
PROPOSED ACQUISITION OF SHARES IN PT SURYAMAS DUTAMAKMUR TBK

1. INTRODUCTION

- 1.1 The board of directors (“**Board**” or “**Directors**”) of Sinarmas Land Limited (“**Company**”, together with its subsidiaries, “**Group**”) is pleased to announce that its majority-owned subsidiary, PT Bumi Serpong Damai Tbk (“**Purchaser**”) had, on 31 July 2024, entered into a conditional shares purchase agreement (“**CSPA**”) with Top Global Limited (“**Seller**”) and PT Suryamas Dutamakmur Tbk (“**Target Company**”) to purchase 4,390,121,595 shares (“**Sale Shares**”) representing 91.99% of the issued and paid-up capital of the Target Company, hereinafter referred to as the “**Proposed Acquisition**”.
- 1.2 The Target Company is a public company incorporated in Indonesia whose shares are listed on the Indonesia Stock Exchange (“**IDX**”).
- 1.3 The Proposed Acquisition, if completed, obliges the Purchaser to conduct a mandatory tender offer in accordance with the provisions under OJK Regulation No. 9/2018 to purchase the balance shareholdings in the Target Company (“**MTO Shares**”), at an offer price per share which is the higher of (a) the average of the highest daily trading price of the shares of the Target Company on IDX during the last 90 days before the negotiation announcement of the Proposed Acquisition; or (b) the acquisition price paid by the Purchaser to the Seller for the Proposed Acquisition (“**MTO**”).
- 1.4 The Proposed Acquisition constitutes a “major transaction” under Chapter 10 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section A: Rules of Mainboard (“**Mainboard Rules**”).
- 1.5 The Proposed Acquisition also constitutes an “interested person transaction” under Chapter 9 of the Mainboard Rules, as the Seller is wholly-owned by Sukmawati Widjaja (Oei Siu Hoa), who is immediate family to Franky Oesman Widjaja (Executive Chairman of the Company) and Muktar Widjaja (Executive Director and Chief Executive Officer of the Company).
- 1.6 The Company intends to, in due course, convene an extraordinary general meeting (“**EGM**”) to seek approval from the shareholders of the Company (“**Shareholders**”) for the Proposed Acquisition, further information of which is disclosed below and in the circular to be despatched to Shareholders for the purposes of the EGM (“**Circular**”).

2. INFORMATION ON PURCHASER, SELLER AND TARGET GROUP

2.1 The Purchaser

The Purchaser is an indirect subsidiary of the Company, which was incorporated in Indonesia and listed on IDX. The Purchaser and its subsidiaries are principally engaged in real estate development (residential, leisure and commercial).

As at 30 June 2024, the Company has an interest in approximately 67.14% of the issued share capital (excluding treasury shares) of the Purchaser.

2.2 The Seller

The Seller is a private company incorporated in Singapore on 9 October 1980, and is indirectly and wholly owned by Sukmawati Widjaja (Oei Siu Hoa). Sukmawati Widjaja (Oei Siu Hoa) is immediate family to Franky Oesman Widjaja (Executive Chairman of the Company) and Muktar Widjaja (Executive Director and Chief Executive Officer of the Company).

The Seller holds 4,390,121,595 ordinary shares, representing 91.99% of the shares in the Target Company. To the knowledge of the Company, the rest of the shares in the Target Company is held by public shareholders.

2.3 Target Group

The Target Company is a public company incorporated in Indonesia and listed on IDX.

The Target Company is a holding company for various operating subsidiaries and associated companies in the business of property development and also the operation of golf courses, country clubs and hotels, which together with its subsidiaries shall be referred to as the “**Target Group**”. It also develops property, sells landed houses and shophouses and holds land banks.

Based on the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2023 (“**FY2023**”):

- (a) the Target Group recorded a net profit of approximately IDR 97,309,514,650 (approximately S\$8,461,697) for FY2023 and has a net asset value of approximately IDR 3,058,334,253,906 (approximately S\$265,942,109) as at 31 December 2023;
- (b) the book value and net tangible assets (“**NTA**”) value of the Sale Shares are IDR 2,813,361,680,168 (approximately S\$244,640,146) and IDR 2,809,699,776,961 (approximately S\$244,321,720) respectively; and
- (c) the book value and NTA value of the Sale Shares and the MTO Shares are IDR 3,058,334,253,906 (approximately S\$265,942,109) and IDR 3,054,353,491,642 (approximately S\$265,595,956) respectively.

