



**BUND CENTER INVESTMENT LTD**

(Incorporated in Bermuda)  
(Company Registration Number: 43449)

**APPENDICES TO THE NOTICE OF ANNUAL GENERAL MEETING OF  
BUND CENTER INVESTMENT LTD  
DATED 3 APRIL 2019**

This page has been intentionally left blank.

# BUND CENTER INVESTMENT LTD

(Incorporated in Bermuda)  
(Company Registration Number: 43449)

## APPENDICES TO THE NOTICE OF ANNUAL GENERAL MEETING OF BUND CENTER INVESTMENT LTD (THE “COMPANY” OR “BCI”) DATED 3 APRIL 2019

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

If you have sold or transferred all your shares in the capital of Bund Center Investment Ltd, you should immediately forward these Appendices and the enclosed Notice of Annual General Meeting and Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

*The Singapore Exchange Securities Trading Limited (“SGX-ST”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in these Appendices.*

### APPENDIX 1 – PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

#### 1. INTRODUCTION

At the last Annual General Meeting (“**AGM**”) of the Company held on 23 April 2018 (“**2018 AGM**”), shareholders’ approval was obtained for the grant of a general mandate for the purchase by the Company of its issued ordinary shares (“**Shares**”) not exceeding in aggregate 5% (“**Prescribed Limit**”) of the issued ordinary share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of the resolution, at a price of up to but not exceeding the Maximum Price (as defined below) (the “**Share Purchase Mandate**”). The authority conferred on the directors of the Company (“**Directors**”) under the Share Purchase Mandate will expire on the date of the forthcoming AGM of the Company to be held on 24 April 2019 (“**2019 AGM**”).

The Directors wish to seek the approval of shareholders of the Company (“**Shareholders**”) for the renewal of the Share Purchase Mandate at the 2019 AGM, under the same terms and conditions as were approved at the 2018 AGM.

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 2019 AGM.

#### 2. RATIONALE

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

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the Prescribed Limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 5% limit as authorised and no purchases or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial position of the Company.

### 3. AUTHORITY AND LIMITS OF THE 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 or acquired by the Company pursuant to the Share Purchase Mandate shall not be more than 5% of the issued ordinary Share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date on which the resolution authorising the same is passed (the "**Approval Date**").

For illustrative purposes only, based on the existing issued and paid-up capital of the Company of US\$75,876,883.20 comprising 758,768,832 ordinary Shares of US\$0.10 each (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date (as defined below), and assuming that no further Shares are issued or repurchased on or prior to the 2019 AGM, not more than 37,938,441 Shares (representing 5% of the Shares in issue (excluding treasury shares and subsidiary holdings) as at the Approval Date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

#### Duration of authority

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

- (a) the conclusion of the AGM following the Approval Date or the date on which such AGM is required by law to be held; or
- (b) the date on which the share buy-backs pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by ordinary resolution of the Company in general meeting.

#### Manner of purchase

Pursuant to the listing rules of the SGX-ST ("**Listing Rules**"), purchases of Shares may be made by way of:

- (a) market purchases ("**Market Purchases**") effected on the 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.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, The Companies Act 1981 of Bermuda, as amended, modified or supplemented from time to time ("**Act**"), the bye-laws of the Company, as amended, modified or supplemented from time to time ("**Bye-laws**"), the Companies Act, Cap. 50 of Singapore, as amended, modified or supplemented from time to time ("**Singapore Act**") and the Listing Rules (as applicable), as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes as defined in Section 76C of the Singapore Act. Under the Singapore Act, 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 referred to in (1) above shall be given a reasonable opportunity to accept the offers made to them; 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 Singapore Act when obtaining Shareholders' approval, when making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

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

#### Maximum purchase price

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

However, the purchase price must not exceed:

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

(the "**Maximum Price**") in either case, *excluding* brokerage, stamp duties, applicable goods and services tax and other 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 five market days on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period;

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

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

#### **4. NO SHARES PURCHASED IN THE PREVIOUS 12 MONTHS**

The Company did not purchase any Shares in the previous 12 months preceding 27 February 2019, being the latest practicable date prior to the printing of this Appendix 1 (**“Latest Practicable Date”**).

