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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in the capital of Hengxin Technology Ltd. (the “Company”), please forward this Circular (as defined herein) with the Notice of EGM (as defined herein) and the attached Proxy Form (as defined herein) immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

If you have sold or transferred all your shares represented by physical share certificate(s), you should forward this Circular with the Notice of EGM and the attached Proxy Form immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The SGX-ST (as defined herein) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

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**HENGXIN TECHNOLOGY LTD.****亨鑫科技有限公司\****(Incorporated in the Republic of Singapore)**(Company Registration Number: 200414927H)**(carrying on business in Hong Kong as HX Singapore Ltd.)***(Hong Kong Stock Code: 1085)****(Singapore Stock Code: I85)****CIRCULAR TO SHAREHOLDERS**

In relation to

**THE PROPOSED CONVERSION OF THE COMPANY'S LISTING STATUS FROM A PRIMARY LISTING TO A SECONDARY LISTING ON THE MAIN BOARD OF THE SGX-ST AND THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

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**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : 31 August 2014 at 9:00 a.m.

Date and time of Extraordinary General Meeting : 2 September 2014 at 9:00 a.m.

Place of Extraordinary General Meeting : Meeting Room 334 (Level 3),  
Suntec Singapore Convention & Exhibition Centre,  
1 Raffles Boulevard, Suntec City, Singapore 039593

\* for identification purpose only

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## DEFINITIONS

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*For the purpose of this circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:*

<b>“Articles”</b>	:	The Articles of Association of the Company, as may be amended, varied or supplemented from time to time
<b>“Board” or “Directors”</b>	:	The directors of the Company as at the date of this Circular
<b>“CCASS”</b>	:	The Central Clearing and Settlement System established and operated by HKSCC
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Shareholders dated 7 August 2014
<b>“Companies Act”</b>	:	The Companies Act (Chapter 50) of Singapore, as may be amended, varied or supplemented from time to time
<b>“Company”</b>	:	Hengxin Technology Ltd., a company incorporated in Singapore with limited liability and the issued Shares of which are listed on the Main Board of the HKEX and the Main Board of the SGX-ST
<b>“Designated Stock Exchange”</b>	:	The SGX-ST for so long as the shares of the Company are listed and quoted on the SGX-ST, the HKEX for so long as the shares of the Company are listed on the HKEX, and/or such other stock exchange in respect of which the Shares are listed or quoted
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held on 2 September 2014, the notice of which is set out on page 16 of this Circular
<b>“FY2012”</b>	:	The financial year ended 31 December 2012
<b>“FY2013”</b>	:	The financial year ended 31 December 2013
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“HK Listing Rules”</b>	:	The Rules Governing the Listing of Securities on the HKEX, as may be amended, varied or supplemented from time to time
<b>“HKEX”</b>	:	The Stock Exchange of Hong Kong Limited
<b>“HKSCC”</b>	:	The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
<b>“Hong Kong”</b>	:	The Hong Kong Special Administrative Region of the PRC
<b>“In-Principle Approval”</b>	:	Has the meaning ascribed to it in Section 3.1 of this Circular

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## DEFINITIONS

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<b>“Latest Practicable Date”</b>	:	25 July 2014, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as may be amended, varied or supplemented from time to time
<b>“Notice of EGM”</b>	:	The notice of the EGM as set out on page 16 of this Circular
<b>“Ordinary Resolution”</b>	:	The ordinary resolution for the approval of the Proposed Conversion by the Shareholders, as set out in the Notice of EGM on page 16 of this Circular
<b>“PRC”</b>	:	The People’s Republic of China, which for the purpose of this Circular, shall exclude Hong Kong, The Macau Special Administrative Region of the PRC and Taiwan
<b>“Proposed Amendments”</b>	:	The proposed amendments to the Articles set out in Appendix B following the completion of the Proposed Conversion
<b>“Proposed Conversion”</b>	:	The proposed conversion of the Company’s listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST
<b>“Proxy Form”</b>	:	Has the meaning ascribed to it in Section 8 of this Circular
<b>“Relevant Laws”</b>	:	Means the Companies Act and any other relevant rule, law, regulation or guidelines enacted, promulgated or issued by any relevant competent authority (including the Designated Stock Exchange (if applicable)) from time to time
<b>“SFC”</b>	:	Securities and Futures Commission of Hong Kong
<b>“SFO”</b>	:	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
<b>“SGX-ST”</b>	:	The Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose securities accounts those Shares are credited, and where the registered holder is CCASS, the term “Shareholders” shall, where the context admits, mean the persons whose securities accounts maintained by CCASS are credited with the Shares
<b>“Shares”</b>	:	The ordinary shares in the share capital of the Company

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## DEFINITIONS

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**“Special Resolution”** : The special resolution for the approval of the Proposed Amendments by the Shareholders, as set out in the Notice of EGM on page 16 of this Circular

The terms “**depositor**”, “**depository agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

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

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 gender and *vice versa*. References to persons shall, where applicable, include corporations.

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

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

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

In the event of any inconsistency between the English version of this Circular (including the Notice of EGM) and the Proxy Form, and the Chinese version of this Circular (including the Notice of EGM) and the Proxy Form, the English version shall prevail.