Based on the closing price of the Target Company on 30 July 2024 of IDR 300 per share, the open market value of the Sale Shares and the MTO Shares is approximately IDR 1.43 trillion (approximately S\$124.49 million) as at that date.

The Purchaser has appointed an independent valuer to perform an independent valuation of the Target Group, which will be made available in due course.

Further information on the Target Company will be set out in the Circular.

3. THE PROPOSED ACQUISITION

The principal terms of, and source of funding for, the Proposed Acquisition are as follows:

3.1 Sale Shares

On and subject to the terms of the CSPA, the Seller shall sell and the Purchaser shall purchase 4,390,121,595 ordinary shares which constitute 91.99% of the issued and paid-up shares in the capital of the Target Company.

3.2 Consideration

The purchase consideration for the Sale Shares is S\$195,190,017 (“**Consideration**”).

The Consideration is arrived at on a willing-seller, willing-buyer basis after arms’ length negotiations between the Purchaser and the Seller and having regard to the value of the Target Company’s shareholdings in the Target Group and the open market share price of the Target Company.

Pursuant to the terms of the CSPA, the Consideration shall be paid out in two separate payments:

- (a) At completion of the Proposed Acquisition (“**Completion**”), the Purchaser will pay to the Seller S\$102,500,000 in cash.
- (b) The remaining Consideration amount of S\$92,690,017 (“**Second Payment**”) will be paid by the Purchaser to the Seller in cash no later than 12 months after Completion (or such other date as the Seller and the Purchaser may agree in writing) (“**Second Payment Date**”) subject to certain agreed adjustment with reference to land certification.

3.3 Completion

Completion will take place on the date that is within the fifth (5th) business day after the fulfilment or waiver of the final Conditions Precedent or such time or date as may be agreed in writing between the Seller and Purchaser.

3.4 Conditions Precedent

The sale and purchase of the Sale Shares is conditional on various customary conditions precedent such as approvals from directors and shareholders being obtained by the Seller and the Company (as the case may be) and there being no breach of the warranties provided by the Purchaser and the Seller respectively.

3.5 Termination

The CSPA can be terminated prior to Completion by mutual agreement of the Seller and the Purchaser or in various customary circumstances, such as where there is default by one party, a regulatory prohibition on the consummation of the transaction, where the agreed conditions precedent (including where the approval from Shareholders is not obtained for the Proposed Acquisition) are not satisfied or (at the discretion of the Purchaser) if a material adverse effect (as defined in the CSPA) occurs prior to Completion or a restructuring or insolvency event impacting the Seller and/or the Target Group.

3.6 Source of Funds

The Proposed Acquisition and the MTO will be funded by the Group’s internal cash resources.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the view that the Proposed Acquisition is a strategic one that is aligned with the Group's strategy to replenish land reserves in strategic locations, diversify geographical presence, and improve market penetration.

5. PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

5.1 Interested Person Transaction

The Seller is an "interested person" under Chapter 9 of the Mainboard Rules. This is by virtue of the Seller being 100% owned by Sukmawati Widjaja (Oei Siu Hoa), immediate family to Franky Oesman Widjaja and Muktar Widjaja who are Directors of the Company ("**Same Interested Persons**").

The Purchaser is an "entity at risk" as a subsidiary of the Company which, while listed on IDX, is not subject to rules comparable to the Mainboard Rules which safeguard the interests of shareholders against interested person transactions.

The Proposed Acquisition thus constitutes an "interested person transaction" under Chapter 9 of the Mainboard Rules as a transaction between an "interested person" and an "entity at risk".

5.2 Amount at Risk

The Group's latest audited NTA, as extracted from its latest consolidated audited financial statements for FY2023, is S\$4,592,462,000.

Pursuant to Rule 909(1) of the Mainboard Rules, the Company's 67.14% effective interest in the Purchaser as at 30 June 2024 is taken into account in deriving the amount at risk in respect of the Proposed Acquisition. The amount at risk to the Company in respect of the Proposed Acquisition is accordingly derived to be S\$131,050,577, being 67.14% of the amount of the Consideration.

The amount at risk for the Proposed Acquisition, when aggregated with other transactions entered into with the Same Interested Persons and their associates (excluding transactions less than S\$100,000 and those conducted under general mandate approved by Shareholders), and benchmarked against the Group's latest audited NTA, is 2.85% (which is less than 5%). While this means that the Proposed Acquisition does not require the approval of Shareholders under Chapter 9 of the Mainboard Rules at this juncture, the Company is seeking Shareholders' approval at an EGM to be convened in the interests of corporate governance and having regard to the Proposed Acquisition as a "major transaction" under Chapter 10 of the Mainboard Rules.

