

**AFP**

ASIA FOOD &amp; PROPERTIES LTD

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## **FURTHER INFORMATION ON THE PROPOSED RESTRUCTURING**

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Further to the announcement made on 18 September 2002, the Board of Directors of Golden Agri-Resources Ltd ("GAR") and Asia Food & Properties Ltd ("AFP") wish to announce details of the proposed internal restructuring exercise between AFP and GAR and their subsidiaries.

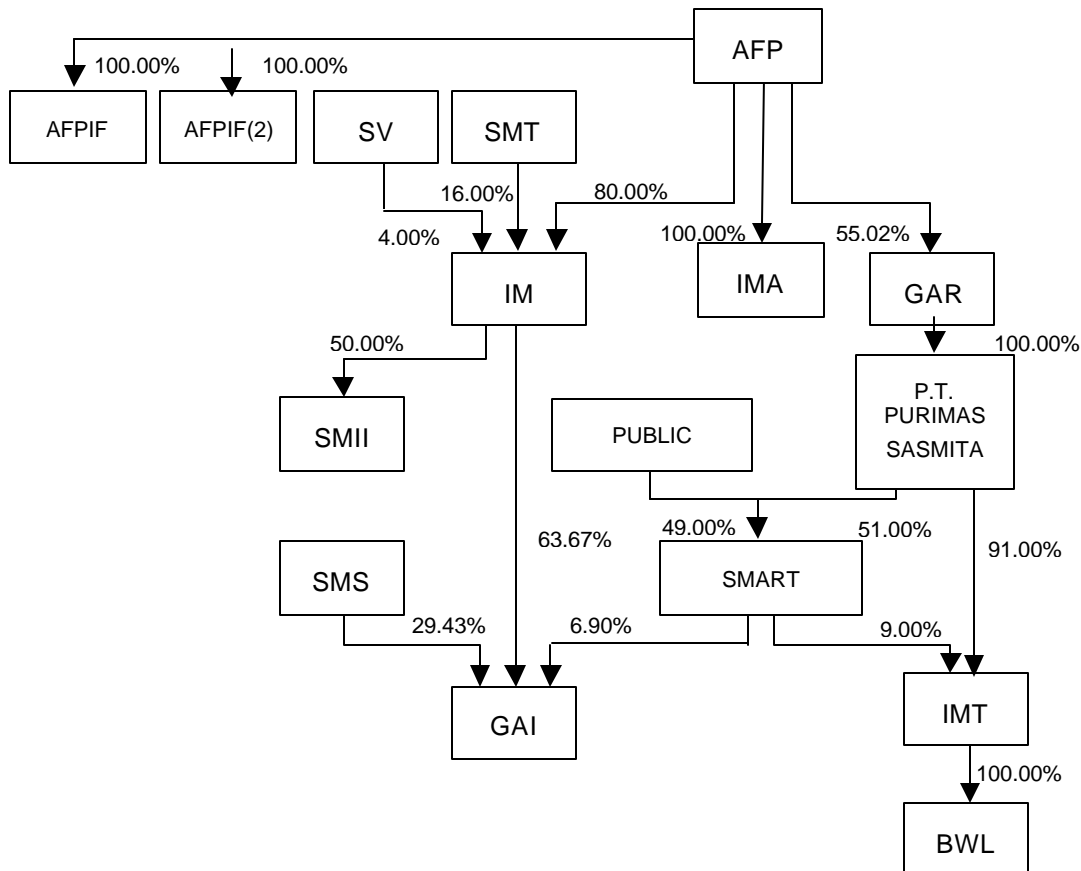
The Basic Restructuring Agreement (the "Basic Restructuring Agreement") was entered into between PT Global Agronusa Indonesia ("GAI"), PT Ivo Mas Tunggal ("IMT"), PT Ivo Mas ("IM"), AFP, PT Buana Wiralestari ("BWL"), PT Ivo Mas Asia ("IMA"), PT Supra Veritas ("SV"), PT Surya Mitra Sejati ("SMS"), PT Sinar Mas Tunggal ("SMT"), AFP International Finance Ltd ("AFPIF"), AFP International Finance (2) Ltd ("AFPIF(2)"), PT Sinar Mas Agro Resources and Technology Tbk ("SMART") and GAR on 27 August 2002.