**HENGXIN TECHNOLOGY LTD.**

**亨鑫科技有限公司\***

*(Incorporated in the Republic of Singapore)*  
*(Company Registration Number: 200414927H)*

**Directors:**

Cui Genxiang *(Executive Chairman)*  
Xu Guoqiang *(Executive Director)*  
Zhang Zhong *(Non-Executive Director)*  
Tay Ah Kong Bernard  
*(Independent Non-Executive Director)*  
Chee Teck Kwong Patrick  
*(Independent Non-Executive Director)*  
Tam Chi Kwan Michael *(Independent  
Non-Executive Director and Lead Independent Director)*

**Registered Office:**

10 Anson Road  
#32-15 International Plaza  
Singapore 079903

7 August 2014

To: The Shareholders of Hengxin Technology Ltd.

Dear Sir/Madam

**THE PROPOSED CONVERSION OF THE COMPANY'S LISTING  
STATUS FROM A PRIMARY LISTING TO A SECONDARY  
LISTING ON THE MAIN BOARD OF THE SGX-ST AND THE  
PROPOSED AMENDMENTS TO THE ARTICLES OF  
ASSOCIATION OF THE COMPANY**

**1. INTRODUCTION**

1.1. The Board proposes to convene the EGM on 2 September 2014 to seek Shareholders' approval for the following matters:

- (a) the Ordinary Resolution pertaining to the proposed conversion of the Company's listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST ("**Proposed Conversion**"); and
- (b) subject to the approval of the Proposed Conversion by the Shareholders in paragraph (a) above, the Special Resolution pertaining to the proposed amendments to the Articles ("**Proposed Amendments**").

\* *for identification purpose only*

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## LETTER TO SHAREHOLDERS

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1.2. The purpose of this Circular is to provide Shareholders with information relating to, and to explain the rationale for, the abovementioned matters, as well as the implications of the Proposed Conversion, and to seek Shareholders' approval for the resolutions to be proposed at the EGM, as set out in the Notice of EGM.

## 2. PROPOSED CONVERSION

### 2.1 Listing of the Company

The Company is presently dual primary listed on the Main Board of the SGX-ST and the Main Board of the HKEX. The Company proposes to convert its listing status on the SGX-ST from a primary listing to a secondary listing. If the Ordinary Resolution is approved by the Shareholders at the EGM, the Company shall continue its primary listing on the HKEX and it would have a secondary listing on the SGX-ST.

### 2.2 Rationale and Benefits of the Proposed Conversion

The Board has relooked the listing status of the Company and having regard to the reasons stated below, has decided that the Proposed Conversion is in the best interests of the Company and the Shareholders.

#### *(a) Differences in Rules and Regulations and Compliance Costs*

Due to the Company's dual primary listing on the SGX-ST and HKEX, the Company is required to comply with the listing rules of both exchanges. Where there is any conflict between the Listing Manual and the HK Listing Rules, the Company is required to comply with the stricter of the rules. Significant financial and human resources have to be devoted for such compliance. The Company is of the view that increasing such dedication of resources is no longer an efficient use of the Group's resources, and is therefore unfeasible.

The Proposed Conversion will result in the Company having to comply mainly with the HK Listing Rules, save for certain requirements under the Listing Manual generally applicable to corporations with a secondary listing status on the SGX-ST or such requirements that the SGX-ST may impose in connection with the Proposed Conversion. Such requirements are detailed in Section 3.1 of this Circular. This will correspondingly reduce legal and compliance costs to the Company, as well as free up human resources for other critical aspects of the Group's business, growth and operations.

#### *(b) Shareholders Profile of the Company*

As at the Latest Practicable Date, the Company has issued an aggregate of 388,000,000 Shares, of which 90,294,662 Shares and 28,082,525 Shares are held by Mr. Cui Genxiang and Ms. Zhang Zhong respectively, both of whom are Directors and based in the PRC. Their combined shareholdings, amounting to approximately 30.51% of the entire issued and paid up share capital of the Company as at the date of this circular, are currently held in the CCASS.

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## LETTER TO SHAREHOLDERS

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Increasingly, Shareholders are moving towards trading their Shares on the HKEX as opposed to the SGX-ST. This can be illustrated by comparing the change in the percentage of the Company's total issued share capital held in the SGX-ST and the HKEX since 31 December 2010 and as at the Latest Practicable Date, as set out in the table below.

	SGX-ST	HKEX
<b>As at 31 Dec 2010</b>	71.1%	28.9%
<b>As at the Latest Practicable Date</b>	21.2%	78.8%

The Company has also observed that, within the last 12 months, there has been an increased activity of Shareholders transferring their shares from the SGX-ST to the HKEX. Excluding the transfer of Shares held by Mr. Cui Genxiang and Ms. Zhang Zhong to the HKEX, and another 19 million Shares from a third party from SGX-ST to the HKEX, the Company observed that the transfer of Shares by Shareholders from the SGX-ST to the HKEX were minimal from the date of the listing of the Shares on the HKEX till 31 December 2013, amounting to approximately 15 million Shares. However, within approximately seven (7) months commencing 1 January 2014 to the Latest Practicable Date, approximately 23.1 million Shares were transferred from the SGX-ST to the HKEX.

Based on the foregoing, the Proposed Conversion would more accurately reflect the geographic profile of the Shareholders owning the Shares.

*(c) Lower Trading Volume on the SGX-ST*

The trading volume of the Shares on the SGX-ST has steadily declined since it was listed on the HKEX. For the last three (3) financial years, the total and average trading volumes of the Shares on the SGX-ST has been consistently and significantly lower than the trading of the Shares on the HKEX. The Company has also observed that share prices of the Company are also generally higher, with more active trading on the HKEX.