#### **5. STATUS OF PURCHASED SHARES AND TREASURY SHARES**

Any Share which is purchased by the Company will be deemed cancelled immediately on purchase (and all rights and privileges attached to that Share will expire on cancellation) unless such Share was acquired or purchased to be held as, and is held by the Company as, a treasury share, as authorised by its memorandum of association, Bye-laws and to the extent permitted under the Act. Accordingly, the issued share capital of the Company will be diminished by the nominal value of the number of Shares purchased or acquired by the Company and which are not held as treasury shares. This shall not be taken as reducing the Company’s authorised share capital.

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.

Under the Act, a company may, if authorised by its memorandum of association or bye-laws, purchase its own shares. The shares so purchased may either be cancelled (in which event, the company’s issued, but not its authorised, share capital will be diminished accordingly) or may be held as treasury shares. Under the laws of Bermuda, if a company holds shares as treasury shares, the company shall be entered in the register of members as the member holding the shares but the company is not permitted to exercise any rights in respect of those shares (including any right to attend and vote at meetings) and no dividend or other distribution (whether in cash or otherwise) shall be paid or made to the company in respect of such shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed.

No purchase or acquisition by a company of its own shares whether to be held as treasury shares or for cancellation may be effected if, on the date on which the purchase or acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the purchase or acquisition would be, unable to pay its liabilities as they become due.

A company that acquires its own shares to be held as treasury shares may:

- (i) hold all or any of the shares;
- (ii) dispose of or transfer all or any of the shares for cash or other consideration; or
- (iii) cancel all or any of the shares.

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.

## **6. SOURCES OF FUNDS**

Under the Act, a purchase of shares may only be funded out of the capital paid up on the shares to be purchased, or out of the funds of the company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares made for the purpose of the purchase, and the premium payable on the purchase (i.e., the amount paid in excess of the nominal value of the shares to be purchased) must be provided for out of the funds of the company which would otherwise be available for dividend or distribution, or out of the company's share premium account before the shares are purchased. Any amount due to a shareholder by a company on a purchase of its own shares may be (i) paid in cash, (ii) satisfied by the transfer of any part of the undertaking or property of the company having the same value; or (iii) satisfied partly under (i) and partly under (ii). Any purchase by a company of its own shares may be authorised by its board of directors or otherwise by or in accordance with the provisions of its bye-laws. No purchase by a company of its own shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due.

The Company may use internal resources and/or external borrowings 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.

## **7. FINANCIAL IMPACT**

Under the Act, the Company shall not purchase its Shares where there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

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.

Based on the Company's existing number of Shares in issue (excluding treasury shares and subsidiary holdings) of 758,768,832 Shares as at the Latest Practicable Date, the exercise in full of the Share Purchase Mandate would result in the purchase of up to 37,938,441 Shares. Based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2018, (a) the amount of the Company's total capital and reserves is approximately S\$441,771,000 as at that date and (b) the last transacted price for a Share on the SGX-ST is S\$0.58 as at the Latest Practicable Date. The Directors do not propose to exercise the 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 Share Purchase Mandate on the earnings per Share and/or NTA (as defined below) 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 the amount (if any) borrowed by the Company to fund the purchases.

Purely for illustration purposes (on the basis of 758,768,832 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 2019 AGM), based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2018, and having regard to the amount of the Company's total capital and reserves of approximately S\$441,771,000 as at that date; the total amount of funds required to purchase 7,587,688 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\$0.608 for each Share (being the price equivalent to 105% of the Average Closing Price preceding the Latest Practicable Date), would be approximately S\$4,613,000 and the total amount of funds required

to purchase 7,587,688 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\$0.702 for each Share (being the price equivalent to 120% of the Highest Last Dealt Price preceding the Latest Practicable Date), would be approximately S\$5,327,000.

