents of Appendix 2 of the Appendices (other than this letter).

Our opinion in respect of the Amended IPT Mandate should be considered in the context of the entirety of this letter and Appendix 2 of the Appendices.

3. PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT MANDATE

At the previous AGM of the Company held on 24 April 2023, the Shareholders approved and renewed the IPT Mandate which would take effect until the 2024 AGM. The Company is seeking the approval of the Independent Shareholders for the Amended IPT Mandate at the 2024 AGM.

The proposed amendments set out in the Amended IPT Mandate include the following:

3.1 Description of Interested Persons

As part of the effort to enhance continuous disclosures, Rule 920 of the Listing Manual was revised on 7 February 2020 which requires any interested person covered by the IPT Mandate to be identified on a named basis. Accordingly, the Company is proposing to amend the description of Interested Persons (as defined below) in accordance with Rule 920 of the Listing Manual, as amended on 7 February 2020.

3.2 Clarification of scope of certain Interested Person Transactions

The Company is proposing to clarify the scope of the following Interested Person Transactions as a matter of updating and ensuring that these transactions remain relevant for the SML Group’s present purposes:

- (a) clarifying that other than the leasing of premises to companies in which the Interested Persons have an interest, there may also be rental of premises from companies in which the Interested Persons have an interest; and
- (b) clarifying that the provision to and receipt of electronic services includes both information technology (“IT”) and web-based services for continued present-day relevance having regard to rapidly developing and evolving electronic services sector, such as IT support and maintenance, software and content creation, development or purchase, cloud and electronic data hosting and management services.

3.3 Review Procedures for Interested Person Transactions

The Company is proposing to revise and/or enhance the Review Procedures in the Amended IPT Mandate with a view to ensuring 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 by:

- (a) including the general principles that (i) the terms extended to the Interested Persons are no more favourable than the terms extended to unrelated third parties; and (ii) the terms extended by the Interested Persons to the SML Group are no less favourable than the terms offered by unrelated third parties to the SML Group;
- (b) including the existing requirement for the Audit Committee's prior approval for Interested Person Transactions which has a value equal to or more than 3% of the SML Group's latest audited net tangible assets (the "NTA");
- (c) providing for, in the case of providing services or products to Interested Persons (as described in the transactions under paragraphs 7.1(c) to (m) but excluding paragraphs 7.1(f) and (k) below), comparisons to be made against (i) prevailing market prices or (ii) contemporaneous or recent successful transactions of a similar or substantially similar nature of products or services offered to unrelated third parties, to ensure that the price and terms of such Interested Person Transactions are no more favourable than those offered to unrelated third parties;
- (d) providing for, in the case of receiving services or products from Interested Persons (as described in the transactions under paragraphs 7.1(c) to (m) but excluding paragraphs 7.1(f) and (i) below), comparisons to be made against contemporaneous or recent unrelated third party quotations for transactions of a similar or substantially similar nature of product or services, to ensure that the price and terms of such Interested Person Transactions are no less favourable than those offered by unrelated third parties;
- (e) in the case of the renting from, or leasing of premises to, Interested Persons (as described in paragraph 7.1(f) below), including the requirement for the rent payable to or from Interested Persons to be benchmarked against prevailing market rental rates for premises within the vicinity of similar or comparable standing and facilities;
- (f) providing for, in the case of the provision of supporting security as a condition for the extension of credit facilities by unrelated third party banks or financial institutions to a subsidiary or associated company of the Company in which Interested Persons have an interest (as described in paragraph 7.1(n) below), approval from the Audit Committee is to be obtained;
- (g) including the procedures to be taken by the SML Group (as described in paragraph 8.1(h) and (i) below) in the event that price comparisons or unrelated third party quotations (as described in paragraphs 8.1(e) and (f) below) cannot be obtained; and
- (h) including the procedures to be taken by the SML Group (as described in paragraphs 8.1(j) below) in the event that prevailing market rental rates (as described in paragraph 8.1(g) below) are not available.

For ease of reference, the text of the Review Procedures in the Amended IPT Mandate which are different from the existing IPT Mandate is set out in Annex 2C to Appendix 2 of the Appendices with the material differences blacklined.

