

**ADDENDUM DATED 8 APRIL 2024**

**THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

This Addendum is issued to the Shareholders of Indofood Agri Resources Ltd. (the “**Company**”) together with the Company’s Notice of AGM. The purpose of this Addendum is to explain to Shareholders the rationale for and provide information to Shareholders relating to the proposed renewal of the IPT Mandate and the Share Purchase Mandate (each term as defined herein) to be tabled at the AGM of the Company to be held on Tuesday, 30 April 2024 at 3.00 p.m.(Singapore time) at Room 331, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593.

If you have sold or transferred all your shares in the Company, you should immediately forward this Addendum, the Annual Report and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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



**INDOFOOD AGRI RESOURCES LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200106551G)

**ADDENDUM TO SHAREHOLDERS**

**IN RELATION TO**

- (1) THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE; AND**
- (2) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

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## DEFINITIONS

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The following definitions shall apply throughout unless otherwise stated in this Addendum:

### **Companies, organizations and agencies**

“ACFL”	:	Asian Capital Finance Limited
“Company”	:	Indofood Agri Resources Ltd.
“CPF”	:	Central Provident Fund
“First Pacific”	:	First Pacific Company Limited
“FPCPIL”	:	First Pacific Consumer Products Investments Limited
“FPCP”	:	First Pacific Consumer Products Limited
“FPIL”	:	First Pacific Investments Limited
“FPIL BVI”	:	First Pacific Investments (B.V.I.) Limited
“FPIML”	:	First Pacific Investment Management Limited
“Group”	:	The Company and its subsidiaries for the time being
“ISHPL”	:	Indofood Singapore Holdings Pte. Ltd.
“PT ISM”	:	PT Indofood Sukses Makmur Tbk
“PT ISM Group”	:	PT ISM and its subsidiaries
“Salerni”	:	Salerni International Limited
“Salim Group”	:	Mr Anthoni Salim and the group of companies controlled by him or, if the context requires, Mr Anthoni Salim
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

### **General**

“2023 AGM”	:	The last AGM of the Company held on 14 April 2023
“2024 AGM”	:	AGM of the Company to be held on 30 April 2024
“Addendum”	:	This Addendum to Shareholders dated 8 April 2024
“AGM”	:	Annual General Meeting
“Annual Report”	:	The annual report of the Company for the financial year ended 31 December 2023
“Auditor”	:	The auditor for the time being of the Company
“Board”	:	The board of Directors of the Company for the time being
“CEO”	:	Chief Executive Officer
“Companies Act”	:	The Companies Act, 1967 of Singapore, as amended or modified from time to time

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## DEFINITIONS

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“Directors”	:	The directors of the Company for the time being
“EPS”	:	Earnings per Share
“FY”	:	Financial year ended, or as the case may be, ending 31 December
“Independent Directors”	:	The Directors who are independent for the purposes of the IPT Mandate, namely, all the Directors other than Messrs Tjhie Tje Fie and Axton Salim
“Interested Persons”	:	Has the meaning ascribed to it in Section 2.4
“IPT”	:	Interested person transactions
“IPT Mandate”	:	The mandate to be renewed under Chapter 9 of the Listing Manual for, <i>inter alia</i> , the entry by the Group and its associated companies which are entities at risk into ongoing or recurrent transactions with, <i>inter alia</i> , PT ISM Group and/or the Salim Group which are of a revenue or trading nature and/or are necessary for the Group’s day-to-day operations
“Latest Practicable Date”	:	20 March 2024, being the latest practicable date prior to the finalisation of this Addendum
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“Mandated Transactions”	:	Has the meaning ascribed to it in Section 2.5 of this Addendum
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Notice of AGM”	:	The Notice of AGM dated 8 April 2024
“PDPA”	:	Personal Data Protection Act 2012
“Proposals”	:	Collectively, the proposed adoption of the New Constitution and the proposed renewal of the IPT Mandate and the Share Purchase Mandate, respectively
“Register of Members”	:	The Register of Members of the Company
“Registrar”	:	The Registrar of Companies appointed under the Act and includes any Deputy or Assistant Registrar of Companies
“Securities Account”	:	Securities account maintained by a Depositor with the Depository but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time

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## DEFINITIONS

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“Shareholders” or “Members”	:	Persons who are registered as holders of Shares in the Register of Members of the Company, except that where the registered holder is the Depository, the term “Shareholders” or “Members” shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Share Purchase Mandate”	:	The mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of such mandate
“Substantial Shareholder”	:	A person who has an interest in one or more voting shares (excluding treasury shares) in a company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers
“Rp” or “Rupiah”	:	Indonesian Rupiah, the lawful currency of the Republic of Indonesia
“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
“%”	:	Per centum or percentage

The terms “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term “subsidiary holdings” shall have the meaning ascribed to it in the Listing Manual.

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

Any reference in this Addendum to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof and used in this Addendum shall have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

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

Any discrepancies in figures included in this Addendum between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

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## GLOSSARY OF TECHNICAL TERMS

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This glossary provides a description of certain technical terms and abbreviations used in this Addendum in connection with the business of the Group. These terms, and their assigned meanings, may not correspond to standard industry usage or common meanings, as the case may be, of these terms:

- “FFB”* : Fresh fruit bunches of oil palm
- “Laurics”* : Coconut oil and palm kernel oil, both of which contain a high content of lauric acid
- “Shortening”* : Semi-solid fat used in food preparation, especially baked goods. It is more commonly a hydrogenated vegetable oil that is solid at room temperature with 100% fat content, compared to approximately 80% for margarine

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## LETTER TO SHAREHOLDERS

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### INDOFOOD AGRI RESOURCES LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200106551G)