Assuming that Share purchases are made to the extent aforesaid and that such Share purchases are financed 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
Equity attributable to the owners of the Company	434,978	430,365	441,771	437,158
NTA	434,410	429,797	441,771	437,158
Current assets	146,656	142,043	31,413	31,413
Current liabilities	32,498	32,498	301	301
Working capital	114,158	109,545	31,112	31,112
Total liabilities	48,147	48,147	301	301
Profit attributable to the owners of the Company	26,517	26,517	17,831	17,831
Number of Shares (excluding treasury shares and subsidiary holdings) ('000)	758,769	751,181	758,769	751,181

### **Financial ratios**

NTA per Share (S\$)	0.573	0.572	0.582	0.582
Earnings per Share (cents)	3.49	3.53	2.35	2.37
Gearing (%)	11.07	11.19	0.07	0.07
Current ratio (times)	4.51	4.37	104.36	104.36

### **Notes:**

- (1) Net tangible assets ("NTA") equals total equity attributable to the owners of the Company less intangible assets.
- (2) Earnings per Share equals profit attributable to the owners of the Company divided by number of ordinary shares.
- (3) Gearing equals total liabilities divided by total equity attributable to the owners of the Company.
- (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 NTA and working capital of the Group by the dollar value of the Shares purchased. Accordingly, the consolidated NTA per Share as at 31 December 2018 will decrease from S\$0.573 to S\$0.572.

Assuming that the purchase of Shares had taken place on 1 January 2018, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2018 would increase from 3.49 cents to 3.53 cents as a result of the reduction in the number of issued Shares.



### **Off-Market Purchase**

	<b>← Group →</b>		<b>← Company →</b>	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
Equity attributable to the owners of the Company	434,978	429,651	441,771	436,444
NTA	434,410	429,083	441,771	436,444
Current assets	146,656	141,329	31,413	31,413
Current liabilities	32,498	32,498	301	301
Working capital	114,158	108,831	31,112	31,112
Total liabilities	48,147	48,147	301	301
Profit attributable to the owners of the Company	26,517	26,517	17,831	17,831
Number of Shares (excluding treasury shares and subsidiary holdings) ('000)	758,769	751,181	758,769	751,181

### **Financial ratios**

NTA per Share (S\$)	0.573	0.571	0.582	0.581
Earnings per Share (cents)	3.49	3.53	2.35	2.37
Gearing (%)	11.07	11.21	0.07	0.07
Current ratio (times)	4.51	4.35	104.36	104.36

### **Notes:**

- (1) NTA equals total equity attributable to the owners of the Company less intangible assets.
- (2) Earnings per Share equals profit attributable to the owners of the Company divided by number of ordinary shares.
- (3) Gearing equals total liabilities divided by total equity attributable to the owners of the Company.
- (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 working capital and NTA of the Group by the dollar value of the Shares purchased. Accordingly, the consolidated NTA per Share as at 31 December 2018 will decrease from S\$0.573 to S\$0.571.

Assuming that the purchase of Shares had taken place on 1 January 2018, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2018 would increase from 3.49 cents to 3.53 cents as a result of the reduction in the number of issued Shares.

## 8. 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 of effective control, or as a result of such increase a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively will respectively 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 (or, if exempted, if such exemption is subsequently revoked), the Directors and persons acting in concert with them 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 Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months.

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

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

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Proposed Share Purchase Mandate.

The interests of the Directors and substantial Shareholders of the Company in the Shares, if any, are disclosed in paragraph 12 below.

