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YANLORD

# **YANLORD LAND GROUP LIMITED**

(Incorporated in the Republic of Singapore)

(Company registration no. 200601911K)

APPENDIX I TO THE NOTICE OF ANNUAL GENERAL MEETING OF  
YANLORD LAND GROUP LIMITED

DATED 10 APRIL 2012:  
THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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In this Appendix, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“Act”	: Companies Act (Chapter 50) of Singapore, as amended or modified from time to time.
“AGM”	: Annual General Meeting of the Company.
“Articles”	: The Articles of Association of the Company, as amended or modified from time to time.
“Average Closing Price”	: has the meaning ascribed to it in Section 2.3.4 of this Appendix.
“CDP”	: The Central Depository (Pte) Limited.
“Appendix”	: This appendix to Shareholders dated 10 April 2012.
“Code”	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time.
“Company”	: Yanlord Land Group Limited.
“Controlling Shareholder”	: A person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or</li> <li>(b) in fact exercises control over the Company.</li> </ul>
“Directors”	: The directors of the Company as at the Latest Practicable Date.
“Group”	: The Company and its subsidiaries.
“Latest Practicable Date”	: The latest practicable date prior to the printing of this Appendix, being 12 March 2012.
“Listing Manual”	: The Listing Manual of the SGX-ST, as amended or modified from time to time.
“Market Day”	: A day on which the SGX-ST is open for trading in securities.
“Market Purchase”	: has the meaning ascribed to it in Section 2.3.3 of this Appendix.
“Maximum Price”	: has the meaning ascribed to it in Section 2.3.4 of this Appendix.
“Memorandum”	: The Memorandum of Association of the Company.
“Off-Market Purchase”	: has the meaning ascribed to it in Section 2.3.3 of this Appendix.
“SGX-ST”	: Singapore Exchange Securities Trading Limited.
“Share Buyback Mandate”	: The share buyback mandate to enable the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company.
“Shares”	: Ordinary shares in the capital of the Company.
“Shareholders”	: Registered holders for the time being of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register.

“Substantial Shareholders” : Persons who each hold directly and/or indirectly 5% or more of the total issued share capital of the Company.

#### Currencies, Units and Others

“RMB” and “cents” : Renminbi and cents respectively, the official currency of the People’s Republic of China.

“S\$” : Singapore dollars.

“%” or “per cent.” : Per centum or percentage.

The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Act.

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Appendix shall have the same meaning assigned to it under the said Act or any modification thereof, as the case may be, unless the context otherwise requires.

The Company maintains its accounts in S\$ but publishes its financial statements in RMB. This Appendix contains conversion of certain S\$ amounts into RMB (or vice versa) at specified rate solely for the convenience of the shareholders. Unless otherwise indicated, the financial figures in this Appendix are calculated on the basis of S\$1:RMB5.0133 as at the Latest Practicable Date.

Any reference to a time of day in this Appendix shall be a reference to Singapore time.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

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

# YANLORD LAND GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company registration no. 200601911K)

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

## Directors:

Zhong Sheng Jian (Chairman and Chief Executive Officer)  
 Zhong Siliang (Executive Director)  
 Chan Yiu Ling (Executive Director)  
 Hong Zhi Hua (Executive Director)  
 Ronald Seah Lim Siang (Lead Independent Director)  
 Ng Ser Miang (Independent Director)  
 Ng Shin Ein (Independent Director)  
 Ng Jui Ping (Independent Director)

## Registered Office:

9 Temasek Boulevard #36-02  
 Suntec Tower Two  
 Singapore 038989

10 April 2012

To: The Shareholders of Yanlord Land Group Limited

Dear Sir/Madam

## THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

### 1. INTRODUCTION

The Directors refer to the Notice of the AGM of the Company dated 10 April 2012. Resolution no. 7 of the Notice of AGM is an Ordinary Resolution to be proposed at the AGM to be held on 25 April 2012 ("2012 AGM") for the renewal of the Share Buyback Mandate of the Company.

The purpose of this Appendix is to provide Shareholders with information relating to and the reasons for the proposed renewal of the Share Buyback Mandate to be tabled at the 2012 AGM.