#### Directors

Lee Kwong Foo, Edward (*Chairman and Lead Independent Director*)  
Lim Hock San (*Vice Chairman and Independent Director*)  
Mark Julian Wakeford (*Chief Executive Officer and Executive Director*)  
Moleonoto Tjang (*Executive Director*)  
Suaimi Suriady (*Executive Director*)  
Tjhie Tje Fie (*Non-Executive Director*)  
Axton Salim (*Non-Executive Director*)  
Goh Kian Chee (*Independent Director*)

#### Registered Office

8 Eu Tong Sen Street  
#16-96/97 The Central  
Singapore 059818

**Date: 8 April 2024**

**To: The Shareholders of Indofood Agri Resources Ltd.**

Dear Sir / Madam

#### 1 INTRODUCTION

We refer to the following resolutions set out in the Notice of AGM convening the AGM of the Company to be held on 30 April 2024 (“**2024 AGM**”):

- (i) Ordinary Resolution 7 relating to the proposed renewal of the IPT Mandate; and
- (ii) Ordinary Resolution 8 relating to the proposed renewal of the Share Purchase Mandate

The purpose of this Addendum is to provide Shareholders with the relevant information relating to, and the rationale for, the aforesaid proposals, and to seek Shareholders’ approval in respect of the same at the 2024 AGM to be held on Tuesday, 30 April 2024 at 3.00 p.m. (Singapore time) at Room 331, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593.

#### 2 THE PROPOSED RENEWAL OF THE IPT MANDATE

##### 2.1 Background

At the 2023 AGM, Shareholders of the Company had approved the renewal of a general mandate (the “**IPT Mandate**”) that will enable the Company and its subsidiaries and associated companies which are considered to be “entities at risk” (as defined in Chapter 9 of the Listing Manual) to enter into certain IPT with the class of Interested Persons as set out in the IPT Mandate.

The aforesaid IPT Mandate was expressed to remain in force (unless revoked or varied by the Company in general meeting) until the conclusion of the next AGM of the Company, which will be held on 30 April 2024. Accordingly, Shareholders’ approval is being sought for the renewal of the IPT Mandate at the forthcoming 2024 AGM.

The nature of the IPT and classes of Interested Persons in respect of which the IPT Mandate is sought to be renewed remain unchanged since the last shareholder approval at the 2023 AGM.

Details of the IPT Mandate, including the rationale for, and the benefits to, the Company, the guidelines and review procedures for IPT, and other general information relating to Chapter 9 of the Listing Manual, are set out below.

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## LETTER TO SHAREHOLDERS

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### 2.2 Chapter 9 of the Listing Manual

2.2.1 Chapter 9 of the Listing Manual governs transactions entered or to be entered into by an entity at risk with a party that is an interested person of the listed company. Save for transactions which are excluded under Chapter 9 of the Listing Manual, an immediate announcement and/or shareholders' approval would be required in respect of a transaction with interested persons if the value of that transaction is equal to or exceeds certain financial thresholds.

2.2.2 Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent IPT which are of a revenue or trading nature or those necessary for its day-to-day operations. These transactions include purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

2.2.3 Rule 905 and Rule 906 of the Listing Manual do not apply to any transaction which has a value that is below S\$100,000 with an interested person and therefore transactions below S\$100,000 need not be covered under the IPT Mandate.

2.2.4 Under the Listing Manual:

- (a) an "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against IPT according to similar principles to Chapter 9 of the Listing Manual;
- (b) an "associate" means:
  - (i) in relation to any director, CEO, substantial shareholder or controlling shareholder (being an individual):
    - his immediate family (that is, the person's spouse, child, adopted child, step-child, sibling and parent);
    - 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
    - any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
  - (ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;
- (c) "associated company" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (d) "controlling shareholder" means a person who holds directly or indirectly 15% or more of the total number of issued shares, excluding treasury shares and subsidiary holdings, in the company (unless the SGX-ST determines otherwise) or who in fact exercises control over a company; and
- (e) "interested person" means a director, CEO or controlling shareholder of the listed company, or an associate of any such director, CEO or controlling shareholder.



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## LETTER TO SHAREHOLDERS

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### 2.3 Rationale for and benefits of the IPT Mandate

In view of the time-sensitive nature of commercial transactions, it would be advantageous to the Company to obtain the IPT Mandate to enter into the Mandated Transactions as set out in section 2.5 of this Addendum, provided that all such transactions are carried out on normal commercial terms. The IPT Mandate (if approved) and the renewal on an annual basis will eliminate, among others, the need for the Company to convene separate general meetings on each occasion to seek its shareholders' approval as and when potential transactions with interested persons arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising its corporate objectives and adversely affecting its business opportunities.

The Mandated Transactions are entered into, or are to be entered into, by the Group in the ordinary course of business. They are recurring transactions which are likely to occur with some degree of frequency and arise at any time and from time to time.

Sales to the Interested Persons represent an additional source of revenue for the Group. With regard to purchases, the Group will benefit from having access to quotations from the Interested Persons, in addition to obtaining quotations from third parties, and with the various quotations available for assessment, this will ensure that the Group obtains competitive prices for goods and services of similar quality and specifications.

The Group will benefit from the familiarity that the Interested Persons possess in relation to the specifications and requirements that it requires for such goods and services, built on its mutual course of dealing over the years. This gives the Group assurance that the quality of goods and services provided by the Interested Persons would meet its requirements and standards. The terms that the Group extends to the Interested Persons (both for sales, as well as purchases) will not be more favourable than that which it extends to non-Interested Persons.

The Directors are of the view that it will be beneficial to the Group to transact or continue to transact with the Interested Persons.

Disclosure will be made in the Company's annual report on the aggregate value of transactions with Interested Persons conducted pursuant to the IPT Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT Mandate is in force, in accordance with the requirements of Chapter 9 of the Listing Manual. Disclosure will also be made in the Company's announcements of its financial statements for the first half of its financial year and for its full financial year, of the aggregate value of all transactions between the Group and each Interested Person conducted pursuant to the IPT Mandate, including specific disclosure on the amount of funds borrowed and loans repaid, the amount of guarantees, indemnities and other security obtained and released, and the amount of loans and credit support provided.