Pursuant to the Company's Bye-laws, 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 with the Directors 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.**

## **9. TAX**

**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.**

## **10. LISTING STATUS ON SGX-ST/LISTING RULES**

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

The Listing Rules provide that a listed company shall ensure that at least 10% of a class of its listed securities is at all times held by the public. As there is, as at the Latest Practicable Date, a public float of approximately 16% in the issued Shares, the Company is of the view that there is, at the present, a sufficient number of the Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full 5% 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.

## **11. SUSPENSION OF PURCHASES**

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

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

## 12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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 as at the Latest Practicable Date before and (assuming the Company purchases the maximum amount of 5% of its total number of Shares in issue 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 5% of its total number of Shares in issue pursuant to the Share Purchase Mandate were/will be as follows:

### Directors

Name	BEFORE SHARE PURCHASE				AFTER SHARE PURCHASE			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Lim Jun Xiong, Steven	666	n.m. <sup>(2)</sup>	-	-	666	n.m. <sup>(2)</sup>	-	-

### Substantial Shareholders

Name	BEFORE SHARE PURCHASE				AFTER SHARE PURCHASE			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Flambo Bund Centre Ltd. ("FBC")	637,344,964	84.00	-	-	637,344,964	88.42	-	-
WFMT3 Foundation ("WFMT3") <sup>(3)</sup>	-	-	637,344,964	84.00	-	-	637,344,964	88.42

Notes:

- (1) Percentage calculated based on 758,768,832 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) n.m. – not meaningful. Percentage of shareholding less than 0.01%.
- (3) The deemed interest of WFMT3 arises from its interest in 637,344,964 Shares held by FBC in the Company.

## 13. 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 tabled as special business) at the 2019 AGM, as set out in the Notice of 2019 AGM dated 3 April 2019.

## 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.

## APPENDIX 2 – PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

### 1. INTRODUCTION

#### 1.1 Chapter 9 of Listing Manual of 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 of the Listing Manual

- (i) an “**entity at risk**” means:
  - (a) the listed company;
  - (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
  - (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (ii) 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;
- (iii) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (iv) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;
- (v) an “**interested person transaction**” means a transaction between an entity at risk and an interested person; and
- (vi) a “**transaction**” includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly.

### 1.3 Materiality thresholds, announcement requirements and shareholders' approval

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

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

- (i) 5% of the listed group's latest audited NTA<sup>(2)</sup>; or
- (ii) 5% of the listed group's latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person and/or its associates during the same financial year.

### 1.4 Shareholders' general mandate

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

### 1.5 Rationale for and benefits of the renewal of IPT Mandate

The Group is currently engaged in investment holding property businesses in the People's Republic of China ("**PRC**").

It is envisaged that in the ordinary course of their businesses, transactions between the Group and the Company's interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the Group to the Company's interested persons or the obtaining of goods and services from them.

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the renewal of the IPT Mandate, pursuant to Chapter 9, to enable the Company, its subsidiaries and associated companies which are considered to be "entities at risk" to enter in the ordinary course of business, into certain types of transactions with specified classes of the Company's "interested persons", provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such transactions. The renewal of the IPT Mandate will:

- (i) facilitate entry into the mandated transactions with the specified classes of interested persons in the ordinary course of the Group's businesses; and
- (ii) eliminate the need for the Company to announce or to announce and convene separate general meetings, on each occasion, pursuant to the financial limits imposed under Chapter 9, to seek independent shareholders' approval as and when such transactions with the interested persons arise, thereby:
  - (a) reducing substantially the administrative time, inconvenience and costs associated with the convening of such meetings; and

#### Notes:

- (1) Based on the latest audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2018, the Group's latest audited NTA attributable to the owners of the Company was S\$434,410,000.
- (2) In relation to the Company, for the purposes of Chapter 9, in the current financial year and until such time that the audited consolidated financial statements of the Group for the year ending 31 December 2019 are published by the Company, 5% of the Group's latest audited NTA would be S\$21,720,500.