5.3 Value of Interested Person Transactions since 1 January 2024

The aggregate value of all interested person transactions with the Same Interested Persons and their associates (excluding transactions less than S\$100,000) from 1 January 2024 up to 31 March 2024 is approximately S\$21,944,466 (without taking into account the Proposed Acquisition) and approximately S\$152,995,043 (taking into account the Proposed Acquisition).

The aggregate value of all interested person transactions with the Same Interested Persons and their

associates (excluding transactions less than S\$100,000 and those conducted under the general mandate approved by Shareholders) from 1 January 2024 up to 31 March 2024 is nil (without taking into account the Proposed Acquisition) and S\$131,050,577 (taking into account the Proposed Acquisition).

Further updates will be provided in the Circular on the aggregate value of interested person transactions with the Same Interested Persons and their associates as at a latest practicable date to be defined therein.

5.4 Independent Financial Adviser

The Company will appoint an independent financial adviser to advise the Directors who are considered independent for the purposes of the Proposed Acquisition to provide an opinion on whether the Proposed Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders pursuant to Rule 921(4)(a) of the Mainboard Rules.

The opinion from the IFA will be set out in the Circular to be despatched in due course.

5.5 Statement of the Audit Committee

The members of the audit committee of the Company ("**Audit Committee**") are deemed to be independent for the purposes of the Proposed Acquisition as an interested person transaction.

The Audit Committee will consider the opinion of the IFA before forming its view as to whether the Proposed Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

The views of the Audit Committee will be set out in the Circular to be despatched in due course.

6. THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION

6.1 Computation of Relative Figures

For the purposes of computing the relative figures on the bases set out under Rule 1006 of the Mainboard Rules, the consideration given by the Group for the Proposed Acquisition is taken to be S\$212,186,126, being the aggregate of:

- (a) S\$195,190,017, being the amount of the Consideration; and
- (b) S\$16,996,109, being an estimate of the amount payable to the minority public shareholders of the Target Company under the MTO.

The relative figures computed on the bases set out under Rule 1006 of the Mainboard Rules in relation to the Proposed Acquisition based on the latest audited consolidated financial results of the Group for FY2023 are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable ⁽¹⁾
(b)	The net profits ⁽²⁾ attributable to the assets acquired compared with the Group's net profits.	1.94
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	31.17 ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable ⁽⁵⁾

Notes:

- (1) Not applicable as the Proposed Acquisition is not a disposal.
- (2) Under Rule 1002(3) of the Mainboard Rules, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. Based on the Target Company's audited results for FY2023, the net profit after tax attributable to the Sale Shares and the MTO Shares being acquired is IDR 97,309,514,650 (approximately S\$8,461,697).
- (3) Based on the market capitalisation of the Company of S\$680,825,503 million which is computed based on 4,255,159,396 Shares in issue (excluding treasury shares) and the volume weighted average share price of S\$0.16 on 30 July 2024, being the latest market day preceding the date of the CSPA when the Shares were last traded.
- (4) Not applicable as there will be no new shares issued as consideration for the purposes of the Proposed Acquisition.
- (5) Not applicable as the Proposed Acquisition is not an acquisition of mineral, oil and gas assets.

6.2 Classification of Proposed Acquisition

As the relative figure computed under Rule 1006(c) of the Mainboard Rules for the Proposed Acquisition exceeds 20%, the Proposed Acquisition constitutes a "major transaction" which requires Shareholders' approval pursuant to Chapter 10 of the Mainboard Rules.

The Company will accordingly be seeking Shareholders' approval for the Proposed Acquisition at an EGM to be convened.

7. FINANCIAL EFFECTS

7.1 Bases and Assumptions

The *pro forma* financial effects of (a) the Proposed Acquisition and (b) the Proposed Acquisition and the MTO, based on the audited consolidated financial statements of the Group for FY2023 are set out below

and these are only presented for illustration purposes, and are therefore not indicative of the actual and/or future results and financial situation of the Company or the Group after the Completion and the completion of the MTO.