The total and average daily trading volumes of the Shares on the SGX-ST and the HKEX between 2012 and 2014 are set out in the table below.

		SGX-ST <sup>(1)</sup>	HKEX <sup>(1)(4)</sup>
<b>Total Trading Volume</b>	<b>2014<sup>(3)</sup></b>	6,697,000	83,338,000
	<b>2013</b>	31,186,000 <sup>(2)</sup>	32,923,000 <sup>(2)</sup>
	<b>2012</b>	8,146,000	23,690,000
<b>Average Trading Volume</b>	<b>2014<sup>(3)</sup></b>	46,832	617,319
	<b>2013</b>	123,754 <sup>(2)</sup>	134,930 <sup>(2)</sup>
	<b>2012</b>	32,325	97,090



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## LETTER TO SHAREHOLDERS

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*Notes:*

- (1) Only working days were taken into account in arriving at the figures: Singapore has 252 working days per year and Hong Kong has 244 working days per year (due to differences in public holidays, but excluding occurrences of typhoon).
- (2) The relatively close volume comparison in 2013 between the SGX-ST and the HKEX can possibly be explained by the proposed voluntary delisting announcement made by the Company on 15 August 2013.
- (3) For the period commencing 1 January 2014 to the Latest Practicable Date.
- (4) The trading volume on the HKEX as illustrated does not include Shares held by Mr. Cui Genxiang and Mr. Zhang Zhong, as they have not made any trades of Shares in the Company (whether acquisitions or disposals) since the listing of the Company on the SGX-ST.

*(d) Business Profile of the Company*

The Company's management, business activities and operations are mainly concentrated in the PRC. As disclosed in the audited consolidated financial statements of the Group for FY2013, as appended in the annual report of the Company for FY2013, approximately 92.6% and 89.9% of the revenue of the Group was attributed to customers in the PRC for FY2012 and FY2013 respectively.

The Directors are of the view that maintaining the primary listing status on the HKEX and converting the current primary listing status on the SGX-ST to a secondary listing would better reflect the geographic business profile of the Company. With the continued business development and expansion of the Group's operations which will still be mainly focused in the PRC in the long run, the Company anticipates more interest in its Shares from PRC investors, who may prefer trading on the HKEX instead.

For the reasons above, the Company is of the opinion that the Proposed Conversion will streamline the Company's compliance obligations, create efficiencies in resources, allow the Company greater flexibility in its activities, and better reflect the Shareholder profile and geographic business profile of the Company.

The Company is also of the view that Shareholders registered in Singapore would not be adversely affected by the Proposed Conversion and it would also not affect the rights of the Shareholders holding Shares in Singapore or Hong Kong. The ability of Shareholders to trade shares on the SGX-ST would not be in any way affected and Shareholders will not be prejudiced by the Proposed Conversion as the Company will still be required to comply with the HK Listing Rules, which, in the view of the Directors, adequately protect minority Shareholders' interests.

### **3. IMPLICATIONS FOR THE COMPANY**

#### **3.1 Implications under the Listing Manual**

The Company made an application to the SGX-ST to seek an in-principle approval to proceed with the Proposed Conversion on 19 May 2014. On 12 June 2014, the SGX-ST replied that it had no objection to the Proposed Conversion subject to the following conditions:

- (a) Shareholders' approval on the Proposed Conversion;
- (b) compliance with the SGX-ST's listing requirements and other such requirements that the SGX-ST may impose from time to time;
- (c) the Company maintaining its primary listing on the HKEX; and
- (d) submission of:
  - i. a written undertaking from the Company that it would comply in full with the delisting requirements in the Listing Manual of the SGX-ST in the event that the Company is delisted from the Official List of the SGX-ST within three (3) years of the Proposed Conversion;
  - ii. a written undertaking from the Company that it would provide arrangements such as video conference for Singapore-based Shareholders to attend, speak and vote at Shareholders' meetings;
  - iii. a written undertaking from the Company that it would comply with the following as set out in Rule 217 of the Listing Manual of the SGX-ST:
    - (1) to release all information and documents in English to the SGX-ST via SGXNET at the same time as they are released to the HKEX;
    - (2) to inform the SGX-ST of any issue of additional ordinary shares and the decision of the HKEX on the listing and quotation of the additional securities issued by the Company;
    - (3) to comply with such other listing rules as may be applied by the SGX-ST from time to time (whether before or after listing);
  - iv. a written undertaking from the Company that an announcement via SGXNET will be made as soon as there is any change in the law of its country of incorporation, which may affect or change Shareholders' rights or obligations over its securities, including:
    - (1) the right to attend, speak, vote at Shareholders' meetings and the right to appoint proxies;
    - (2) the right to receive rights offering and any other entitlements;
    - (3) withholding taxes on its securities;
    - (4) stamp duties on its securities;

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## LETTER TO SHAREHOLDERS

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- (5) obligations to file documents or make declarations in respect of its securities; and
- v. a written undertaking from the Company that in the event of a need for a trading halt in the Shares, the Company would request for a trading halt on all exchanges at the same time,

[collectively, the “**In-Principle Approval**”].

Shareholders are to note that the In-Principle Approval of the SGX-ST is not to be taken as an indication of the merits of the Proposed Conversion, the Company or its subsidiaries or their securities. The Company currently does not have any intention to delist from the SGX-ST in the foreseeable future.