### **Summary of the Basic Restructuring Agreement**

#### The Transfer of GAI Receivables

Under the Basic Restructuring Agreement, AFPIF and AFPIF(2) will transfer their respective receivables comprising the US Dollar (US\$), Indonesia Rupiah (IDR) and Japanese Yen (JPY) portions, aggregating approximately IDR 341,078,000,000 (the "GAI Receivables") or equivalent to approximately US\$ 39.07million at US\$1 to IDR 8,730 and JPY 1 to IDR 73,088, from GAI to IMA. As consideration for the transfer, IMA will allot and issue shares to AFP as the designee of AFPIF and AFPIF(2).

The shareholding structures of the relevant parties to the Basic Restructuring Agreement before the transfer of the GAI Receivables to IMA are set out below.



Note

SMII : PT Sinar Meadow Internasional Indonesia

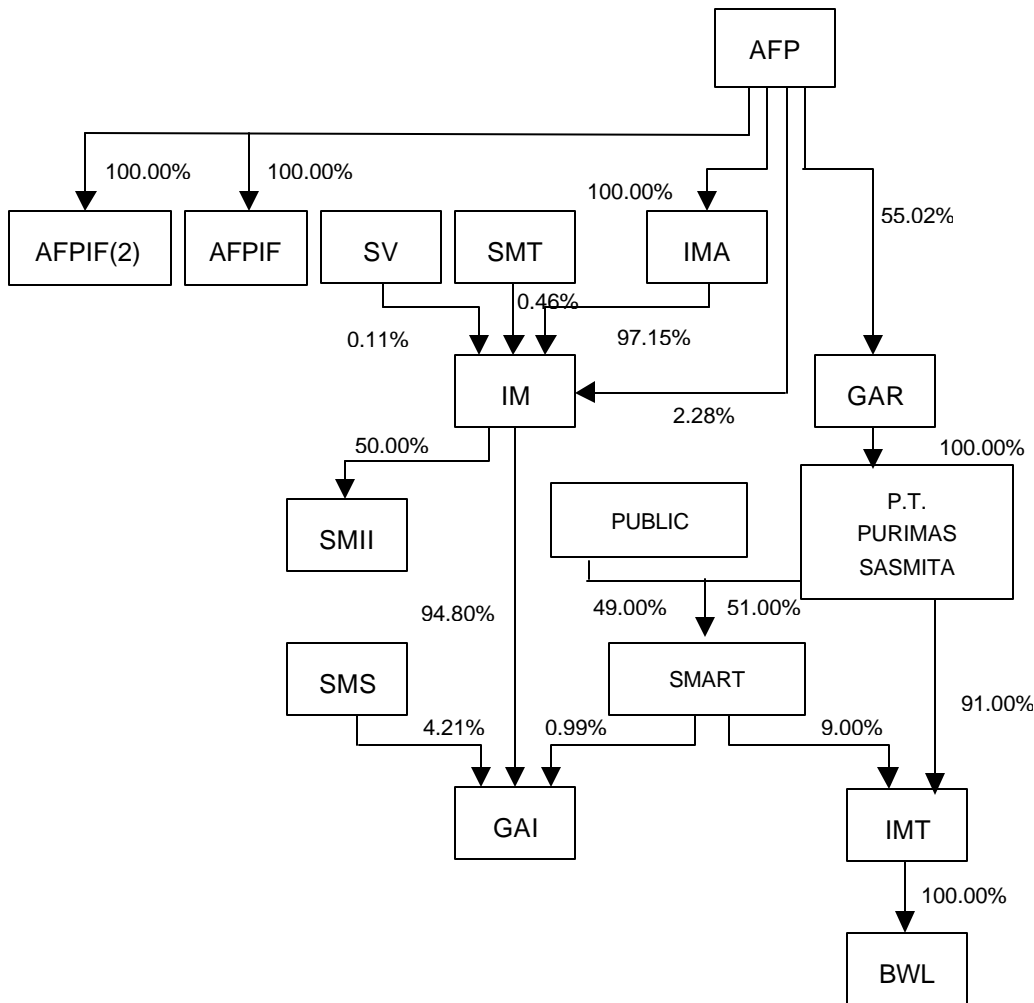
IMA will thereafter transfer the GAI Receivables to IM. IM will allot and issue shares to IMA as consideration for the transfer of the GAI Receivables.