- (b) enabling the Group to maintain its overall competitiveness and not be placed at a disadvantage to other parties that do not require shareholders' approval to be obtained for entering into such transactions.

## **2. PROPOSED RENEWAL OF IPT MANDATE**

### **2.1 Existing IPT Mandate**

On 28 November 2014, 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 purpose of Chapter 9 (the "**IPT Mandate**"). Particulars of the IPT Mandate were set out in the Company's Circular dated 12 November 2014.

At the previous annual general meeting ("**AGM**") of the Company held on 23 April 2018, Shareholders approved and renewed the IPT Mandate for the Company, its subsidiaries and controlled associated companies to enter into certain types of transactions with interested persons, to take effect until the forthcoming AGM ("**2019 AGM**") of the Company (the "**Latest Shareholders' Approval**").

The Company is seeking to renew the existing IPT Mandate at the 2019 AGM. The rationale of the IPT Mandate, the scope of the IPT Mandate, the benefit to Shareholders, the classes of Interested Persons, the particulars of the Interested Person Transactions and the review procedures for Interested Person Transactions in respect of which the IPT Mandate is sought to be renewed remain unchanged from the Latest Shareholders' Approval.

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

## **3. THE IPT MANDATE**

### **3.1 Scope of the IPT Mandate**

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

The IPT Mandate will not cover any transaction with an interested person (i) which has a value below S\$100,000 as the threshold and aggregation requirements contained in Chapter 9 would not apply to such transactions; or (ii) that is equal to or exceeds S\$100,000 in value, but qualifies as an excepted transaction for the purposes of Chapter 9 and is thus exempted from the threshold and aggregation requirements contained in Chapter 9.

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

Transactions with interested persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual and/or the Companies Act 1981 of Bermuda, as amended or modified from time to time. Transactions conducted under the IPT Mandate are not separately subject to Rules 905 and 906 of Chapter 9 pertaining to threshold and aggregation requirements.

### **3.2 Duration of the IPT Mandate**

The IPT Mandate will take effect from the date of the passing of ordinary resolution relating thereto at the 2019 AGM and will (unless revoked or varied by the Company in a general

meeting) continue in force until the next AGM of the Company. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the interested person transactions.

Pursuant to Rule 920(1)(c) of the Listing Manual, an independent financial adviser's opinion will not be required for the renewal of the IPT Mandate if the Audit Committee confirms that:

- (i) the methods or procedures for determining the transaction prices have not changed since the last shareholders' approval; and
- (ii) the methods or procedures in sub-paragraph (i) above are sufficient to ensure that the transactions with the Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

### **3.3 Classes of Interested Persons**

The IPT Mandate will apply to transactions falling within the categories described in paragraph 3.4 below which are carried out with the following classes of "interested persons" (the "**Interested Persons**"):

- (i) certain members of the Widjaja family (collectively, the "**Widjaja Family**") who are or may from time to time be or become beneficiaries of WFMT3 Foundation ("**WFMT3**"), which is a deemed controlling shareholder of the Company, and/or The Widjaja Family Master Trust (2) ("**WFMT2**"); and
- (ii) associates of the Widjaja Family, including WFMT3, WFMT2, Flambo Bund Centre Ltd. ("**FBC**"), Sinarmas Land Limited, Golden Agri-Resources Ltd, PT. Bank Sinarmas Tbk and their respective subsidiaries.