### 2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

#### 2.1 Background

The Share Buyback Mandate was first approved by Shareholders at the Extraordinary General Meeting of the Company held on 29 April 2009 ("2009 EGM"). The rationale for, the authority and limitations, and the financial effects of, the Share Buyback Mandate were set out in the Company's Circular dated 13 April 2009 to the Shareholders. The authority conferred pursuant to the Share Buyback Mandate may be exercised by the Directors at any time during the period commencing from the date of the 2009 EGM and expiring on the date when the next AGM is held, or the date by which the next AGM is required by the law to be held, whichever is earlier.

At the previous AGM held on 29 April 2011, Shareholders approved and renewed the Share Buyback Mandate. The Share Buyback Mandate will expire on 2012 AGM.

It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the 2012 AGM for, inter alia, the renewal of the Share Buyback Mandate and to authorise the Directors to buy back Shares up to the maximum number of Shares set out in Section 2.3.1.

Any purchases or acquisitions of Shares by the Company would have to be made subject to the Memorandum and the Articles, sections 76B to 76G of the Act, the Listing Manual and the Code.

If approved by Shareholders at the 2012 AGM, the authority conferred by the Share Buyback Mandate will continue to be in force until the next AGM of the Company (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company through a general meeting (if so varied or revoked prior to the next AGM).

## **2.2 Rationale for the proposed Share Buyback Mandate**

The proposed Share Buyback Mandate would give the Company flexibility to purchase the Shares if and when circumstances permit.

The Share Buyback Mandate provides the Company and its Directors with a simple mechanism to facilitate the return of surplus cash over and above its capital requirements in an expedient and cost-effective manner. The Share Buyback Mandate will also allow the Directors to exercise a certain amount of control over the Company's share capital structure with a view to enhance the earnings per Share of the Company.

If and when circumstances permit, the Directors will decide whether to effect the Shares purchase or acquisition via Market Purchase and/or Off-Market Purchase, after taking into account the relevant factors such as the financial resources available, the prevailing market conditions, and the cost and timing involved. Such purchases or acquisitions will only be made when the Directors are of the view that it will benefit the Company and its Shareholders and that the Directors do not propose to carry out buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

## **2.3 Terms of the Share Buyback Mandate**

### **2.3.1 Maximum number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The maximum number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is the number of Shares representing not more than 10% of the issued and fully paid-up Shares of the Company as at the date of the 2012 AGM at which the proposed Share Buyback Mandate is approved. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

For illustration purposes only, on the basis of 1,948,736,476 issued and fully paid-up Shares as at the Latest Practicable Date, and assuming no further Shares are issued prior to the 2012 AGM, not more than 194,873,647 Shares (representing not more than 10% of the total issued and fully paid-up Shares of the Company as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

### **2.3.2 Duration of authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2012 AGM, at which the proposed Share Buyback Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held;
- (b) the date on which share buybacks have been carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in general meeting,

whichever is earlier.

The Share Buyback Mandate may be renewed at each subsequent AGM or other general meeting of the Company.

### 2.3.3 Manner of purchase or acquisition of Shares

Purchases or acquisitions of Shares can be effected by the Company by way of:

- (a) on-market purchases (“**Market Purchases**”); transacted on the SGX-ST through the SGX-ST’s ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases in accordance with an equal access scheme as defined in the Act (“**Off-Market Purchases**”).

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Act, the Memorandum and the Articles as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same except that the following shall be disregarded:
  - (a) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
  - (b) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
  - (c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must, as required by the Listing Manual, issue an offer document containing at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buyback Mandate;
- (iv) the consequences, if any, of the Shares buybacks by the Company that will arise under the Code or other applicable takeover rules;
- (v) whether the Share buyback, if made, could affect the listing of the equity securities of the Company on the SGX-ST;
- (vi) details of any Share buyback by the Company in the previous 12 months (whether Market Purchase or Off-Market Purchase in accordance with an equal access scheme), 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.
- (vii) whether the shares purchased or acquired by the issuer will be cancelled or kept as treasury shares.

### 2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid by the Company for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition (the **“Maximum Price”**).

For the above purposes:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date 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, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

**“date of the making of the offer”** means the date on which the Company makes an offer for the purchase or acquisition of the Shares from holders of the Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

### 2.4 Status of purchased or acquired Shares under the Share Buyback Mandate

Any Shares purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of a Share, the rights and privileges attached to that Share expire. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

### 2.5 Treasury shares

Shares purchased or acquired by the Company may be held or dealt with as treasury shares under the Act.