### 2.4 Classes of interested persons

The IPT Mandate will apply to transactions between the Group and the following persons ("**Interested Persons**"):

- (a) the PT ISM Group and its associates (other than the Company and, where applicable, its subsidiaries);
- (b) First Pacific and its subsidiaries (other than the PT ISM Group) and their associates;
- (c) the Salim Group and its associates (other than the PT ISM Group); and
- (d) any member (that may be appointed from time to time) of the Board and the CEO of the Company, and their respective associates.

Transactions with interested persons that do not fall within the ambit of the IPT Mandate shall be subject to the provisions of Chapter 9 of the Listing Manual.

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## LETTER TO SHAREHOLDERS

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### 2.5 Categories of IPT

The following transactions (the value of which is S\$100,000 or more) with the Interested Persons (the “**Mandated Transactions**”) are in connection with the provision to, or the obtaining from, these Interested Persons of products and services which are recurrent transactions of a revenue or trading nature or which are necessary for the day-to-day operations of the Group:

- (a) the sale and purchase of FFBs, palm oil and palm oil-based products, lauric products, cooking oil, margarine and shortening, sugar products and other derivative products;
- (b) the purchase of packaging material;
- (c) the purchases of products, services and materials from unrelated third parties on behalf of the Group or Interested Persons (as the case may be);
- (d) the provision, obtaining and/or utilisation of storage facilities, transportation and logistics services;
- (e) the rental/lease of land, warehouse, factory, office and other premises (“**Properties**”) from and to Interested Persons;
- (f) the borrowing of funds and repayment of loans and obtaining of and release of guarantees, indemnities and other security;
- (g) the provision of loans (other than the provision of a loan to a joint venture with an Interested Person falling under Rule 916(3) of the Listing Manual) to those subsidiaries which are also Interested Persons (for example, because they are associates of a Controlling Shareholder) provided that in relation to the provision of loans to any Interested Person as referred to in this paragraph, the proportion of such loans provided by the Group will not exceed its then existing shareholding percentage in such Interested Person;
- (h) the provision of credit support (such as securities, guarantees, indemnities, letters of comfort or other similar support) to or for the benefit of, those subsidiaries which are also Interested Persons (for example, because they are associates of a Controlling Shareholder) provided that in relation to the provision of credit support to any Interested Person as referred to in this paragraph, the proportion of such credit support provided by the Group will not exceed its then existing shareholding percentage in such Interested Person;
- (i) the payment of technical consultation and other professional fees;
- (j) the obtaining of professional, management, operational, administrative and support services including secondment arrangements and treasury, business development, marketing, management information systems, human resource, corporate communications (including investor relations), taxation, legal, corporate secretarial services and any other professional services (“**Corporate Services**”); and
- (k) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs 2.5(a) to 2.5(j) above and which are necessary for the day-to-day operations of the Group or arise in the normal course of business of the Group.

### 2.6 Guidelines and review procedures for IPT

- 2.6.1 The Company has implemented the following guidelines and review procedures to ensure that the Mandated Transactions are undertaken on normal commercial terms and on an arms’ length basis; that is, the transactions are transacted on terms and prices not more favourable to the Interested Persons than if they were transacted with an unrelated third party, and are not prejudicial to the interests of the Company and its minority Shareholders.

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## LETTER TO SHAREHOLDERS

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- (a) When supplying products or services to an Interested Person, the sale price or fee, and the terms, of at least two recent successful sales or supplies of a similar nature to non-Interested Persons will be used for comparison. The sale price or fee for the supply of goods or services shall not be lower than the lowest sale price or fee of these other transactions (of a similar nature) with non-Interested Persons.
- (b) When purchasing items from or engaging the services of an Interested Person (other than Corporate Services), at least two recent successful purchases or quotations for the purchase or provision of same or similar items or services from non-Interested Persons will be obtained (where available) for comparison. The purchase price or fee shall not be higher than the most competitive price, fee or quote of these other transactions (of a similar nature) with non-Interested Persons. In determining the most competitive price or fee, non-price factors, including but not limited to quality, delivery time, payment terms and track record will be taken into account.
- (c) When obtaining loans and guarantees, the Company shall ensure that the interest rate quoted and other material terms are no less favourable than that given by third party lenders (based on at least two recent quotations).
- (d) When renting Properties from or to an Interested Person, the Company shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates (such as making relevant enquiries with landlords of similar properties (in terms of area and location) and obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate)). The rent payable or to be received shall be based on the most competitive market rental rate of similar properties (in terms of area and location), based on the results of the relevant enquiries.
- (e) For Corporate Services, the fee to be charged by the Interested Person will be (i) based on the actual cost incurred by the Interested Person in providing such service; or (ii) equal to or less than the fees charged by or paid to unrelated third parties for comparable services rendered by such unrelated third parties.
- (f) The payment for purchases of products, services and materials on behalf of the Group or any Interested Person (as the case may be) shall be made on a reimbursement basis. Further, in respect of payments to any Interested Person for purchases on behalf of the Group, where practicable, at least two recent successful purchases or quotations for the purchase of the same or similar products, services or materials from non-Interested Persons will be obtained for comparison. The purchase price or fee shall not be higher than the most competitive price, fee or quote of these other transactions (of a similar nature) with non-Interested Persons. In determining the most competitive price or fee, non-price factors, including but not limited to quality, delivery time, payment terms and track record will be taken into account.
- (g) In relation to the provision of loans or credit support, the members of the Board (other than those who are not independent of the relevant Interested Persons) when considering whether the Group should provide the loans or credit support to or for the benefit of its Interested Persons pursuant to the IPT Mandate, will only undertake such transactions when they are of the view that it is in the interests of the Group to do so. In addition, the interest rate charged by the Group for the provision of loans shall not be less than the highest of the rates quoted by the Group's principal bankers for loans of an equivalent amount and tenure. The Company shall also take into consideration factors, including but not limited to the other terms of the relevant loans or credit support, operation requirements and risks, location of operations, country of incorporation of the relevant entity at risk, the creditworthiness of the Interested Persons and other pertinent factors.