### **3.4 Categories of Interested Person Transactions**

The types of transactions with the Interested Persons specified in paragraph 3.3 above to which the IPT Mandate applies ("**Interested Person Transactions**") are broadly categorised as follows:

#### **(1) 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 entering into of factoring and capital leasing transactions with financial institutions in which the Interested Persons have an interest;
- (iii) the entering into of insurance transactions with insurance companies in which the Interested Persons have an interest;
- (iv) the entering into of trading transactions with trading companies in which the Interested Persons have an interest;
- (v) the leasing of premises to or from companies in which the Interested Persons have an interest;
- (vi) the entering into of securities transactions (including underwriting agreements) with securities companies in which the Interested Persons have an interest;
- (vii) the entering into of construction transactions (including engineering consultancy and project management contracts) with construction companies in which the Interested Persons have an interest;



- (viii) the provision of storage and trading facilities to companies in which the Interested Persons have an interest;
- (ix) the provision of management services by and to companies in which the Interested Persons have an interest;
- (x) the provision of products and materials by companies in which the Interested Persons have an interest;
- (xi) the supply of plant and equipment by and to companies in which the Interested Persons have an interest;
- (xii) the provision to and receipt of electronic (e-commerce) services to/from companies in which the Interested Persons have an interest; and
- (xiii) the following transactions with PT. Bank Sinarmas Tbk:
  - (a) the receipt of advances from PT. Bank Sinarmas Tbk;
  - (b) the provision of supporting security (such as corporate guarantees and indemnities, letters of comfort/awareness, and other security instruments) by the Company due to banking facilities secured by the Group as a condition imposed by PT. Bank Sinarmas Tbk;
  - (c) the borrowing and/or placement of funds with PT. Bank Sinarmas Tbk; and
  - (d) the entry into forex, swap and option transactions for hedging purposes with PT. Bank Sinarmas Tbk.

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

The Group can also benefit from competitive rates or quotes from PT. Bank Sinarmas Tbk in an expedient manner. By transacting directly with PT. Bank Sinarmas Tbk, the Company may obtain better yields through the elimination of margins which third party intermediaries might ordinarily be expected to earn.

## **(2) Property-based Transactions**

These transactions comprise the sales or rentals of premises in properties (such as office) and/or development projects (such as units in commercial, mixed and resort developments) to or from Interested Persons (but excluding sales of units in residential property development projects of the Group to Interested Persons that are subject to the requirements of Rules 910 to 914 of Chapter 9).

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

### **3.5 Review processes and procedures for the IPT Mandate**

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 3.4 above with the Interested Persons referred to in paragraph 3.3 above) are made on normal commercial terms, 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:

## **(1) General Transactions**

- (i) each transaction with an Interested Person will have to be approved by the directors of the relevant member of the Group which is a party to the transaction;
- (ii) the terms of each proposed transaction with an Interested Person shall not be less favourable to the relevant member of the Group than the terms offered by or to other unrelated parties, giving due consideration to all circumstances of the transaction, provided that:
  - (a) where the Group proposes to enter into a placement transaction as described in paragraph 3.4(1)(i) above, the review processes and procedures described in paragraph 3.5(1)(v) below in relation to “Placements” shall apply,
  - (b) where the Group proposes to enter into a “receipt of advances” transaction as described in paragraph 3.4(1)(xiii) above, the review processes and procedures described in paragraph 3.5(1)(iv) below in relation to “Borrowings” shall apply, and
  - (c) where the Group proposes to enter into a “leasing of premises” transaction as described in paragraph 3.4(1)(v) above, the Guidelines for Property-based Transactions set forth in Annex 2A shall apply;
- (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 (including relevant technical expertise, proximity and time zone, ease of communication, quality, availability of other sources, and familiarity) when considering whether the actual cost incurred are on normal commercial terms and on arm’s length basis;
- (iv) in relation to borrowings, the Group will only borrow funds from an Interested Person if the interest rate quoted by the Interested Person is not more than the lowest rate quoted by the Group’s principal bankers for loans of an equivalent amount and tenure. Quotations of rates will be procured from at least two of the Group’s principal bankers (other than bankers which are Interested Persons) each time that funds are proposed to be borrowed from an Interested Person;
- (v) in relation to placements, the Group will only place funds with an Interested Person if the interest rate quoted by the Interested Person is not less than the highest of the rates quoted by the Group’s principal bankers (other than bankers which are Interested Persons) for deposits of an equivalent amount and tenure. Quotations of rates will be procured from at least two of the 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 Group will, as far as is possible, place funds with Interested Persons with good credit rating as determined by an international credit rating agency. In the absence of such credit rating, the senior management of the relevant company in the Group (with no interest, direct or indirect, in the transaction) when determining whether or not to make such placement, will take into consideration factors including, but not limited to, operational requirements and risks, location of operations, country of incorporation of the relevant company in the Group, the Interested Person’s willingness to transact with the Group, and other pertinent factors;