4. RATIONALE AND BENEFIT OF THE AMENDED IPT MANDATE

The SML Group, together with the Interested Persons described in paragraph 6 below, operate multiple businesses in several countries. These businesses comprise, broadly, pulp and paper, agriculture and food, financial services (including banking and insurance), real estate development, management and related aspects as to infrastructure, utilities and amenities, communications and technology (including e-commerce and data hosting and management), energy and infrastructure as well as healthcare.

The Company, as a holding company and the 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 Amended IPT Mandate will benefit the Company by facilitating entry by members of the SML Group into the transactions described in paragraph 7 below with the Interested Persons described in paragraph 6 below in the normal course of the SML Group's business on commercial terms, in a timely fashion, and eliminates 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 SML Group.

In view of the time-sensitive and recurrent nature of commercial transactions, the obtaining of the Amended IPT Mandate seeks to allow the entry of 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 Amended 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.

5. SCOPE OF THE AMENDED IPT MANDATE

The Amended 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 SML Group or the SML Group and its interested person(s), has control over the associated company.

The Amended 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 in the transactions under paragraph 7.3 below), the Amended IPT Mandate will not cover transactions relating to sales of units in local property 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 Amended 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 1967. Transactions conducted under the Amended IPT Mandate are not separately subject to Rules 905 and 906 of Chapter 9 of the Listing Manual pertaining to threshold and aggregation requirements.

6. DESCRIPTION OF INTERESTED PERSONS

The Amended IPT Mandate will apply to transactions falling within the categories described in paragraph 7 below that are carried out with the following interested persons:

- (a) Golden Agri-Resources Ltd, which is presently listed on the Mainboard of the SGX-ST;
- (b) Golden SM Pte. Ltd., a deemed controlling shareholder of the Company;
- (c) Lyon Investments Limited, a controlling shareholder of the Company;
- (d) Ms Margaretha Natalia Widjaja, a Director and deemed controlling shareholder of the Company;
- (e) Ms Marcellyna Junita Widjaja, a deemed controlling shareholder of the Company;
- (f) Piccadilly Peak Ltd, a deemed controlling shareholder of the Company;

- (g) PT Arara Abadi;
- (h) PT Cakrawala Mega Indah;
- (i) PT Dian Swastatika Sentosa Tbk, which is presently listed on the Indonesia Stock Exchange;
- (j) PT Duta Penata Sarana;
- (k) PT Gema Kreasi;
- (l) PT Indah Kiat Pulp & Paper Tbk, which is presently listed on the Indonesia Stock Exchange;
- (m) PT Lumbung Nusantara Hebat;
- (n) PT Pabrik Kertas Tjiwi Kimia Tbk, which is presently listed on the Indonesia Stock Exchange;
- (o) PT Pelangi Mas Media;
- (p) PT Pelita Reliance International Hospital;
- (q) PT Pindo Deli Pulp and Paper Mills;
- (r) PT Purinusa Ekapersada;
- (s) PT Samakta Mitra;
- (t) PT Serasi Niaga Sakti;
- (u) PT Sinar Mas Eka;
- (v) PT Sinar Mas Multiartha Tbk, which is presently listed on the Indonesia Stock Exchange;
- (w) PT Sinar Mas Specialty Minerals;
- (x) PT Sinar Mas Tjipta;
- (y) PT Sinar Mas Tunggal;
- (z) PT Sinar Media Perkasa;
- (aa) PT Sinar Media Prima;
- (bb) PT Sinar Mediamas;
- (cc) PT Sinar Rasa Abadi;
- (dd) PT Sinar Rasa Cemerlang;
- (ee) PT Sinar Sinergi Propertindo;
- (ff) PT Smartfren Telecom Tbk, which is presently listed on the Indonesia Stock Exchange;
- (gg) PT Wijaya Pratama Raya;
- (hh) SML Strand Limited;

- (ii) SML Strand Property Limited;
 - (jj) Windsor Park Pte Ltd; and
 - (kk) their subsidiaries and/or associates,
- (collectively known as, the “Interested Persons”).

7. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The types of Interested Person Transactions with the Interested Persons to which the Amended IPT Mandate applies are broadly categorised as follows:

7.1 General transactions

The Interested Person Transactions comprise the following:

- (a) the placement of deposits with and the borrowing of loans from 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 renting from, or leasing of premises to, companies in which the Interested Persons have an interest¹;
- (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 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 which the Interested Persons have an interest;

¹ As described in paragraph 3.2(a) of this letter, the scope of this transaction has clarified to reflect that other than the leasing of premises to companies in which the Interested Persons have an interest, there may also be rental of premises from companies in which the Interested Persons have an interest.

- (m) the provision to and receipt of electronic services, including both IT and web-based services to/from companies in which the Interested Persons have an interest, such as IT support and maintenance, software and content creation, development or purchase, cloud services and electronic data hosting and management services²; and
- (n) the provision of supporting security (such as corporate guarantees and indemnities, letters of comfort/awareness, and other security instruments) by the SML Group, 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 in which the Interested Persons operate, in addition to dealing and transacting with unrelated third party customers and/or suppliers of products and/or services.

7.2 Treasury transactions

The Interested Person Transactions comprise the following:

- (a) the borrowing of funds from any Interested Person on a short-term or medium-term basis;
- (b) the placement of funds with any Interested Person on a short-term or medium-term basis;
- (c) the entry into with any Interested Person of forex, swap, and option transactions for hedging purposes; and
- (d) 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 unrelated third party banks or 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.

7.3 Property-based transactions

The Interested Person Transactions comprise the following:

- (a) sales or purchases of investment properties (such as commercial and office buildings) and/or development properties (such as land and buildings for development or redevelopment purposes) to or from Interested Persons; and
- (b) 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 Amended IPT Mandate will facilitate such transactions by the SML Group with the 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.

² As described in paragraph 3.2(b) of this letter, the scope of this transaction has clarified to reflect that the provision to and receipt of electronic services includes both IT and web-based services for continued present-day relevance having regard to rapidly developing and evolving electronic services sector, such as IT support and maintenance, software and content creation, development or purchase, cloud and electronic data hosting and management services.

8. REVIEW PROCESS AND PROCEDURES

The Company has in place an internal control system to ensure that transactions with Interested Persons (including, but not limited to the Interested Person Transactions covered under the Amended IPT Mandate with the Interested Persons) are made on commercial terms, consistent with the SML Group's usual business practices and policies, and are not prejudicial to the interests of the Company and its minority Shareholders based on the general principles that (a) the terms extended to Interested Persons are no more favourable than the terms extended to unrelated third parties; and (b) the terms extended by Interested Persons to the SML Group are no less favourable than the terms offered by the unrelated third parties to the SML Group.

8.1 General transactions

The Review Procedures for the general transactions are as follows:

- (a) each transaction with an Interested Person will first have to be reviewed and approved by the directors of the relevant member of the SML Group (with no interest, direct or indirect, in the transaction) which is a party to the transaction;
- (b) (further to the initial review process described in paragraph 8.1(a) above) where a proposed transaction with an Interested Person has a value less than 3% of the SML Group's latest audited NTA, the transaction will be reviewed and approved by the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads, and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction);
- (c) (further to the initial review process described in paragraph 8.1(a) above) where a proposed transaction with an Interested Person has a value equal to or more than 3% of the SML Group's latest audited NTA, the transaction must be approved by the Audit Committee prior to entry into the Interested Person Transaction;
- (d) 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 third 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 7.1(a) above, the review processes and procedures described in paragraph 8.2 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 7.1(b) above that are of a treasury nature, the review processes and procedures described in paragraph 8.2 below in relation to "Borrowings" shall apply;
- (e) in the case of the provision of services or products to the Interested Person (as described in the transactions under paragraphs 7.1(c) to (m) but excluding paragraphs 7.1(f) and (k) above):
 - (i) the transactions shall be at no lower than the prevailing market prices of the services or products offered by the SML Group to unrelated third parties; or
 - (ii) the terms of two (2) other contemporaneous or recent successful transactions of a similar or substantially similar type of products or services offered to unrelated third parties, will be used as a comparison to ensure that the price (including fee or profit margins) and terms of the Interested Person Transactions are no more favourable to the Interested Persons than the commercial terms extended to other unrelated third parties;
- (f) in the case of the provision of services or products by the Interested Person (as described in the transactions under paragraphs 7.1(c) to (m) but excluding paragraphs 7.1(f) and (i) above), the terms of two (2) other quotations from unrelated third parties for the similar or substantially similar type of products or services, contemporaneously in time, will be used as a comparison to ensure that the price and terms of the Interested Person Transactions