#### 2.5.1 Disposal and cancellation

Where shares are held as treasury shares, the Company may at any time:

- (a) sell the shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.



### 2.5.2 Maximum holdings

The maximum number of treasury shares which may be held by the Company is as follows:

- (a) where the Company has shares of only one class, the aggregate number of shares held as treasury shares must not at any time exceed 10% of the total number of shares of the Company at that time;
- (b) where the Company's share capital is divided into shares of different classes, the aggregate number of the shares of any class held as treasury shares shall not at any time exceed 10% of the total number of the shares in that class at that time.

In the event that the Company exceeds the stated thresholds, the Company must dispose of or cancel these excess shares within six months or such further period as the Registrar of Companies may allow.

### 2.5.3 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 Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid and no other distribution of the Company's assets may be made, to the Company in respect of the treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

## 2.6 Source of funds

The Act provides that any share buyback may be made out of the Company's capital or profits so long as the Company is solvent. The Company intends to use internal sources of funds, external borrowings and/or funds received from past issues of new equity to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially or adversely affected.

## 2.7 Financial impact of the share buyback

The financial effects on the Group and the Company arising from its purchase or acquisition of Shares which may be made pursuant to the Share Buyback Mandate will depend on, inter alia, whether the Shares purchased or acquired is a Market Purchase or an Off-Market Purchase, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

### 2.7.1 Purchase or acquisition made out of capital and/or profits

Where the consideration paid by the Company for the purchases or acquisitions of Shares is made out of capital, such consideration (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will not affect the amount available for distribution in the form of cash dividends by the Company.

Where the consideration paid by the Company for the purchases or acquisitions of Shares is made out of profits, such consideration (excluding brokerage, goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution in the form of cash dividends by the Company.

### 2.7.2 Number of Shares purchased or acquired

For illustrative purposes only, on the basis of 1,948,736,476 issued and fully paid-up Shares as at the Latest Practicable Date, and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the 2012 AGM, the exercise in full of the Share Buyback Mandate would result in the purchase or acquisition of 194,873,647 Shares.

### 2.7.3 Maximum Price paid for Shares purchased or acquired

For illustrative purposes only, in the case of a Market Purchase by the Company and assuming that the Company purchases or acquires 194,873,647 Shares at the Maximum Price of S\$1.33 per Share (being the price equivalent to 105% of the Average Closing Price of the Share traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required is RMB1,299,356,872 (equivalent to approximately S\$259,181,951 (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses).

For illustrative purposes only, in the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 194,873,647 Shares at the Maximum Price of S\$1.52 per Share (being the price equivalent to 120% of the Average Closing Price of the Share traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required is RMB1,484,979,283 (equivalent to approximately S\$296,207,943 (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses).

For illustrative purposes only, on the basis of the assumptions set out above, and based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2011 as if the proposed Share Buyback Mandate and such purchase or acquisition of Shares had been effective on 1 January 2011, the financial effects of the purchase or acquisition of such Shares by the Company are set out as follows:

(a) Market Purchase made entirely out of capital and held as treasury shares

	GROUP		COMPANY	
	Before Share Buyback RMB'000	After Share Buyback RMB'000	Before Share Buyback RMB'000	After Share Buyback RMB'000
As at 31 December 2011				
Shareholders' Equity	14,814,790	13,515,433	7,082,704	5,783,347
Net Asset Value ("NAV")	14,814,790	13,515,433	7,082,704	5,783,347
Current Assets	23,814,058	22,514,701	12,026,019	12,026,019
Current Liabilities	15,014,932	15,014,932	2,839,942	4,139,299
Total Borrowings	16,749,352	16,749,352	6,522,962	6,522,962
Cash and Cash Equivalents	4,273,644	2,974,287	1,502	1,502
Treasury Shares ('000)	-	194,874	-	194,874
Number of Shares <sup>(1)</sup> ('000)	1,948,736	1,753,862	1,948,736	1,753,862
<b>Financial Ratios</b>				
NAV per Share <sup>(2)</sup> (cents)	760	771	363	330
Earnings per Share ("EPS") <sup>(3)</sup> (cents)	76.14	84.61	16.64	18.49
Gearing <sup>(4)</sup> (times)	1.13	1.24	0.92	1.13
Current Ratio <sup>(5)</sup> (times)	1.59	1.50	4.23	2.91