- (vi) in relation to forex, swap and options, the 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 Group than those quoted by the Group’s principal bankers (other than bankers which are Interested Persons). Quotations of rates will be procured from at least two of the 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; and

- (vii) in addition, the Company will monitor the transactions described in paragraph 3.4(1)(xiii) above entered into with Interested Persons as follows:
  - (a) where the aggregate value of funds placed with the same Interested Person (as such term is construed under Chapter 9) shall at any time exceed the consolidated total equity attributable to owners of the Company (based on its latest audited financial statements), each subsequent placement of funds with 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 the equivalent of the consolidated total equity attributable to owners of the Company (based on its latest audited financial statements), each subsequent forex, swap or option transaction to be entered into with the same Interested Person shall require prior approval of the Audit Committee.

**(2) Property-based Transactions**

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

**3.6 General processes and procedures for all Interested Person Transactions**

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

- (i) The Board and the Audit Committee 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 Group as they deem appropriate, including but not limited to the internal audit department of the Company.
- (ii) The Audit Committee shall, when it deems necessary, have the right to require the appointment of auditors or other independent professionals to review all matters relating to the IPT Mandate and all Interested Person Transactions carried out pursuant to the IPT Mandate.
- (iii) In the event that a director of the relevant member of the Group or a member of the Audit Committee holds directorships or equity interest in the Interested Persons, or is interested in a transaction with an interested person (including an Interested Person), he or she will abstain from reviewing/approving that particular transaction.
- (iv) All transactions with interested persons will be properly documented and submitted to the Audit Committee for review on a quarterly basis.
- (v) The annual audit plan of the Company will include a review of the transactions carried out with Interested Persons during the financial year pursuant to the IPT Mandate to ensure that the review procedures and guidelines for such transactions have been adhered to. The internal auditor shall report directly to the Audit Committee on all of its findings from the review of the Interested Person Transactions.

- (vi) The Board will also ensure that all disclosures, approvals and other requirements relating to Interested Persons Transactions, including those required by prevailing legislation, the Listing Manual and applicable accounting standards, are complied with.

### **3.7 Disclosures**

In accordance with the requirements of Chapter 9, the Company will:

- (a) disclose in the Company's annual report the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT Mandate continues in force); and
- (b) announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report.

### **3.8 Register of Interested Person Transactions**

The Company maintains a register of Interested Person Transactions carried out with Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they are entered into), and the Company's annual internal audit plan will incorporate a review of the Interested Person Transactions recorded in the register to ascertain that the guidelines and review procedures for Interested Person Transactions have been complied with.

The aggregate amount of Interested Person Transactions below S\$100,000 is not significant.

### **3.9 Review by Audit Committee**

The Audit Committee will review the internal audit reports on Interested Person Transactions carried out with Interested Persons during the financial year on at least a quarterly basis to ascertain that the guidelines and review procedures for Interested Person Transactions have been complied with.

If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and review procedures for Interested Person Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Interested Persons are conducted, the Company will revert to Shareholders for a fresh general mandate based on new guidelines and review procedures so that Interested Person Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If a member of the Audit Committee has an interest in an Interested Person Transaction to be reviewed by the Audit Committee, he will abstain from voting on any resolution relating to the Interested Person Transaction and/or abstain from any decision-making in respect of that transaction and the review of the established review procedures for the Interested Person Transaction and approval of that transaction will be undertaken by the remaining members of the Audit Committee.