are no less favourable to the SML Group than the commercial terms extended by other unrelated third parties to the SML Group;

- (g) in the case of the renting from, or leasing of premises to, Interested Persons (as described in paragraph 7.1(f) above):
 - (i) (in the case of leases to Interested Persons) the rent payable from Interested Persons shall be no lower than the prevailing market rental rates, and to ensure that the rent payable is fair and reasonable, any lease (new or renewed) shall be entered into after comparison of the rental rates quoted to two (2) unrelated third parties for premises within the vicinity or similar or comparable standing and facilities or after considering prevailing market rental rates for such premises; and
 - (ii) (in the case of leases from Interested Persons) the rent payable to Interested Persons shall be in line with the prevailing market rental rates for other premises within the vicinity of similar or comparable standing and facilities, taking into consideration the tenure of the lease and the area of the leased premises or after considering prevailing market rental rates for such premises;
- (h) in situations where price comparisons and quotations may not be practicable or appropriate for products or services to be provided by or to the SML Group (as described in the transactions under paragraphs 7.1(c) to (m) but excluding paragraph 7.1(f) above), such as where there are no independent third party customers or suppliers of similar or substantially similar type of products and services, in determining whether the prices and terms offered are fair and reasonable, the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction), will determine whether the price and terms offered to or by the Interested Person are fair and reasonable, having regard to the costs and benefits of entering into the transactions, as well as factors including, but not limited to, costs of products/services, delivery and project schedules, specification compliance, track record, market standing, experience and expertise, purpose of the transaction, risk for such transactions and cost in managing such risks and whether the price and terms are in accordance with usual business practices and pricing policies and consistent with the usual margins and/or terms to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken at arm's length and on normal commercial terms;
- (i) without prejudice to sub-paragraph (h) above and specifically in situations where price comparisons and quotations may not be practicable or appropriate for management services to be provided by or to the SML Group:
 - (i) (in the case of the provision of management services to Interested Persons) the fees charged shall be based on a cost-recovery basis based on an allocation of the overheads of the SML Group's manpower to the Interested Person (taking into consideration the Interested Persons's estimated resource requirements) and an agreed mark up, in accordance with the terms of the relevant service agreement. Where the time spent exceeds that set out in the agreement, additional charges would be applicable, based on the actual excess time spent; and
 - (ii) (in the case of the provision of management services by Interested Persons) the fees payable shall be the actual cost incurred by the Interested Persons in performing the scope of services, including but not limited to salaries, bonuses, allowances, central provident fund contribution, government levies and other benefits paid or payable to the employees of the Interested Persons, plus a pre-determined mark-up. When determining the mark-up, the SML Group will take into account factors such as the cost to be incurred by the SML Group to obtain such management services from unrelated third party professional firms. The total fees payable to the Interested Persons shall not be higher than the total costs to be incurred by the SML Group if the SML Group engages unrelated third parties or hires additional manpower to provide such services;

- (j) In determining the prevailing market rental rates, the SML Group may adopt measures such as making relevant enquiries with unrelated third party landlords for similar properties, or obtaining reports or reviews published by unrelated third party property agents (including an independent valuation report by a property valuer, where appropriate). In situations where that prevailing market rental rates are not available, whether due to the unavailability or impracticality of obtaining rental comparisons or otherwise, in determining whether rent is fair and reasonable, the senior management staff, which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction), will determine whether the rent offered to or by the Interested Person is fair and reasonable in accordance with the usual business practices and policies, having regard to the size, location and condition, the fittings and the façade, and other factors which are relevant to the rental rates. As part of the SML Group's usual business practices and policies, the SML Group maintains an internal rental price list (which is based on, *inter alia*, the last available prevailing market rental rates, the existing rental rates payable, or received, by the SML Group and other relevant market comparisons) which is used as:
- (i) a minimum guide for all rentals rates and other charges offered by the SML Group to prospective tenants or existing tenants upon the renewal; and
 - (ii) a maximum guide for all rental rates and other charges payable by the SML Group to prospective landlords or existing landlords upon renewal.