#### 4. IMPLICATIONS FOR THE SHAREHOLDERS

##### 4.1 Compliance with the HK Listing Rules

The Company notes that upon the completion of the Proposed Conversion, it will only be subject to the HK Listing Rules and the Company will not be required to comply with the Listing Manual save for Rule 217 of the Listing Manual (requirements of which are set out in Section 3.1(d) (iii) of this Circular) and any other listing rules of the Listing Manual as may be applied by the SGX-ST from time to time.

A comparison of a summary of the principal listing rules of the SGX-ST and the HKEX is set out in Appendix A.

##### 4.2 Rights of Shareholders Following the Completion of the Proposed Conversion

As the Company is incorporated in Singapore, it continues to be subject to compliance with, among others, the Companies Act and the Singapore Code on Takeovers and Mergers, and the general rights of the Shareholders are set out in the Articles.

Shareholders who trade their shares on the Main Board of the SGX-ST will continue to enjoy the same rights as Shareholders who trade their Shares on the HKEX. Shareholders can also continue to trade their Shares on the SGX-ST after the completion of the Proposed Conversion.

**Shareholders who are in any doubt as to the course of action which they should take following the Proposed Conversion should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

#### 5. THE PROPOSED AMENDMENTS TO THE ARTICLES

##### 5.1 Introduction

The Company is a public company limited by shares and incorporated in Singapore, and is therefore subject to the Companies Act.

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## LETTER TO SHAREHOLDERS

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Following completion of the Proposed Conversion, the Company will not be required to comply with the Listing Manual (including Appendix 2.2) save for Rule 217 of the Listing Manual (requirements of which are set out in Section 3.1(d) of the Circular) and any other listing rules of the Listing Manual as may be applied by the SGX-ST from time to time. As such, the amended Articles will not comply with Appendix 2.2 of the Listing Manual. Accordingly, the Company is proposing the Proposed Amendments for the purpose of reflecting the limited requirements of the Listing Manual. The Company is also proposing some of the Proposed Amendments for the purposes of more accurately reflecting the requirements of the HK Listing Rules.

### 5.2 Summary of the Proposed Amendments

The material amendments to the Articles is set out in Appendix B of this Circular. Appendix B also contains a comparison between the relevant new Articles against their corresponding existing Articles, showing the rationale and the implication on Shareholders with regard to the amendments made to the existing Articles. The amended Articles, as set out in Appendix C, are in compliance with the Companies Act, the HK Listing Rules and the conditions set out in the SGX-ST's In-Principle Approval dated 12 June 2014. Shareholders are advised to refer to the complete set of the Articles set out in Appendix C to this Circular for full details.

The following is a summary of the key proposed amendments to the Articles:

(a) *Article 2*

The Company proposes to rename the definition of “associate” as “close associate” so as to bring this Article in line with the recent amendments to the HK Listing Rules, with resulting amendments to Articles 100, 115A and 115B.

(b) *Article 3(C)*

The proposed Article 3(C) relates to the structure of the share capital. The Company proposes to insert Article 3(C) to reflect compliance with the HK Listing Rules.

(c) *Article 5(A)*

The existing Article 5(A) relates to, *inter alia*, the pre-emptive right of Shareholders to be offered in proportion, as far as the circumstances admit, to the amount of the existing Shares to which they are entitled. The Company proposes to amend Article 5(A) to streamline the process for the offer of Shares to reflect compliance only with the HK Listing Rules and Singapore law.

(d) *Article 8(A)*

The existing Article 8(A) provides, *inter alia*, the total issuable number of preference shares and the rights attached to such shares. The Company proposes to amend Article 8(A) to reflect compliance only with the HK Listing Rules and Singapore law.

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## LETTER TO SHAREHOLDERS

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(e) *Article 14(A)*

The existing Article 14(A) provides that the Company shall not be bound to register more than four (4) persons as joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased member. The Company proposes to remove the exception to reflect compliance only with the HK Listing Rules and Singapore law.

(f) *Article 15*

The existing Article 15 relates, *inter alia*, to the entitlement of Shareholders to receive share certificates in reasonable denominations. The Company proposes to amend Article 15 to reflect compliance only with the HK Listing Rules and Singapore law.

(g) *Article 16(A)*

The existing Article 16(A) relates to, *inter alia*, the fees payable by Shareholders for issuance of new share certificates pursuant to share transfers and subdivisions. The Company proposes to amend Article 16(A) to reflect compliance only with the HK Listing Rules and Singapore law.

(h) *Article 17*

The existing Article 17 relates, *inter alia*, to renewal of share certificates. The Company proposes to amend Article 17 to reflect compliance only with the HK Listing Rules and Singapore law.

(i) *Article 35(B)(a)*

The existing Article 35(B)(a) relates, *inter alia*, to the fee payable upon a transfer of securities. The Company proposes to amend Article 35(B)(a) to reflect compliance only with the HK Listing Rules and Singapore law.

(j) *Article 49*

The existing Article 49 relates to notices of general meeting. The Company proposes to amend the proviso to Article 49 to reflect compliance only with the HK Listing Rules and Singapore law.

(k) *Article 52*

The existing Article 52 relates, *inter alia*, to notice of general meetings to consider special business to be accompanied by a statement regarding the effect of any proposed resolution on the Company. The Company proposes to delete Article 52 to reflect compliance only with the HK Listing Rules and Singapore law.