### **3.10 Audit Committee's Statement**

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

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

#### 4. DIRECTORS' RECOMMENDATIONS

The Directors of the Company (other than the Interested Directors as stated below), have considered the scope, rationale and benefit for compliance and review processes and procedures of the IPT Mandate and the statement of the Audit Committee in respect thereof, and believe that the renewal of the IPT Mandate is in the interest of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution relating to the renewal of the IPT Mandate as set out in the Notice of 2019 AGM dated 3 April 2019.

The Interested Directors, being Mr. Frankle (Djafar) Widjaja, Mr. Franky Oesman Widjaja and Ms. Deborah Widjaja, have abstained from making any recommendation on the renewal of the IPT Mandate. The same Interested Directors have undertaken to ensure that their associates will abstain from voting on the said ordinary resolution at the 2019 AGM. FBC and WFMT3, associates of the Widjaja Family, holding shares in the Company which are Interested Persons, together with their associates, will abstain from voting on the ordinary resolution relating to the renewal of the IPT Mandate at the 2019 AGM, and the Company will disregard any votes cast by them in respect thereof.

#### 5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, save as set out below, none of the Directors had any interest, direct or indirect, in the Shares of the Company as at 27 February 2019, being the latest practicable date ("**Latest Practicable Date**") prior to the printing of this Appendix 2:

	Direct Interest	Number of Shares		
		% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
<u>Directors</u>				
Lim Jun Xiong, Steven	666	n.m. <sup>(2)</sup>	-	-
<u>Substantial Shareholders</u>				
FBC	637,344,964	84.00	-	-
WFMT3 <sup>(3)</sup>	-	-	637,344,964	84.00

Notes:

(1) Percentage calculated based on 758,768,832 issued shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(2) Not meaningful. Percentage of shareholding less than 0.01%.

(3) The deemed interest of WFMT3 arises from its interest in 637,344,964 shares held by FBC in the Company.

#### 6. 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 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.

Guidelines for Property-based Transactions

1. General

All transactions relating to sales and/or rentals of units must be carried out in the ordinary course of business of the transacting member of the Group (the “**Entity At Risk**”) whose principal activities shall include property development, sale and/or rental of premises in properties (such as office) and/or development projects (such as units in commercial, mixed and resort developments).

2. Sales of properties

The following guidelines shall apply to sales by an Entity At Risk of premises in its properties (such as office) and/or development projects (such as units in commercial, mixed and resort developments) to Interested Persons:

- (i) In respect of sales of units in property projects (whether commercial or otherwise) which are developed or to be developed for sale to members of the general public:
  - (a) 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
  - (b) 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 take an equity stake 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 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.

- (ii) In respect of sales other than those referred to in (i) above by open tender, invitation to bid, or private treaty, the following guidelines shall apply:
  - (a) any sale of 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;
  - (b) the market price of the property shall be determined by the directors of the Entity At Risk, and shall be supported by a valuation from an independent professional valuer of standing and repute appointed by the Entity At Risk for the proposed sale; and
  - (c) the professional valuer to be appointed shall be subject to approval of the Audit Committee.

### 3. Rental of properties

The following guidelines shall apply to rentals by an Entity At Risk from or to Interested Persons:

- (i) In respect of rental of units in office spaces, the terms of rental (including the rental price) shall be no less favourable than those offered to members of the public at the relevant time.
- (ii) In respect of rental of office spaces other than those referred to in (i) above by open tender, invitation to bid, or private treaty, the following guidelines shall apply:
  - (a) any rental of office spaces by an Entity At Risk from or to 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;
  - (b) the rental price for the office spaces shall be determined by the directors of the Entity At Risk, and shall be supported by a valuation from an independent professional valuer of standing and repute appointed by the Entity At Risk for the proposed purchase; and
  - (c) the professional valuer to be appointed shall be subject to approval of the Audit Committee.