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## LETTER TO SHAREHOLDERS

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In the event that it is not possible for appropriate information (for comparative purposes) to be obtained, the respective heads of the finance and accounting department in Indonesia or Singapore (where applicable) of the Group (with no interest, direct or indirect, in the Mandated Transaction and who are independent of the relevant Interested Persons), will determine whether the price, fees and/or the other terms offered by or to the Interested Persons are fair and reasonable, and approve such Mandated Transaction. In so determining, that head of the finance and accounting department will consider whether the price, fees and/or other terms is 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 an arm's length and on normal commercial terms.

2.6.2 The Company shall monitor the transactions with Interested Persons entered into by the Group and categorise these transactions as follows:

- (a) Category 1 Mandated Transaction is one where the value thereof is in excess of S\$15,000,000. Such a transaction must be approved by the Audit & Risk Management Committee and the Board prior to its entry.
- (b) Category 2 Mandated Transaction is one where the value thereof is below or equal to S\$15,000,000. Such a transaction need not be approved by the Audit & Risk Management Committee and the Board prior to its entry but shall be approved by at least one Executive Director together with either the Group Controller or the Chief Financial Officer and reviewed on a quarterly basis by the Audit & Risk Management Committee. If the Executive Director is not available, such a transaction shall be approved by either the Group Controller or the Chief Financial Officer, together with one Independent Director.
- (c) In relation to the provision of loans or credit support, prior approval of the Audit & Risk Management Committee and the Board must also be obtained if the aggregate amount of such loans plus interest and credit support immediately prior to, or will as a result of, such provision of loans or credit support exceed (as the case may be) 5% of the latest audited consolidated shareholders' funds of the Company.

2.6.3 In its review of each quarterly report, the Audit & Risk Management Committee will also review the payment terms, payment period(s) and settlement of the transactions in respect thereof to ensure that they are not prejudicial to the interests of the Company and the minority Shareholders. The internal auditor of the Company, and Audit & Risk Management Committee (independent of the internal auditor), where either of it deems fit or necessary, may carry out additional reviews.

The Company will maintain a register of Interested Persons. This register will be updated regularly and will be sent to a designated person in each member of the Group. The purpose of this register is to enable that designated person to identify the Interested Persons so as to facilitate the recording of all Mandated Transactions excluding those below S\$100,000, in accordance with Chapter 9 of the Listing Manual. The Company will also maintain a register of 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 were entered into).

Additionally, and in respect of all transactions between the Group and the Interested Persons, any person who is not independent of the relevant Interested Persons will not be involved in making any recommendation of or approving such transactions at the Group.

In the event that a member of the Audit & Risk Management Committee is interested in any of the Mandated Transactions, that member will abstain from reviewing that particular transaction. Any decision to proceed with such an agreement or arrangement would be recorded for review by the remaining members of the Audit & Risk Management Committee.

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## LETTER TO SHAREHOLDERS

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The Group's internal audit plan will incorporate a review of the transactions entered into in the relevant financial year pursuant to the IPT Mandate.

The Audit & Risk Management Committee will also review the transactions with Interested Persons periodically and ensure that the prevailing rules of the SGX-ST (in particular, Chapter 9) are complied with.

### 2.7 Duration of Authority

The IPT Mandate, if approved, will be effective from the date of the passing of the Ordinary Resolution so approving the IPT Mandate at the 2024 AGM and will, unless earlier revoked or varied by the Company in general meeting, continue in force until the next AGM. The Company will seek approval from Shareholders for the renewal of the IPT Mandate at each subsequent AGM of the Company, subject to satisfactory review by the Audit & Risk Management Committee of its continued application to the transactions with Interested Persons.

### 2.8 Statement of the Audit & Risk Management Committee

The Audit & Risk Management Committee (comprising Messrs Goh Kian Chee, Lim Hock San and Tjhie Tje Fie) has reviewed and considered, *inter alia*, the rationale and benefits, categories of IPT and the guidelines and review procedures for IPT in the IPT Mandate. The Audit & Risk Management Committee confirms that:

- (i) the guidelines, methods and review procedures for determining transaction prices of IPT have not changed since the last shareholder approval for the IPT Mandate at the 2023 AGM; and
- (ii) the review procedures as set out in section 2.6 of this Addendum are sufficient to ensure that the IPT will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit & Risk Management Committee, it is of the view that the established review procedures are no longer appropriate or adequate to ensure that the Mandated Transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures for transactions with the Interested Persons.

## 3 THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

### 3.1 Background

At the Company's 2023 AGM, Shareholders had approved the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire issued Shares. The rationale for, and the authority and limitations on, the Share Purchase Mandate were set out in the Addendum to Shareholders dated 29 March 2023 and Ordinary Resolution 8 set out in the Notice of the 2023 AGM.

The existing Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 8 at the 2023 AGM and will expire on the date of the forthcoming 2024 AGM to be held on 30 April 2024. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the forthcoming 2024 AGM.

### 3.2 Shares Purchased or Acquired during the Previous 12 Months

As of the Latest Practicable Date, the Company has not undertaken any purchase or acquisition of its issued Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2023 AGM.

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## LETTER TO SHAREHOLDERS

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### 3.3 Rationale for the Share Purchase Mandate

The Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its issued Shares during the period when the Share Purchase Mandate is in force, if and when circumstances permit. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, allow the Directors to better manage the Company's capital structure with a view to enhance the Company's earnings per Share.