The *pro forma* financial effects of (i) the Proposed Acquisition and (ii) the Proposed Acquisition and the MTO have been prepared based on the FY2023 results, and on the following bases and assumptions:

- (a) the Target Group is consolidated into the financial statements of the Group based on common control method in view of the common controlling shareholders of both the Company and the Target Company, which will result in a merger reserve as the Consideration is higher than the net book value of the Target Group;
- (b) the financial effects on the consolidated NTA per Share are computed based on audited financial results and performance of the Target Company as at 31 December 2023 and remain subject to adjustments depending on, amongst others, an independent valuation of the Target Company to be conducted and which will be made available in due course;
- (c) the financial effects on the consolidated NTA per Share are computed based on the assumption that (i) the Proposed Acquisition and (ii) the Proposed Acquisition and the MTO were completed on 31 December 2023;
- (d) the financial effects on the consolidated earnings per Share (“**EPS**”) are computed based on the assumption that (i) the Proposed Acquisition and (ii) the Proposed Acquisition and the MTO were completed on 1 January 2023; and
- (e) the expenses in connection with the Proposed Acquisition, including but not limited to professional fees, have been disregarded for the purposes of calculating the financial effects.

7.2 NTA per Share

As at 31 December 2023	Before Proposed Acquisition	After Proposed Acquisition	After Proposed Acquisition and MTO
NTA (S\$'million)	4,592	4,642	4,646
NTA per share (Singapore cents)	1.08	1.09	1.09

7.3 EPS

For FY2023	Before Proposed Acquisition	After Proposed Acquisition	After Proposed Acquisition and MTO
Earnings after income tax attributable to owners of the Company (S\$'million)	272	311	314
EPS (Singapore cents)	0.064	0.073	0.074

8. NO SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Margaretha Natalia Widjaja, who is an Executive Director and controlling shareholder of the Company, and Marcellyna Junita Widjaja, who is a controlling shareholder of the Company, are immediate family members of Muktar Widjaja. Following that, they are associates of the Same Interested Persons and are regarded as interested in the Proposed Acquisition.

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect (other than through their respective shareholdings (if any) in the Company), in the Proposed Acquisition.

10. ABSTENTION BY DIRECTORS

Franky Oesman Widjaja (Executive Chairman of the Company) and Muktar Widjaja (Executive Director and Chief Executive Officer of the Company) are immediate family of Sukmawati Widjaja (Oei Siu Hoa) (who owns 100% of the Seller).

Margaretha Natalia Widjaja (Executive Director of the Company) is immediate family of Muktar Widjaja (Executive Director and Chief Executive Officer of the Company).

Accordingly, Franky Oesman Widjaja, Muktar Widjaja and Margaretha Natalia Widjaja have abstained from participating in the deliberations of the Board in respect of the Proposed Acquisition and will abstain from making any recommendations to Shareholders on the Proposed Acquisition in their respective capacities as Directors of the Company.

11. CIRCULAR TO SHAREHOLDERS

An EGM will be convened in due course to obtain Shareholders' approval for the Proposed Acquisition as an interested person transaction under Chapter 9 of the Mainboard Rules and a major transaction under Chapter 10 of the Mainboard Rules. A Circular setting out, *inter alia*, further information and/or updates on the Proposed Acquisition, together with the notice of EGM, the independent valuation report, as well as the opinion and the recommendation of the IFA, will be despatched to Shareholders in due course.

The Company will make further announcements relating to the Proposed Acquisition and the EGM as and when there are material developments via SGXNet and the Company's corporate website.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 during normal business hours

for a period of three (3) months commencing from the date of this announcement:

- (a) the Constitution of the Company;
- (b) the audited financial results announcement of the Company for FY2023;
- (c) the annual report of the Company for FY2023; and
- (d) the CSPA.

13. CAUTION IN TRADING

Shareholders and potential investors should note that the Proposed Acquisition is subject to the fulfilment of the respective conditions set out above and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no further changes will be made to the terms thereof. The Company will make the necessary announcements, in compliance with the requirements of the Mainboard Rules, as and when there are material developments in respect of the Proposed Acquisition. Shareholders and potential investors ought to exercise caution when trading or dealing in the shares of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.

By Order of the Board

Robin Ng Cheng Jiet
Director
1 August 2024

Unless otherwise stated, all currency translations of Singapore dollar ("S\$") and Indonesian Rupiah ("IDR") used in this announcement are based on an exchange rate of S\$1.00: IDR 11,500.

As at the date of this announcement, all information in respect of the Seller and the Target Group is based solely on information and representations made and provided by the Seller and/or the Target Company. The Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.