(b) Off-Market Purchase made entirely out of capital and held as treasury shares

	GROUP		COMPANY	
	Before Share Buyback RMB'000	After Share Buyback RMB'000	Before Share Buyback RMB'000	After Share Buyback RMB'000
As at 31 December 2011				
Shareholders' Equity	14,814,790	13,329,811	7,082,704	5,597,725
NAV	14,814,790	13,329,811	7,082,704	5,597,725
Current Assets	23,814,058	22,329,079	12,026,019	12,026,019
Current Liabilities	15,014,932	15,014,932	2,839,942	4,324,921
Total Borrowings	16,749,352	16,749,352	6,522,962	6,522,962
Cash and Cash Equivalents	4,273,644	2,788,665	1,502	1,502
Treasury Shares ('000)	-	194,874	-	194,874
Number of Shares <sup>(1)</sup> ('000)	1,948,736	1,753,862	1,948,736	1,753,862
<b>Financial Ratios</b>				
NAV per Share <sup>(2)</sup> (cents)	760	760	363	319
EPS <sup>(3)</sup> (cents)	76.14	84.61	16.64	18.49
Gearing <sup>(4)</sup> (times)	1.13	1.26	0.92	1.17
Current Ratio <sup>(5)</sup> (times)	1.59	1.49	4.23	2.78

(c) Market Purchase made entirely out of capital and cancelled

	GROUP		COMPANY	
	Before Share Buyback RMB'000	After Share Buyback RMB'000	Before Share Buyback RMB'000	After Share Buyback RMB'000
As at 31 December 2011				
Shareholders' Equity	14,814,790	13,515,433	7,082,704	5,783,347
NAV	14,814,790	13,515,433	7,082,704	5,783,347
Current Assets	23,814,058	22,514,701	12,026,019	12,026,019
Current Liabilities	15,014,932	15,014,932	2,839,942	4,139,299
Total Borrowings	16,749,352	16,749,352	6,522,962	6,522,962
Cash and Cash Equivalents	4,273,644	2,974,287	1,502	1,502
Number of Shares <sup>(1)</sup> ('000)	1,948,736	1,753,862	1,948,736	1,753,862
<b>Financial Ratios</b>				
NAV per Share <sup>(2)</sup> (cents)	760	771	363	330
EPS <sup>(3)</sup> (cents)	76.14	84.61	16.64	18.49
Gearing <sup>(4)</sup> (times)	1.13	1.24	0.92	1.13
Current Ratio <sup>(5)</sup> (times)	1.59	1.50	4.23	2.91

(d) Off-Market Purchase made entirely out of capital and cancelled

	GROUP		COMPANY	
	Before Share Buyback RMB'000	After Share Buyback RMB'000	Before Share Buyback RMB'000	After Share Buyback RMB'000
As at 31 December 2011				
Shareholders' Equity	14,814,790	13,329,811	7,082,704	5,597,725
NAV	14,814,790	13,329,811	7,082,704	5,597,725
Current Assets	23,814,058	22,329,079	12,026,019	12,026,019
Current Liabilities	15,014,932	15,014,932	2,839,942	4,324,921
Total Borrowings	16,749,352	16,749,352	6,522,962	6,522,962
Cash and Cash Equivalents	4,273,644	2,788,665	1,502	1,502
Number of Shares <sup>(1)</sup> ('000)	1,948,736	1,753,862	1,948,736	1,753,862
<b>Financial Ratios</b>				
NAV per Share <sup>(2)</sup> (cents)	760	760	363	319
EPS <sup>(3)</sup> (cents)	76.14	84.61	16.64	18.49
Gearing <sup>(4)</sup> (times)	1.13	1.26	0.92	1.17
Current Ratio <sup>(5)</sup> (times)	1.59	1.49	4.23	2.78

**Notes:**

- (1) Number of Shares represents issued and fully paid-up Shares as at the Latest Practicable Date.
- (2) NAV per Share equals to NAV divided by the number of Shares (excluding Treasury Shares, if any).
- (3) EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares.
- (4) Gearing equals to total borrowings divided by Shareholders' equity.
- (5) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, Shareholders are to note that the financial analyses set out above are based on the audited financial statement of the Group and the Company for the financial year ended 31 December 2011 and is not necessarily representative of future financial performance of the Group and the Company. Although the Share Buyback Mandate would authorise the Company to buy back Shares up to 10% of the issued and fully paid-up share capital of the Company, the Company may not necessarily buy back or be able to buy back 10% of the issued and fully paid-up share capital of the Company in full. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

The Directors do not propose to exercise the Share Buyback Mandate to an extent that would materially and adversely affect the working capital requirements of the Company. The purchases or acquisitions of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buyback Mandate will only be exercised in the best interests of the Company, for example, to enhance the earnings per Share of the Company.