The approval of the senior management staff which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer of the relevant entity in the SML Group (with no interest, direct or indirect in the transaction) is required for all proposed changes and updates to the internal rental price list, as well as for:

- (i) any offer or rent and other charges by the SML Group to prospective or existing tenants which is lower than the minimum rate for the relevant type of premises as set out in the latest available internal rental price list; and
- (ii) the acceptance of rent and other charges by the SML Group offered by prospective or existing landlords which is higher than the maximum rate for the relevant type of premises as set out in the latest available internal rental price list.

The comparison against the internal price list serves as an additional factor in determining whether the rent offered to or by the Interested Person is fair and reasonable; and

- (k) in the case of any provision of supporting security as a condition for the extension of credit facilities by unrelated third party banks or financial institutions to a subsidiary or associated company of the Company in which Interested Persons have an interest (as described in paragraph 7.1(n) above), the Audit Committee shall review and approve the terms of the supporting security to ensure that the provision of such supporting security is undertaken on commercial terms no better than that extended to subsidiaries and associated companies within the SML Group:
- (i) taking into consideration relevant factors, including but not limited to, the terms of the relevant supporting security, the commercial benefit and the rationale for the provision of the supporting security and the exposure of risk from such provision, whether the granting of such supporting security is required before credit or other banking and financing facilities can be secured, the applicable interest rate if the supporting security is not provided, the operation requirements and risks and other factors which the Audit Committee deems pertinent; and
 - (ii) where available, the commercial terms of similar or substantially similar supporting security which have been contemporaneously or recently provided by the SML Group as a condition for the extension of credit facilities by unrelated third party banks or financial institutions to a subsidiary or associated company of the Company, will be used as a comparison to ensure that the provision of such

supporting security is undertaken on commercial terms no better than that extended to subsidiaries and associated companies within the SML Group.

8.2 Treasury transactions

The Review Procedures for the treasury transactions are as follows:

Borrowings

The SML Group will only borrow funds from an Interested Person if the interest rate quoted by the Interested Person is not higher than the lowest rate quoted by the SML Group's principal bankers for loans of an equivalent amount and tenure, after taking into consideration relevant factors including, but not limited to, the quantum of the borrowings, the speed of loan approval, any restrictions on fund usage, any requisite securities or collaterals, operational requirements and risks, and location of operations. Quotations of rates will be procured from at least two (2) 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 or published (as the case may be) by the Interested Person is not less than the highest of the rates quoted or published by the SML Group's principal bankers (other than bankers which are Interested Persons) for deposits of an equivalent amount and tenure, after taking into consideration relevant factors including, but not limited to, the quantum of the placements, operational requirements and risks, and location of operations. Quotations of rates will be procured from at least two (2) 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 which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer 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 relevant factors including, but not limited to, quantum of the funds, 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 transaction 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 SML Group's principal bankers (other than bankers which are Interested Persons). Quotations of rates will be procured from at least two (2) 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 unrelated 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 which comprise solely of the chief executive officer, managing director, head of operations, business unit heads and chief financial officer 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 unrelated third party subscribers or purchasers for these debt securities issued by the Interested Persons, the Audit Committee will evaluate and 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 after having 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:

- (a) 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 of the Listing Manual) shall at any time equal to or exceed 3% of 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
- (b) where the aggregate principal amount of all forex, swap and option transactions entered into with the same Interested Person exceeds at any time equal to or exceed 3% 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.