The Directors will decide whether to effect the purchases or acquisitions of the Shares after taking into account the prevailing market conditions, the financial position of the Group and other relevant factors.

### 3.4 Terms of the Share Purchase Mandate

The authority and limitations placed on the purchase or acquisition of Shares by the Company under the Share Purchase Mandate, if renewed at the forthcoming 2024 AGM, are summarised below:

#### 3.4.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

Subject to the Companies Act, the total number of Shares that may be purchased or acquired by the Company shall not exceed 5% of the total number of Shares (excluding subsidiary holdings and any Shares which are held as treasury shares) in issue as at the date of the 2024 AGM at which the renewal of the Share Purchase Mandate is approved.

#### 3.4.2 *Duration of Authority*

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the 2024 AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

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

#### 3.4.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares by the Company may be made by way of:

- (a) an on-market purchase transacted through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or
- (b) an off-market purchase in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Purchase**").

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Constitution of the Company, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

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## LETTER TO SHAREHOLDERS

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Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (a) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (b) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same except that there shall be disregarded:
  - (i) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;
  - (ii) differences in consideration attributable to the fact that the 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.

Under the Listing Manual, in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, *inter alia*, the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share purchases;
- (d) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share purchases, if made, could affect the listing of the listed company's equity securities on the SGX-ST;
- (f) details of any share purchases made by the listed 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
- (g) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

#### 3.4.4 *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, provided that such 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, 110% of the Average Closing Price (as defined hereinafter),

("Maximum Price") in either case, excluding related expenses of the purchase or acquisition.

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For the purposes of this Addendum:

**“Average Closing Price”** means the average of the Closing Market Prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day on which the purchases are made;

**“Closing Market Price”** means the last dealt price for a Share transacted through the SGX-ST’s trading system as shown in any publication of the SGX-ST or other sources; and

**“date of the making of the offer”** means the day on which the Company announces its intention to make an offer for the purchase or acquisition 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.

### 3.5 Status of Purchased or Acquired Shares: Held in Treasury or Cancelled

Any Shares purchased or acquired pursuant to the Share Purchase Mandate will be dealt with in such manner as may be permitted by the Companies Act.

Under the Companies Act, any Share purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share shall expire on cancellation), unless such Share is held by the Company in treasury in accordance with Sections 76H to 76K of the Companies Act.

#### 3.5.1 *Treasury Shares*

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

- (a) **Maximum Holding:** The aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of Shares in issue at that time. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess treasury shares within six months from the day the aforesaid limit is first exceeded.
- (b) **Voting and Other Rights:** The Company cannot exercise any right in respect of the 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 (whether in cash or otherwise) of the Company’s assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

- (c) **Disposal or Cancellation:** Where Shares are held as treasury shares, the Company may at any time:
  - (i) sell the treasury shares (or any of them) for cash;



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- (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (iii) 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;
- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (i) the date of the sale, transfer, cancellation and/or use of such treasury shares, (ii) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (iii) the number of treasury shares which have been sold, transferred, cancelled and/or used, (iv) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (v) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and (vi) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

### 3.5.2 *Purchased or Acquired Shares Cancelled*

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled, which shall include any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of the Shares.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

### 3.6 **Source of Funds**

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution of the Company and in accordance with applicable laws in Singapore.

The Companies Act permits any purchase or acquisition of shares to be made out of a company's capital or profits so long as the company is solvent. For this purpose, a company is "solvent" if at the date of the payment, the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;

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- (b) if:
  - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use the Group's internal resources, or external bank borrowings or a combination of both to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire Shares under the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

The Board does not propose to exercise the Share Purchase Mandate in a manner and to such an extent that would materially and adversely affect the working capital requirements or the gearing levels of the Group and the financial position of the Group taken as a whole.

### 3.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition is made out of capital or profits of the Company and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial accounts of the Company and the Group for FY2023, are based on the assumptions set out below.

#### 3.7.1 *Purchase or Acquisition of Shares made out of Capital or Profits*

Where the purchase or acquisition of Shares is made out of capital, the profits available for distribution as dividends by the Company will not be reduced. Where the purchase or acquisition of Shares is made out of profits, the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the profits available for distribution as dividends by the Company.

#### 3.7.2 *Number of, and Maximum Price paid for, Shares Purchased or Acquired*

As at the Latest Practicable Date, the Company has a total of 1,395,904,530 Shares in issue (excluding treasury shares). Further, as at the Latest Practicable Date, 51,878,300 Shares were held by the Company as treasury shares. There were no subsidiary holdings.

Based on 1,395,904,530 Shares in issue (excluding treasury shares) as at the Latest Practicable Date and assuming that no further Shares are issued, no further Shares are purchased or acquired and held by the Company as treasury shares and there are no subsidiary holdings on or prior to the forthcoming 2024 AGM, the purchase or acquisition by the Company of up to 5% of the total number of its issued Shares (excluding treasury shares) will result in the purchase or acquisition by the Company of up to 69,795,227 Shares.

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In the case of Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 69,795,227 Shares at the Maximum Price of S\$0.300 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 69,795,227 Shares is approximately S\$20.9 million.

In the case of Off-Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 69,795,227 Shares at the Maximum Price of S\$0.315 for each Share (being the price equivalent to 110% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 69,795,227 Shares is approximately S\$22.0 million.

### 3.7.3 *Illustrative Financial Effects*

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, based on the audited financial statements of the Group for FY2023, the assumptions stated above and assuming the purchases or acquisitions of Shares by the Company are funded solely from borrowings, the effects of such purchases or acquisitions of Shares by way of Market Purchases and Off-Market Purchases on the financial positions of the Company and the Group under each of the following Scenarios A and B are as set out in the tables below:

**Scenario A:** Market Purchases or Off-Market Purchases (as the case may be) of 69,795,227 Shares made entirely out of capital and **held as treasury shares**; and

**Scenario B:** Market Purchases or Off-Market Purchases (as the case may be) of 69,795,227 Shares made entirely out of capital and **cancelled**.