The issue of shares in IM to IMA is subject to the waiver of AFP's, SV's and SMT's rights of pre-emption.

Under the Basic Restructuring Agreement, GAI will allot and issue shares to IM as settlement of the GAI Receivables.

The issue of shares in GAI to IM is subject to the waiver of SMS' and SMART's rights of pre-emption. The waiver of pre-emption rights by SMART (the "SMART Waiver") is subject to the approval of the independent shareholders of SMART at the extraordinary general meeting to be held on 3 October 2002 (the "SMART EGM") referred to in the announcement dated 18 September 2002.

The shareholding structure of the relevant parties to the Basic Restructuring Agreement after the transfer of the GAI Receivables and the issue of shares are set out below.



### The GAI Share Sale and the IM Share Sale

Under the Basic Restructuring Agreement, SMS, IM and SMART will be selling their shares in GAI to IMT, another subsidiary of GAR. IMT is 91% owned by another subsidiary of GAR, PT Purimas Sasmita and 9% owned by SMART.

The sale of shares in GAI (the "GAI Share Sale") is subject to the approval of the independent shareholders of SMART at the SMART EGM.

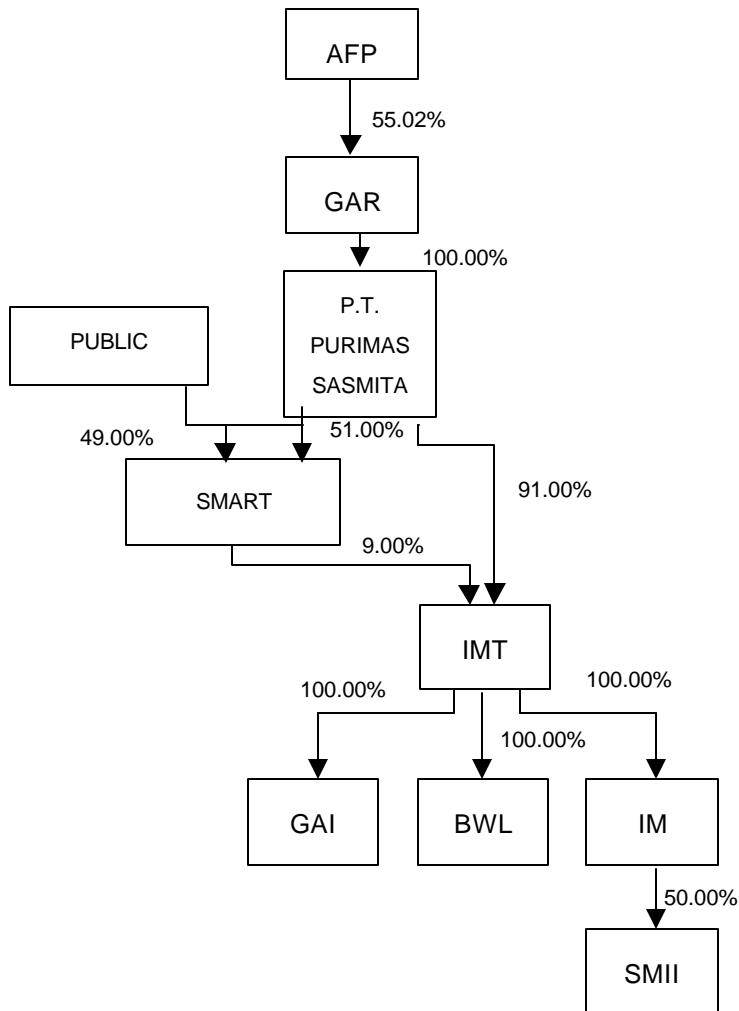
The GAI Share Sale will be effected through the execution of a Conditional Sale and Purchase Agreement to be entered into between SMS, IM, SMART and IMT (the "GAI S&P"). The GAI S&P will provide the definitive terms and conditions of the GAI Share Sale. This will be executed after the relevant approvals from the independent shareholders of SMART for the SMART Waiver and the GAI Share Sale have been obtained at the SMART EGM.