## 2.8 Listing Rules

### 2.8.1 Reporting requirements

The Listing Manual specifies that a listed company shall notify the SGX-ST of any share buyback as follows:

- (a) in the case of a Market Purchase, by 9.00 a.m. on the Market Day following the day on which it purchased or acquired any of its shares; and
- (b) in the case of an Off-Market Purchase, by 9.00 a.m. on the second Market Day after the close of acceptance of the offer.

The notification of such share buybacks to the SGX-ST shall be in such form and shall include such details as the SGX-ST may prescribe, such as the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

The Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the requirements of the Listing Manual, the Company will not purchase or acquire any Shares during the period commencing one month prior to the announcement of the Company's full year financial statements and two weeks before the Company's announcement of the Company's financial statements for each of the first three quarters of its financial year.

### 2.8.2 Listing Manual

The Listing Manual requires the Company to ensure that at least 10% of its Shares are at all times held by the public. The "public", as defined in the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, approximately 24% of the issued ordinary shares of the Company is held by the public. Assuming that the Company repurchased the maximum of 10% of its issued and fully paid-up share capital as at the Latest Practicable Date from members of the public, the resultant percentage of the issued Shares held by the public would be approximately 15%.

The Directors will use their best efforts to ensure that the requirements of the Listing Manual are complied with and that the orderly trading of Shares would not be adversely affected should the Company effect buybacks of Shares under this Mandate.

## 2.9 Tax implications

Members who are in doubt as to their respective tax positions or the tax implications of share purchases or acquisitions by the Company or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

## 2.10 Take-over Code implications

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out as follows:

### 2.10.1 Obligation to make a take-over offer

Pursuant to Appendix 2 of the Code, when a company buys back its shares, any resulting increase in the percentage of voting rights held by a shareholder and persons acting in concert with him will be treated as an acquisition for the purposes of Rule 14 of the Code. If such increase results in the 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 acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Code.

Under the Code, persons acting in concert comprise 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, inter alia, will be presumed to be acting in concert:

- (a) a company with its parent, subsidiaries, its fellow subsidiaries, any associated companies of the aforesaid companies, any company whose associated companies include any of the aforesaid companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid companies for the purchase of shares carrying voting rights;
- (b) 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);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and

- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act in accordance with his instructions, companies controlled by any of the aforesaid persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons or companies for the purchase of voting rights.

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.

### **2.10.2 Effect of Rule 14 and Appendix 2 of the Code**

The effect of Rule 14 of the Code is that, unless exempted, the Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Code if, as a result of the Company purchasing or acquiring its 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.

A Shareholder, who is not acting in concert with the Directors, will not be required to make a take-over offer under Rule 14 of the Code if, as a result of the Company purchasing its Shares, the voting rights of the Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting on resolution authorising the Share Buyback Mandate at the AGM.

As at the Latest Practicable Date, the Company's issued share capital comprised 1,948,736,476 Shares. As Yanlord Holdings Pte. Ltd., Zhong Sheng Jian, Zhong Siliang and persons presumed to be acting in concert with each other under the Code have an aggregate shareholding interests of more than 50% in the Company, the increase in the shareholding, in the event the Company purchases the maximum number of Shares permissible under the Share Buyback Mandate, will not require a general offer to be made under Rule 14 of the Code.

Save as disclosed above, the Directors have confirmed that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholders are, or may be regarded as parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Code would ensue as a result of a share buyback.

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.

### **2.11 No share buybacks in the previous 12 months**

The Company has not made any share buybacks in the 12 months preceding the date of this Appendix.