(l) *Article 59*

The existing Article 59 relates to voting in general meetings. The Company proposes to amend Article 59 to reflect compliance with the HK Listing Rules.

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## LETTER TO SHAREHOLDERS

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*(m) Article 77*

The existing Article 77 relates, *inter alia*, to the remuneration in the case of a non-executive Director, and mandates that such remuneration shall not be payable by commission on or a percentage of the profits or turnover, and that no Director shall be remunerated by a commission on or a percentage of turnover. The Company proposes to amend Article 77 to reflect compliance only with the HK Listing Rules and Singapore law.

*(n) Article 84*

The existing Article 84 relates to the appointment of a managing Director. The proposed amendment will remove the restriction that the appointment shall not exceed five (5) years if such appointment is for a fixed term. The Company is proposing to delete this restriction as there is no such requirement under the HK Listing Rules.

*(o) Article 87*

The existing Article 87 provides, *inter alia*, that the Managing Director shall at all times be subject to the control of the Directors. The Company proposes to remove this restriction to reflect compliance only with the HK Listing Rules and Singapore law.

*(p) Article 93*

The existing Article 93 relates to the eligibility for election of a Director. The process for the eligibility of a person to be elected as a Director has been streamlined such that there will no longer be a requirement for, *inter alia*, a Shareholder to propose a person to be elected as Director in writing 11 clear days before the meeting. The proposed amendment is to streamline the process for the election of Directors to reflect the requirements of the HK Listing Rules.

*(q) Article 95*

The existing Article 95 relates to the removal of a Director from office. The Company proposes to amend Article 59 to clarify that a Director may be removed from office before the expiration of his period of office.

*(r) Article 107*

The existing Article 107 relates to the audit committee of the Company. The Company proposed to amend Article 107 to reflect compliance with the HK Listing Rules.

### **5.3 Shareholders' Approval**

The Special Resolution for the Proposed Amendments will be conditional upon the approval of the Ordinary Resolution in relation to the Proposed Conversion by the Shareholders.

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## LETTER TO SHAREHOLDERS

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### 6. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date is set out in the table below:

	Direct Interest	Deemed Interest	Total	Percentage of the Company's issued share capital
<b>Directors</b>				
Mr. Cui Genxiang	—	90,294,662 <sup>(1)</sup>	90,294,662	23.27
Ms. Zhang Zhong	—	28,082,525 <sup>(2)</sup>	28,082,525	7.24
<b>Substantial Shareholders (other than Directors)</b>				
Kingever Enterprises Limited	90,294,662	—	90,294,662	23.27
Wellahead Holdings Limited	28,082,525	—	28,082,525	7.24

*Notes:*

- (1) Mr. Cui Genxiang beneficially owns the entire issued share capital of Kingever Enterprises Limited (“**Kingever**”), and Kingever in turn holds approximately 23.27% of the total issued shares in the Company.
- (2) Ms. Zhang Zhong beneficially owns the entire issued share capital of the Wellahead Holdings Limited (“**Wellahead**”), and Wellahead in turn holds approximately 7.24% of the total issued shares in the Company.

None of the Directors and substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Conversion and Proposed Amendments other than through their respective shareholdings in the Company.

### 7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 16 of this Circular, will be held at Meeting Room 334 (Level 3), Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 2 September 2014, at 9:00 a.m., for the purposes of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution to approve the Proposed Conversion and Special Resolution to approve the Proposed Amendments.

### 8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy or proxies to attend and vote on their behalf, will find enclosed with this Circular, a proxy form (the “**Proxy Form**”) which they are requested to complete, sign and return, in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to arrive at the share registrar of the Company in Singapore, Boardroom Corporate &

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## LETTER TO SHAREHOLDERS

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Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 or the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy or proxies if he finds that he is able to do so. In such event, the relevant proxy form will be deemed to be revoked.

Shareholders holding shares through the CDP shall only be entitled to attend the EGM and to speak and vote if his name appears on the register maintained by CDP and according to the number of Shares in the respective securities accounts 48 hours before the EGM as a holder of Shares.

The resolutions proposed to be approved at the EGM will be taken by poll and an announcement on the outcome of the EGM will be made by the Company following the EGM.

### **9. DIRECTORS' RECOMMENDATIONS**

#### **9.1 Proposed Conversion**

After having considered the rationale and benefits of the Proposed Conversion, the Board is of the opinion that the Proposed Conversion is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the Ordinary Resolution relating to the Proposed Conversion as set out in the Notice of EGM.

#### **9.2 Proposed Amendments**

After having considered the rationale and information relating to the Proposed Amendments, the Board is of the opinion that, subject to the Proposed Conversion, the Proposed Amendments is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the Special Resolution relating to the Proposed Amendments as set out in the Notice of EGM.

### **10. DIRECTORS' RESPONSIBILITY STATEMENT**

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



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## LETTER TO SHAREHOLDERS

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### 11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the current memorandum and Articles are available for inspection at the registered office of the Company at 10 Anson Road, #32-15, International Plaza, Singapore 079903 during normal business hours from the date hereof up to and including the date of the EGM.