8.3 Property-based transactions

- (a) the terms of the transaction with the Interested Person shall be in accordance with (where applicable) the guidelines for property-based transactions as follows:

- (i) 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).

- (ii) 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:

- (aa) 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:

- (1) the sale shall be carried out at the prevailing prices offered by the SML Group to members of the public and 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
 - (2) 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 (the "**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.

(bb) In respect of sales (other than those referred to in paragraph 8.3(a)(ii)(aa) above) by open tender, invitation to bid, or private treaty, the following guidelines shall apply:

- (1) 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;
- (2) the market price of the property shall be determined by the directors of the Entity At Risk (with no interest, direct or indirect, in the transaction), and shall be supported by valuations from at least two (2) independent professional valuers of standing and repute appointed by the Entity At Risk for the proposed sale; and
- (3) the professional valuers to be appointed shall be subject to approval of the Audit Committee and to the requirements of the Listing Manual on property valuation. When appointing a professional valuer (who shall meet the minimum qualification requirements applicable to property valuers set out in the Listing Manual), the Audit Committee will take into consideration relevant factors including, but not limited to, the valuer's track record, credentials, reputation, whether the valuer has relevant experience in performing valuations for type(s) of properties in question, as well as the valuer's quote for performing the required valuation.

(iii) Purchases of properties

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

(aa) 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 prevailing purchase price offered by the Interested Person) shall be no less favourable than those offered to members of the public at the relevant time.

(bb) In respect of purchases of properties (other than those referred to in paragraph 8.3(a)(iii)(aa) above) by open tender, invitation to bid, or private treaty, the following guidelines shall apply:

- (1) 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;

- (2) the purchase price for the property shall be determined by the directors of the Entity At Risk (with no interest, direct or indirect, in the transaction), and shall be supported by valuations from at least two (2) independent professional valuers of standing and repute appointed by the Entity At Risk for the proposed purchase; and
 - (3) the professional valuers to be appointed shall be subject to approval of the Audit Committee and to the requirements of the Listing Manual on property valuation. When appointing a professional valuer (who shall meet the minimum qualification requirements applicable to property valuers set out in the Listing Manual), the Audit Committee will take into consideration relevant factors including, but not limited to, the valuer's track record, credentials, reputation, whether the valuer has relevant experience in performing valuations for type(s) of properties in question, as well as the valuer's quote for performing the required valuation.
- (b) each transaction with an Interested Person will have to be approved by the directors of the relevant member of the SML Group (with no interest, direct or indirect, in the transaction) which is a party to the transaction.

8.4 Code of Practice

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

- (a) The Directors and the Audit Committee shall have overall responsibility for determination of the review procedures established to monitor, review and approve transactions with the 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.
- (b) 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, he or she will abstain from reviewing/approving that particular transaction.
- (c) All transactions with interested persons will be properly documented and collated by the relevant department for submission to the Audit Committee for review on a quarterly basis, and prior thereto, be reviewed by the Chief Financial Officer.
- (d) 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 and consistent with the Code of Corporate Governance 2018. The internal auditor shall report directly to the Audit Committee on all of its findings from the review of the interested person transactions at least on an annual basis.
- (e) The Audit Committee shall, when it deems necessary, have the right to require the appointment of auditors or any independent professionals to review all matters relating to the Amended IPT Mandate.
- (f) All members of the Audit Committee shall be non-executive Directors who do not hold any executive directorships or equity interests in the interested persons directly or indirectly. In the event that a director of the relevant member of the SML Group or a member of the Audit Committee holds directorship or equity interest in the interested persons, or is interested in a transaction with an interested person, he or she shall abstain from reviewing/approving that particular transaction.