## LETTER TO SHAREHOLDERS

### A. Market Purchases

As of 31 December 2023	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Scenario A	Scenario B		Scenario A	Scenario B
	Rp' billion	Rp' billion	Rp' billion	Rp' billion	Rp' billion	Rp' billion
Profit attributable to Owner of the Company	614	598	598	(129)	(145)	(145)
Share capital	3,584	3,584	3,339	10,912	10,912	10,667
Reserves <sup>1</sup>	9,711	9,695	9,695	359	342	342
Other Reserves	640	640	640	144	144	144
Treasury shares	(390)	(635)	(390)	(390)	(635)	(390)
Shareholders' funds	13,545	13,284	13,284	11,025	10,764	10,764
NAV <sup>2</sup>	13,545	13,284	13,284	11,025	10,764	10,764
Current assets	9,944	9,928	9,928	66	50	50
Current liabilities	9,582	9,582	9,582	55	55	55
Net current assets/(liabilities)	362	346	346	11	(5)	(5)
Total loans and borrowings	7,796	8,041	8,041	–	245	245
Cash and cash equivalents	5,226	5,210	5,210	56	40	40
Number of Shares ('000) <sup>3</sup>	1,395,905	1,326,110	1,326,110	1,395,905	1,326,110	1,326,110
Treasury shares ('000)	51,878	121,673	51,878	51,878	121,673	51,878
<b>Financial ratios</b>						
EPS – Rp	440	451	451	(92)	(109)	(109)
NAV per Share – Rp	9,703	10,017	10,017	7,898	8,117	8,117
Gearing ratio <sup>4</sup>	0.19	0.21	0.21	(0.01)	0.02	0.02
Current ratio (times) <sup>5</sup>	1.0	1.0	1.0	1.2	0.9	0.9

#### Notes:

- (1) The profit attributable to Owners of the Company, reserves and current assets (including cash and cash equivalents) have been adjusted to take into account interest expense relating to bank borrowings for the purchase of Shares. The interest expense is calculated assuming that the purchase of Shares was completed on 1 January 2023.
- (2) NAV equals shareholders' funds.
- (3) Based on the number of Shares issued (excluding treasury shares) as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (4) Gearing ratio equals net debts divided by shareholders' funds.
- (5) Current ratio equals current assets divided by current liabilities.

As illustrated under both Scenarios A and B in the table above, the Market Purchases of 69,795,227 Shares made entirely out of capital and held as treasury shares (under Scenario A) or cancelled (under Scenario B), as the case may be, will have the effect of decreasing the NAV of the Company and of the Group. The consolidated NAV per Share of the Group as at 31 December 2023 will increase from Rp9,703 to Rp10,017.

Assuming that the purchase of Shares had taken place on 1 January 2023, the consolidated basic EPS of the Group for FY2023 would be increased from Rp440 to Rp451 per Share as a result of the reduction in the number of issued Shares under both Scenarios A and B.

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### B. Off-Market Purchases

As of 31 December 2023	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Scenario A	Scenario B		Scenario A	Scenario B
	Rp' billion	Rp' billion	Rp' billion	Rp' billion	Rp' billion	Rp' billion
Profit attributable to Owners of the Company	614	597	597	(129)	(146)	(146)
Share capital	3,584	3,584	3,327	10,912	10,912	10,655
Reserves <sup>1</sup>	9,711	9,694	9,694	359	342	342
Other Reserves	640	640	640	144	144	144
Treasury shares	(390)	(647)	(390)	(390)	(647)	(390)
Shareholders' funds	13,545	13,271	13,271	11,025	10,751	10,751
NAV <sup>2</sup>	13,545	13,271	13,271	11,025	10,751	10,751
Current assets	9,944	9,927	9,927	66	49	49
Current liabilities	9,582	9,582	9,582	55	55	55
Net current assets/(liabilities)	362	345	345	11	(6)	(6)
Total loans and borrowings	7,796	8,053	8,053	–	257	257
Cash and cash equivalents	5,226	5,209	5,209	56	39	39
Number of Shares ('000) <sup>3</sup>	1,395,905	1,326,110	1,326,110	1,395,905	1,326,110	1,326,110
Treasury shares ('000)	51,878	121,673	51,878	51,878	121,673	51,878
<b>Financial ratios</b>						
EPS – Rp	440	450	450	(92)	(110)	(110)
NAV per Share – Rp	9,703	10,007	10,007	7,898	8,107	8,107
Gearing ratio <sup>4</sup>	0.19	0.21	0.21	(0.01)	0.02	0.02
Current ratio (times) <sup>5</sup>	1.0	1.0	1.0	1.2	0.9	0.9

#### Notes:

- (1) The profit attributable to Owners of the Company, reserves and current assets (including cash and cash equivalents) have been adjusted to take into account interest expense relating to bank borrowings for the purchase of Shares. The interest expense is calculated assuming that the purchase of Shares was completed on 1 January 2023.
- (2) NAV equals shareholders' funds.
- (3) Based on the number of Shares issued (excluding treasury shares) as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (4) Gearing ratio equals net debts divided by shareholders' funds.
- (5) Current ratio equals current assets divided by current liabilities.

As illustrated under both Scenarios A and B in the table above, the Off-Market Purchases of 69,795,227 Shares made entirely out of capital and held as treasury shares (under Scenario A) or cancelled (under Scenario B), as the case may be, will have the effect of decreasing the NAV of the Company and of the Group. The consolidated NAV per Share of the Group as at 31 December 2023 will increase from Rp9,703 to Rp10,007.