Yours faithfully  
For and on behalf of the Board of Directors of  
**Hengxin Technology Ltd.**

**Cui Genxiang**  
*Executive Chairman*



**HENGXIN TECHNOLOGY LTD.**

**亨鑫科技有限公司\***

*(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200414927H)*

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of **HENGXIN TECHNOLOGY LTD.** (the “**Company**”) will be held at Meeting Room 334 (Level 3), Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 2 September 2014 at 9:00 a.m. for the purposes of considering, and if thought fit, passing the following resolutions set out below.

Unless otherwise defined herein, all terms defined in this Notice of Extraordinary General Meeting shall have the same meanings as those defined or construed in the circular dated 7 August 2014 (the “**Circular**”) issued by the Company to its Shareholders.

**ORDINARY RESOLUTION — PROPOSED CONVERSION OF THE COMPANY’S LISTING STATUS FROM A PRIMARY LISTING TO A SECONDARY LISTING ON THE MAIN BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“PROPOSED CONVERSION”)**

**THAT:**

- (a) with effect from a date to be determined by the directors of the Company, approval be and is hereby given for the conversion of the Company’s listing status from a primary listing to a secondary listing on the Main Board of the Singapore Exchange Securities Trading Limited; and
- (b) the directors of the Company and each of them be and are hereby authorized to take all acts and do all things necessary, desirable or expedient in connection with this resolution, or as may be necessary for the purpose of giving effect to the same.

**SPECIAL RESOLUTION — PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (“PROPOSED AMENDMENTS”)**

**THAT** subject to and contingent upon the passing of the Ordinary Resolution:

- (a) the amended articles of association of the Company as contained in Appendix C to the Circular and submitted to this EGM be approved and adopted by the Company in substitution for, and to the exclusion of, the existing articles of association of the Company; and

\* *for identification purpose only*

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**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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- (b) the directors of the Company and each of them be and are hereby authorized to take all acts and do all things necessary, desirable or expedient in connection with this resolution, or as may be necessary for the purpose of giving effect to the same.

**BY ORDER OF THE BOARD**

**Shirley Lim Guat Hua**

*Company Secretary*

7 August 2014

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**APPENDIX A: COMPARISON OF A SUMMARY OF THE PRINCIPAL LISTING RULES OF THE SGX-ST AND THE HKEX**

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The Company sets out below a summary of the major differences between the Listing Manual and the HK Listing Rules. However, this summary is for general guidance only and is not and shall not be relied on as legal advice or any other advice to the Shareholders. This summary is not meant to be a comprehensive or exhaustive description of all the relevant Singapore and Hong Kong laws, rules and regulations.

Prospective investors and/or Shareholders should consult their own legal advisers for specific legal advice concerning their legal rights and obligations under Singapore and Hong Kong laws.

<b>HK Listing Rules Hong Kong laws</b>	<b>Listing Manual and Singapore laws</b>
<b>REPORTING REQUIREMENTS</b>	
<b>Chapter 13 of the HK Listing Rules (Continuing obligations) Part XVIA, Securities and Futures Ordinance</b>	<b>Chapter 7 of the Listing Manual (Continuing Obligations) Rule 703, Listing Manual: Disclosure of Material Information</b>
<p><b>General obligation of disclosure</b></p> <p><b>Rule 13.05 to 13.09 of the HK Listing Rules</b></p> <p>Where HKEX becomes aware of a possible breach of the Part XIVA of the SFO (“<b>Inside Information Provisions</b>”), it will refer it to the SFC. HKEX will not itself take disciplinary action under the HK Listing Rules unless the SFC considers it not appropriate to pursue the matter under the SFO and HKEX considers action under the HK Listing Rules for a possible breach of the relevant rules appropriate.</p> <p>HKEX has identified certain circumstances in Chapter 13 of the HK Listing Rules in which an issuer must disclose information to the public. However, these are not alternatives to, and do not in any way detract from, the statutory disclosure obligation found in the Inside Information Provisions. HKEX may require the issuer to make an announcement or halt trading in its listed securities where it considers it appropriate to preserve or ensure an orderly, informed and fair market. HKEX, in discharge of its duty under Section 21 of the SFO, will monitor the market, make enquiries when it considers them appropriate or necessary, and may halt trading in an issuer’s securities in accordance with the HK Listing Rules as required.</p>	<p>(1) An issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which:-</p> <p>(a) is necessary to avoid the establishment of a false market in the issuer’s securities; or</p> <p>(b) would be likely to materially affect the price or value of its securities.</p> <p>(2) Rule 703(1) does not apply to information which it would be a breach of law to disclose.</p> <p>(3) Rule 703(1) does not apply to particular information while each of the following conditions applies.</p> <p>Condition 1: a reasonable person would not expect the information to be disclosed;</p> <p>Condition 2: the information is confidential; and</p> <p>Condition 3: one or more of the following applies:</p> <p>(a) the information concerns an incomplete proposal or negotiation;</p>