### 3. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS AS AT THE LATEST PRACTICABLE DATE

Director	Before Share Buyback (No. of Shares)			Before Share Buyback	After Share Buyback
	Direct Interest	Deemed Interest	Total Interest	% <sup>(12)</sup>	% <sup>(13)</sup>
Zhong Sheng Jian <sup>(1)</sup>	9,067,000	1,278,390,000	1,287,457,000	66.066	73.407
Zhong Siliang <sup>(2)</sup>	320,000	-	320,000	0.016	0.018
Chan Yiu Ling <sup>(3)</sup>	720,000	25,000	745,000	0.038	0.042
Hong Zhi Hua	630,000	-	630,000	0.032	0.036
Ronald Seah Lim Siang	20,000	-	20,000	0.001	0.001
Ng Ser Miang <sup>(4)</sup>	705,000	-	705,000	0.036	0.040
Ng Shin Ein <sup>(5)</sup>	118,000	-	118,000	0.006	0.007
Ng Jui Ping	100,000	-	100,000	0.005	0.006
<b>Substantial Shareholder</b>					
Yanlord Holdings Pte. Ltd.	1,278,390,000	-	1,278,390,000	65.601	72.890
Lim Eng Hock <sup>(6)</sup>	-	117,429,000	117,429,000	6.026	6.695
Wee Ee Chao	-	97,543,000	97,543,000	5.005	5.562
Kuok Khoon Hong <sup>(7)</sup>	-	97,582,600	97,582,600	5.007	5.564
Martua Sitorus <sup>(8)</sup>	-	99,309,000	99,309,000	5.096	5.662
Terzetto Capital Limited	99,309,000	-	99,309,000	5.096	5.662
Burlingham International Limited <sup>(9)</sup>	-	99,309,000	99,309,000	5.096	5.662
K Investment Services Limited	-	99,309,000	99,309,000	5.096	5.662
Ridgway Capital Limited <sup>(10)</sup>	-	99,309,000	99,309,000	5.096	5.662
HPRY Holdings Limited <sup>(11)</sup>	7,398,600	90,543,000	97,941,600	5.026	5.584

- (1) Zhong Sheng Jian is also a substantial shareholder of the Company via his deemed interest of 1,278,390,000 ordinary shares in the Company held by Yanlord Holdings Pte. Ltd. ("YHPL"). YHPL is a company which is owned by Zhong Sheng Jian (95% shareholding interest) and his spouse (5% shareholding interest). Zhong Sheng Jian further holds US\$2,500,000 of 9.5% Senior Notes due 4 May 2017 issued by the Company.
- (2) Zhong Siliang is the nephew of Zhong Sheng Jian.
- (3) Chan Yiu Ling is deemed to be interested in shares held by her spouse.
- (4) Ng Ser Miang further holds US\$2,000,000 of 9.5% Senior Notes due 4 May 2017 issued by the Company.
- (5) Ng Shin Ein further holds US\$200,000 of 9.5% Senior Notes due 4 May 2017 and S\$1,000,000 of 5.85% Convertible Bonds due 2014 issued by the Company.
- (6) Lim Eng Hock is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited and Meriton Capital Limited.
- (7) Kuok Khoon Hong is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited, HPRY Holdings Limited, Longhlin Asia Limited and Hong Lee Holdings (Pte) Ltd.
- (8) Martua Sitorus is deemed to have an interest in the shares of the Company held by Burlingham International Limited.
- (9) Burlingham International Limited is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited.
- (10) Ridgway Capital Limited is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited.
- (11) HPRY Holdings Limited is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited.
- (12) As a percentage of the issued share capital of the Company, comprising 1,948,736,476 Shares.
- (13) As a percentage of the issued share capital of the Company, comprising 1,753,862,829 Shares (assuming that the Company purchases the maximum number of 194,873,647 Shares under the Share Purchase Mandate).

#### **4. DIRECTORS' RECOMMENDATION**

The Directors are of the view that the proposed Share Buyback Mandate is in the best interests of the Company.

#### **5. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors have been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

Shareholders are advised to read this Appendix in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his bank manager, stockbroker, solicitor, accountant or other professional adviser.

**6. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company at 9 Temasek Boulevard #36-02 Suntec Tower Two Singapore 038989 during normal business hours from the date of this Appendix up to the date of 2012 AGM:

- (a) the Memorandum and the Articles.
- (b) the Circular to Shareholders dated 13 April 2009 relating to the proposed Share Buyback Mandate.

Yours faithfully

For and on behalf of

**The Board of Directors**

**Yanlord Land Group Limited**

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