Assuming that the purchase of Shares had taken place on 1 January 2023, the consolidated basic EPS of the Group for FY2023 would be increased from Rp440 to Rp450 per Share as a result of the reduction in the number of issued Shares under both Scenarios A and B.

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Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are purely for illustration purposes only and are not necessarily representative of future financial performance. In addition, the actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company, and whether the Shares purchased or acquired are held in treasury or cancelled.

Although the Share Purchase Mandate would authorise the Company to purchase up to 5% of the total number of the Company's issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 5% of the total number of the issued Shares (excluding treasury shares and subsidiary holdings) as mandated. In addition, the Company may cancel all or part of the Shares purchased, or hold all or part of the Shares purchased in treasury. The Board would emphasise that it does not propose to exercise the Share Purchase Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Group taken as a whole, or result in the Company being delisted from the SGX-ST.

### 3.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

### 3.9 Listing Manual

#### 3.9.1 *No Purchases During Price Sensitive Developments*

Whilst the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the Board until the price sensitive information has been publicly announced.

In particular, in-line with Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's annual results and during the period of two (2) weeks immediately preceding the announcement of the Company's financial statements for the first half of its financial year.

#### 3.9.2 *Listing Status of the Shares*

Under Rule 723 of the Listing Manual, a listed company shall ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word "public" is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are approximately 213,688,212 Shares, representing approximately 15.31% of the total number of issued Shares (excluding treasury shares), held by the public. In the event that the Company purchases up to 5% of the total number of issued Shares from public Shareholders, the percentage of the Company's public float would be reduced to approximately 10.85% of the total number of Shares in issue. Accordingly, the Board is of the view that there is, at present, a sufficient number of Shares in issue held by public Shareholders that would permit the Company to potentially undertake purchases or acquisitions of Shares through Market Purchases up to 5% limit pursuant to the proposed Share Purchase Mandate without adversely affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Shares.

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### 3.9.3 *Reporting Requirements*

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares and subsidiary holdings) after the purchase and the number of treasury shares and subsidiary holdings held after the purchase.

### 3.10 **Certain Take-over Code Implications Arising from the Proposed Share Purchase Mandate**

Certain take-over implications arising from the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are summarised below:

#### 3.10.1 *Obligation to Make a Take-over Offer*

If, as a result of any purchase or acquisition of Shares made by the Company under the Share Purchase Mandate, the proportionate interest of a Shareholder and persons acting in concert with him in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

#### 3.10.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert comprise 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 Take-over Code presumes, *inter alia*, the following individuals and companies to be acting in concert with each other:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i) to (iv);
  - (vi) companies whose associated companies include any of (i) to (v);
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives and related trusts and companies controlled by any of the directors, their close relatives and related trusts).

For the above purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

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## LETTER TO SHAREHOLDERS

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### 3.10.3 *Effect of Rule 14 and Appendix 2 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 as a result of a purchase or acquisition 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 is that unless exempted, 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 a purchase or acquisition of Shares by the Company:

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company increase to 30% or more; or
- (b) if the Directors and their concert parties hold between 30% and 50% of the Company's voting rights, and their voting rights increase by more than 1% in any period of six 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% to 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

### 3.10.4 *Shareholding Interests of Directors*

Based on information in the Register of Directors' Shareholdings as at the Latest Practicable Date, the interests of the Directors in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (i) the Company purchases up to 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, (ii) there is no change in the number of Shares in which the Directors have an interest as at the Latest Practicable Date, (iii) there are no further issues of Shares, (iv) no Shares are held by the Company as treasury shares and (v) there are no subsidiary holdings on or prior to the forthcoming 2024 AGM, will be as follows:

Name of Director	Number of Shares Held			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Mr Lee Kwong Foo Edward	–	–	–	–	–
Mr Lim Hock San	–	–	–	–	–
Mr Mark Julian Wakeford <sup>(1)</sup> ("Mr Wakeford")	300,000	200,000	500,000	0.04	0.04
Mr Moleonoto Tjang	–	–	–	–	–
Mr Suaimi Suriady	–	–	–	–	–
Mr Tjhie Tje Fie	–	–	–	–	–
Mr Axton Salim	–	–	–	–	–
Mr Goh Kian Chee	–	–	–	–	–

**Note:**

- (1) Mr Wakeford is deemed to be interested in the 200,000 Shares held by his wife, Ms Tee Foong Sin.



## LETTER TO SHAREHOLDERS

### 3.10.5 Shareholding Interests of Substantial Shareholders

Based on information in the Register of Substantial Shareholders as at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (i) the Company purchases or acquires up to 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, (ii) there is no change in the number of Shares in which the Substantial Shareholders have an interest as at the Latest Practicable Date, (iii) there are no further issues of Shares, (iv) no Shares are held by the Company as treasury shares and (v) there are no subsidiary holdings on or prior to the forthcoming 2024 AGM, will be as follows:

Name of Substantial Shareholder	Number of Shares Held			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
ISHPL	998,200,000	–	998,200,000	71.51%	75.27%
PT ISM <sup>(1)</sup>	181,508,530	998,200,000	1,179,708,530	84.51%	88.96%
FPIML <sup>(2)</sup>	–	1,179,708,530	1,179,708,530	84.51%	88.96%
First Pacific <sup>(2)</sup>	–	1,179,708,530	1,179,708,530	84.51%	88.96%
FPCPIL <sup>(3)</sup>	–	1,179,708,530	1,179,708,530	84.51%	88.96%
FPCP <sup>(4)</sup>	–	1,179,708,530	1,179,708,530	84.51%	88.96%
FPIL <sup>(5)</sup>	1,125,344	1,179,708,530	1,180,833,874	84.59%	89.04%
FPIL BVI <sup>(5)</sup>	882,444	1,179,708,530	1,180,590,974	84.57%	89.03%
Salerni <sup>(5) (6)</sup>	–	1,180,590,974	1,180,590,974	84.58%	89.03%
ACFL <sup>(7)</sup>	–	1,180,833,874	1,180,833,874	84.59%	89.04%
Anthoni Salim <sup>(8)</sup>	–	1,181,716,318	1,181,716,318	84.66%	89.11%