- (g) The Directors will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.
- (h) The Company shall maintain a register to record all interested person transactions comprising a comprehensive record of all interested persons and interested person transactions entered into by the SML Group (including interested person transactions below S\$100,000), with details on the nature of the transaction, the identity of the interested person(s), the basis of entering into the transactions including the comparative quotations and supporting evidence or records and the amount of and detailed calculation for the fees and charges given to support the basis and the approving authority, as well as any relevant non-quantitative factors which were taken into account.
- (i) Periodic Review:
 - (i) The Audit Committee will carry out reviews of all interested person transactions in the register and the review procedures on at least a quarterly basis to (aa) ensure that the established guidelines and review procedures for the interested person transactions have been complied with and the relevant approvals have been obtained, and (bb) determine if such guidelines and review procedures are adequate and/or commercially practicable in ensuring that the interested person transactions are conducted on normal commercial terms, are in the interest of the Company and are not prejudicial to the interests of the Company and its minority Shareholder; and
 - (ii) If, during these reviews, the Audit Committee is of the view that the above guidelines and review procedures have become inappropriate or have become insufficient to ensure that the interested person transactions will be conducted on normal commercial terms, are in the interest of the Company and are not prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Independent Shareholders based on new guidelines and review procedures for transactions with the SML Group. During the period after the expiry of the current mandate and prior to obtaining a fresh mandate from Shareholders, all transactions with the SML Group will be subject to a prior review and approval of the Audit Committee.

9. DURATION OF THE AMENDED IPT MANDATE

The Amended IPT Mandate will take effect from the date of the passing of the ordinary resolution relating thereto at the 2024 AGM and will, unless revoked or varied by the Shareholders in general meeting, continue in force until the next AGM of the Company. Approval from the Independent Shareholders will be sought for the renewal of the Amended IPT Mandate at the next AGM and at each subsequent AGM of the Company on an annual basis, subject to satisfactory review by the Audit Committee of its continued application to the interested person transactions.

10. 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 Amended IPT Mandate during the financial year (or financial period, as the case may be) to which the Company's annual report or announcement of results relate, for so long as the Amended IPT Mandate continues in force.

11. ABSEPTION FROM VOTING AND MAKING RECOMMENDATIONS

Mr Franky Oesman Widjaja, Mr Muktar Widjaja and Ms Margaretha Natalia Widjaja, have abstained from making any recommendation on the renewal of, and amendments to, the IPT Mandate and will not accept appointments as proxies unless specific instructions as to voting are given. The same Directors have also undertaken to ensure that their associates will abstain from voting on the said resolution at the 2024 AGM.

Mr Willy Shee Ping Yah, a Non-Executive Independent Director of the Company, is concurrently a Non-Executive Independent Director of Golden Agri-Resources Ltd, which is an Interested Person. Mr Willy Shee Ping Yah has similarly abstained from making any recommendations on the renewal of, and amendments to, the IPT Mandate and will likewise not accept appointment as proxy unless specific instructions as to voting are given.

Lyon Investments Limited, Golden SM Pte. Ltd., Piccadilly Peak Ltd., Ms Margaretha Natalia Widjaja and Ms Marcellyna Junita Widjaja which/who are controlling shareholders of the Company and are considered as Interested Persons, together with their associates, will abstain from voting on the ordinary resolution relating to the renewal of, and the amendments to, the IPT Mandate at the 2024 AGM, and the Company will disregard any votes cast by them in respect thereof.

12. OPINION

In arriving at our opinion in respect of the Amended IPT Mandate as required under Rule 920(1)(b)(v) of the Listing Manual, we have considered, *inter alia*, the Review Procedures set up by the Company, the role of the Audit Committee in enforcing the Review Procedures for the Interested Persons Transactions pursuant to the Amended IPT Mandate, and the rationale for and benefits of the Amended IPT Mandate.

Having regard to the considerations set out in this letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the Review Procedures as set out in paragraph 3.5 of Appendix 2 of the Appendices, if adhered to, are sufficient to ensure that the Interested Persons Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Independent Shareholders.

This letter has been prepared pursuant to Rule 920(1)(b)(v) of the Listing Manual as well as for the use of the Non-Interested Directors. Whilst a copy of this letter may be reproduced in Annex 2D to Appendix 2 of the Appendices, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of NCF in each specific case, except for any matter in relation to the Amended IPT Mandate. Our opinion is governed by and construed in accordance with the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,
For and on behalf of
Novus Corporate Finance Pte. Ltd.

Andrew Leo
Chief Executive Officer

Lau Sze Mei
Associate Director