<p>An issuer and its directors must take all reasonable steps to maintain strict confidentiality of insider information until it is announced. An issuer must not divulge any information in such a way as to place in a privileged dealing position any person or class or category of persons. It must not release any information in such a way that HKEX transactions may be entered into at prices which do not reflect the latest available information. An issuer and its directors must seek to ensure that dealings do not take place between parties one of whom does not have inside information which the other possesses.</p> <p>To maintain high standards of disclosure, HKEX may require an issuer to announce further information, and impose additional requirements on it, where HKEX considers that circumstances so justify. However, HKEX will allow the issuer to make representations before imposing any requirements on it which are not imposed on listed issuers generally. The issuer must comply with the additional requirements failing which HKEX may itself publish the information available to it. Conversely, HKEX may waive, modify or not require compliance with any specific obligations in Chapter 13 of the HK Listing Rules in a particular case, but may require the issuer to enter into an agreement or undertaking as a condition of any dispensation.</p> <p>Without prejudice to Rule 13.10, where in the view of HKEX there is or there is likely to be a false market in an issuer's securities, the issuer must, as soon as reasonably practicable after consultation with HKEX, announce the information necessary to avoid a false market in its securities. This obligation exists whether or not HKEX makes enquiries under Rule 13.10. If an issuer believes that there is likely to be a false market in its listed securities, it must contact HKEX as soon as reasonably practicable.</p> <p>Where an issuer is required to disclose inside information under the Inside Information Provisions, it must also simultaneously announce the information. Also, an issuer must simultaneously copy to HKEX any application to the SFC for a waiver from disclosure under the Inside Information Provisions, and promptly upon being notified on the SFC's decision copy HKEX with the SFC's decision.</p> <p><b>Part XIVA of the SFO</b></p> <p>On 1 January 2013, amendments to the SFO came into effect to provide for a new Part XIVA under the SFO giving statutory backing to one of the most important principles in the HK Listing Rules. The provisions under Part XIVA impose a general obligation of disclosure of price sensitive, or "inside" information by listed corporations.</p>	<ul style="list-style-type: none"> <li>(b) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;</li> <li>(c) the information is generated for the internal management purposes of the entity;</li> <li>(d) the information is a trade secret.</li> </ul> <p>(4) In complying with the SGX-ST's disclosure requirements, an issuer must:</p> <ul style="list-style-type: none"> <li>(a) observe the Corporate Disclosure Policy set out in Appendix 7.1 of the SGX-ST Listing Manual; and</li> <li>(b) ensure that its directors and executive officers are familiar with the SGX-ST's disclosure requirements and Corporate Disclosure Policy.</li> </ul> <p>(5) The SGX-ST will not waive any requirements under this Rule.</p>
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Section 307A(1) of the SFO states that “inside information”, in relation to a listed corporation, means specific information that is about:

- (1) the corporation;
- (2) a shareholder or officer of the corporation; or
- (3) the listed securities of the corporation or their derivatives; and

is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but would if generally known to them be likely to materially affect the price of the listed securities.

The statutory requirements to disclose inside information are central to the orderly operation and integrity of the market and underpin the maintenance of a fair and informed market. To comply with the obligations, listed corporations should consider their own circumstances when deciding whether any inside information arises and how it should be disclosed properly to the public. Disclosure should be made in a manner that provides for equal, timely and effective access by the public to the information disclosed.

To strike an appropriate balance between encouraging timely disclosure of inside information and preventing premature disclosure which might prejudice a listed corporation’s legitimate interests, the SFO provides for appropriate “Safe Harbours” as set out below to permit a listed corporation to withhold the disclosure of inside information in specified circumstances:

- (1) disclosure is not required if and so long as it is prohibited under law or court order;
- (2) disclosure is not required if and so long as ALL of the following conditions apply:
  - (i) reasonable precautions have been taken by the listed issuer to preserve confidentiality of the information;
  - (ii) confidentiality of the information is preserved; and
  - (iii) one or more of the following is applicable:
    - (a) the information concerns an incomplete proposal or negotiation;
    - (b) the information is a trade secret;