**Notes:**

- (1) PT ISM is a holding company of ISHPL with an interest of approximately 83.84% of the total number of issued shares in ISHPL. Accordingly, PT ISM is deemed to be interested in the Shares held by ISHPL.
- (2) FPIML, a sister subsidiary indirectly wholly owned by First Pacific, owns more than 50% of the issued share capital of PT ISM. Accordingly, both FPIML and First Pacific are deemed to be interested in the Shares held by ISHPL and PT ISM.
- (3) FPCPIL owns 100% of the issued share capital of FPIML. Accordingly, FPCPIL is deemed to be interested in the Shares held by ISHPL and PT ISM.
- (4) FPCP owns 100% of the issued share capital of FPCPIL. Accordingly, FPCP is deemed to be interested in the Shares held by ISHPL and PT ISM.
- (5) FPIL, together with FPIL BVI and Salerni, collectively own not less than 20% of the issued share capital of First Pacific. Accordingly, FPIL, FPIL BVI and Salerni are deemed to be interested in the Shares held by ISHPL and PT ISM.
- (6) Salerni owns 100% of the issued share capital of FPIL BVI. Accordingly, Salerni is deemed to be interested in the Shares held by ISHPL, PT ISM and FPIL BVI.
- (7) ACFL owns more than 50% of the issued share capital of FPIL. Accordingly, ACFL is deemed to be interested in the Shares held by ISHPL, PT ISM and FPIL.
- (8) Mr Anthoni Salim owns 100% of the issued share capital of Salerni and ACFL. Accordingly, Mr Anthoni Salim is deemed interested in the Shares held by ISHPL, PT ISM, FPIL and FPIL BVI.

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## LETTER TO SHAREHOLDERS

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### 3.10.6 *Consequences of Share purchases or acquisitions by the Company*

Based on the Register of Substantial Shareholders of the Company, since the total direct and deemed interests of Mr Anthoni Salim is more than 50% of the total number of issued Shares of the Company as at the Latest Practicable Date, he would not become obliged to make a mandatory take-over offer for the Company under the Take-over Code in the event that the Company purchases or acquires the maximum 69,795,227.

Shares (being 5% of the total number of issued Shares as at the Latest Practicable Date) pursuant to the Share Purchase Mandate. The Directors are not aware of any other Substantial Shareholder or Director who would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the limit of 5% of its total number of issued Shares as at the Latest Practicable Date.

**The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.**

## 4 ABSTENTION FROM VOTING

Rule 919 of the Listing Manual requires that interested persons must not vote on any shareholders' resolution approving any mandate in respect of any IPT nor accept appointments as proxies unless specific instructions as to voting are given.

Mr Axton Salim, a non-executive Director of the Company, is the son of a controlling shareholder Mr Anthoni Salim. Mr Tjhie Tje Fie, being a non-executive Director of the Company, is the nominee of ISHPL. ISHPL is a company in which the PT ISM Group has deemed shareholding interests. Accordingly, Messrs Axton Salim and Tjhie Tje Fie will abstain from, and shall procure their respective associates to abstain from, making any recommendation to the Shareholders and voting at the forthcoming 2024 AGM in respect of Ordinary Resolution 7 relating to the proposed renewal of the IPT Mandate, set out in the Notice of AGM. Messrs Axton Salim and Tjhie Tje Fie and their respective associates will also not act as proxies in relation to the Ordinary Resolution relating to the proposed renewal of the IPT Mandate unless specific instructions as to voting have been given by the relevant Shareholder.

The Company will disregard any votes cast on Ordinary Resolution 7 relating to the proposed renewal of the IPT Mandate, where such votes are cast by or on behalf of Messrs Axton Salim and Tjhie Tje Fie, and their respective associates.

## 5 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2024 AGM and wish to appoint a proxy to attend and vote on their behalf should sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 8 Eu Tong Sen Street, #16-96/97 The Central, Singapore 059818 not later than 72 hours before the time appointed for holding the 2024 AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2024 AGM if he subsequently wishes to do so, in place of his proxy.

CPF investors may wish to check with their CPF Approved Nominees on the procedure and deadline for the submission of their written instructions to their CPF Approved Nominees to vote on their behalf.

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## LETTER TO SHAREHOLDERS

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### 6 DIRECTORS' RECOMMENDATIONS

#### 6.1 Proposed Renewal of the IPT Mandate

The Independent Directors have considered, *inter alia*, the rationale for, and the benefits to, the Company, and the guidelines and review procedures in the IPT Mandate. They believe that the IPT Mandate is in the best interests of the Company and accordingly recommend that Shareholders **vote in favour** of Ordinary Resolution 7, being the ordinary resolution relating to the proposed renewal of the IPT Mandate as set out in the Notice of AGM.

#### 6.2 Proposed Renewal of the Share Purchase Mandate

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 Ordinary Resolution 8, being the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate, set out in the Notice of AGM.

### 7 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the Proposals and the Group which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum 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 Addendum in its proper form and context.

### 8 DOCUMENTS AVAILABLE FOR INSPECTION

The Annual Report of the Company for the financial year ended 31 December 2023 is available for inspection at the registered office of the Company at 8 Eu Tong Sen Street, #16-96/97 The Central, Singapore 059818 during normal business hours from the date of this Addendum up to and including the date of the 2024 AGM.

Yours faithfully,

For and on behalf of the Board of  
Indofood Agri Resources Ltd.

Mark Julian Wakeford  
Chief Executive Officer and Executive Director