In addition, under the Basic Restructuring Agreement, AFP, SMT, SV and IMA will be selling their shares in IM to IMT.

The sale of shares in IM (the "IM Share Sale") will be effected through the execution of a Conditional Sale and Purchase Agreement to be entered into between AFP, SV, SMT, IMA and IMT (the "IM S&P"). The IM S&P will provide the definitive terms and conditions of the IM Share Sale and will be executed together with the GAI S&P.

**As at the date hereof, the terms and conditions of the GAI S&P and the IM S&P are currently being negotiated by the relevant parties and have not been finalised.**

Assuming that the GAI S&P and the IM S&P are executed, the shareholding structure of the relevant parties to the Basic Restructuring Agreement after the GAI Share Sale and the IM Share Sale are set out below.



#### Merger

Subject to all necessary consents and approvals being granted, IMT and its subsidiaries, after the change in ownership and shareholder structure, plan to carry out mergers between (a) GAI and BWL, a wholly owned subsidiary of IMT; and (b) IMT and IM.

#### Conditions precedent of the Basic Restructuring Agreement

The completion of the Basic Restructuring Agreement is conditional, *inter alia*, upon the following;

- (a) approval of the shareholders of SMART at the SMART EGM for the SMART Waiver and the GAI Share Sale; and
- (b) all necessary consents and approvals being granted by governmental or regulatory bodies (including the Singapore Exchange Securities Trading Limited) or competent authorities having jurisdiction over the Basic Restructuring Agreement.

The conditions precedent are to be fulfilled or waived before 31 December 2003, or such later date as the parties to the Basic Restructuring Agreement may agree. In the event that the parties are unable to agree on such later date by 31 January 2004, any party to the Basic Restructuring Agreement shall be entitled to terminate the Basic Restructuring Agreement by written notice to the other parties.

The Board of Directors wishes to highlight that the terms and conditions of the GAI S&P and the IM S&P have not yet been finalised.

AFP and GAR will make prompt disclosure of any further developments in relation to the GAI Share Sale and the IM Share Sale (including the finalised terms and conditions of the GAI S&P and the IM S&P) in compliance with Chapters 9 and 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited as and when such details are available.

By Order of the Board

Simon Lim  
Director  
20 September 2002

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#### **ABOUT ASIA FOOD & PROPERTIES**

*Listed on the Singapore Exchange Securities Trading Limited (SGX-ST), Asia Food & Properties Limited (AFP) is involved in three core businesses: Agri-business, Food and Property, through its investments in Indonesia, China, Malaysia and Singapore. Headquartered in Singapore, the AFP Group employs about 45,000 people. The Group turnover for the year 2001 was S\$1.5 billion.*

#### **AGRI-BUSINESS**

*The Agri-business operations are located in Indonesia and China.*

*Through its SGX-ST listed subsidiary, Golden Agri-Resources Ltd (GAR), the Group's Indonesia Agri-business is one of the world's largest vertically integrated oil palm plantation companies. With a total planted area of 280,000 hectares, GAR operates 22 palm oil processing mills, two refineries and four kernel crushing mills. The primary activities include oil palm tree cultivation and harvest; processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel; and refining into value-added products such as cooking oils, margarine and shortening.*

*The Group's China Agri-business operations include refineries, port and oil-seed crushing facilities in Ningbo and Zhuhai, China.*

#### **FOOD**

*The Group's Food operations, which are carried out by Zhuhai Huafeng Food Industry (Group) Co., Ltd and its subsidiaries is one of the largest manufacturers of instant noodles in China. Its operations include the production, distribution and sale of instant noodles throughout China.*

#### **PROPERTY**

*The Group's Property division in Indonesia is a leading developer and is engaged in the development and construction of commercial, residential and industrial properties, townships, hotels and resorts. The Property division has long-term investments in major commercial buildings, hotels and resorts, and is involved in property sales, leasing and management of its real estate development and investments in Indonesia, China, Singapore and Malaysia.*

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Submitted by Kimberley Lye Chor Mei, Senior Manager on 20/09/2002 to the SGX