<p>(c) the information concerns the provision of liquidity support from the Exchange Fund established by the Exchange Fund Ordinance or from an institution which performs the functions of a central bank; and/or</p> <p>(d) disclosure is waived by the SFC.</p> <p>Every officer of a listed issuer must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement. The SFC is empowered to institute disclosure proceedings directly in the Market Misconduct Tribunal (“MMT”) if it appears to the SFC that a breach of a disclosure requirement has or may have taken place. A listed issuer and any officer that are judged to be in breach of a disclosure requirement by the MMT would be subject to civil sanction(s).</p> <p><b>SPECIFIC MATTERS RELEVANT TO THE ISSUER’S BUSINESS</b></p> <p><b>(I) Advance to an entity</b></p> <p><i>Rules 13.13 to 13.15A of the HK Listing Rules</i></p> <p>Where the relevant advance to an entity exceeds 8% under the assets ratio defined under Rule 14.07(1), the issuer must announce the information in Rule 13.15 as soon as reasonably practicable. For the avoidance of doubt, an advance to a subsidiary of the issuer will not be regarded as an advance to an entity.</p> <p>Where the relevant advance to an entity increases from that previously disclosed under Rule 13.13, 13.14 or 13.20 and the amount of the increase since the previous disclosure is 3% or more under the assets ratio defined under Rule 14.07(1), the issuer must announce the information in Rule 13.15 as soon as reasonably practicable.</p> <p>Under Rule 13.13 or 13.14, issuers must announce details of the relevant advance to an entity, including details of the balances, the nature of events or transactions giving rise to the amounts, the identity of the debtor group, interest rate, repayment terms and collateral.</p> <p>For the purpose of Rules 13.13 and 13.14, any trade receivable is not regarded as a relevant advance to an entity if:</p> <p>(1) it arose in the issuer’s ordinary and usual course of business (other than as a result of the provision of financial assistance); and</p>	<p><b>Rule 704, Listing Manual:</b></p> <p><b>Announcement of Specific Information</b></p> <p>In addition to Rule 703, an issuer must immediately announce the following:-</p> <p><b>General</b></p> <p>(1) Any change of address of the registered office of the issuer or of any office at which the Register of Members or any other register of securities of the issuer is kept.</p> <p>(2) Any proposed alteration to the Memorandum of Association or Articles of Association or Constitution of the issuer (see Rule 730 which requires issuers to seek the SGX-ST’s approval for any alteration to their Articles or constituent documents).</p> <p>(3) [Deleted]</p> <p>(4) Any call to be made on partly paid securities of the issuer or of any of its principal subsidiaries.</p> <p>(5) Any qualification or emphasis of a matter by the auditors on the financial statements of:-</p> <p>(a) the issuer; or</p> <p>(b) any of the issuer’s subsidiaries or associated companies, if the qualification or emphasis of a matter has a material impact on the issuer’s consolidated accounts or the group’s financial position.</p>
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<p>(2) the transaction from which the trade receivable arose was on normal commercial terms.</p> <p><b>(II) Financial assistance and guarantees to affiliated companies of an issuer</b></p> <p><i>Rule 13.16 of the HK Listing Rules</i></p> <p>Where the financial assistance to affiliated companies of an issuer, and guarantees given for facilities granted to affiliated companies of an issuer, together in aggregate exceeds 8% under the assets ratio defined under Rule 14.07(1), the issuer must announce as soon as reasonably practicable the information as set out in Rule 13.16 of the HK Listing Rules.</p> <p><b>(III) Pledging of shares by the controlling shareholder</b></p> <p><i>Rule 13.17 of the HK Listing Rules</i></p> <p>Where the issuer's controlling shareholder has pledged all or part of its interest in the issuer's shares to secure the issuer's debts or to secure guarantees or other support of its obligations, the issuer must announce the information as set out in Rule 13.17 of the HK Listing Rules.</p> <p><b>(IV) Loan agreements with covenants relating to specific performance of the controlling shareholder</b></p> <p><i>Rule 13.18 of the HK Listing Rule</i></p> <p>Where an issuer (or any of its subsidiaries) enters into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholder (e.g. a requirement to maintain a specified minimum holding in the share capital of the issuer) and breach of such an obligation will cause a default in respect of loans that are significant to the issuer's operations, the issuer must announce the information as set out in Rule 13.18 of the HK Listing Rules.</p> <p><b>(V) Breach of loan agreement by an issuer</b></p> <p><i>Rule 13.19 of the HK Listing Rules</i></p> <p>When an issuer breaches the terms of its loan agreements, for loans that are significant to its operations, such that the lenders may demand their immediate repayment, and where the lenders have not issued a waiver in respect of the breach, the issuer must announce such information as soon as reasonably practicable.</p>	<p>(6) If an issuer has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.</p> <p><b>Appointment Or Cessation of Service</b></p> <p>(7) (a) Any appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer. The announcement of an appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority must contain the information contained in Appendix 7.4.1 or Appendix 7.4.2, as the case may be.</p> <p>(b) In the case of a cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager or other executive officer of equivalent authority, such persons must inform the SGX-ST in writing as soon as possible if he is aware of any irregularities in the issuer which would have a material impact on the group, including financial reporting.</p> <p>(8) Any appointment or reappointment of a director to the audit committee. The issuer must state in the announcement whether the board considers the director to be independent. The issuer must also provide such additional disclosure as may be appropriate in the circumstances to enable its shareholders to assess the independence or otherwise of the appointed director. In the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months.</p> <p>(9) Any appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the issuer to a managerial position in the issuer or any of its principal subsidiaries. The announcement must</p>
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<p><b>(VI) Sufficient operation</b></p> <p><i>Rules 13.24 to 13.24A of the HK Listing Rules</i></p> <p>An issuer shall carry out, directly or indirectly, a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to HKEX to warrant the continued listing of the issuer's securities. An issuer must, after trading in its listed securities has been suspended, publish periodic announcements of its developments.</p> <p><b>(VII) Material matters which impact on profit forecasts</b></p> <p><i>Rule 13.24B of the HK Listing Rules</i></p> <p>If, during the profit forecast period, an event occurs which, had it been known when the profit forecast was made, would have caused any of the assumptions upon which the forecast is based to have been materially different, the issuer must promptly announce the event. In the announcement, the issuer must also indicate its view of the likely impact of that event on the profit forecast already made.</p> <p>If profit or loss generated by some activity outside the issuer's ordinary and usual course of business which was not disclosed as anticipated in the document containing the profit forecast, materially contributes to or reduces the profits for the period to which the profit forecast relates, the issuer must announce this information, including an indication of the level to which the unusual activity has contributed to or reduced the profit.</p> <p>The issuer must announce the information under Rule 13.24B(2)(a) as soon as it becomes aware that it is likely that the contribution to or reduction in the profits made or to be made by the profit or loss generated or to be generated will be material.</p> <p><b>(VIII) Winding-up and liquidation</b></p> <p><i>Rule 13.25 of the HK Listing Rules</i></p> <p>(i) An issuer shall inform HKEX of the happening of any of the following events as soon as it comes to its attention:-</p> <p>(a) the appointment of a receiver or manager either by any court having jurisdiction or under the terms of a debenture or any application to any court having jurisdiction for the appointment of a receiver or manager, or equivalent action in the country of incorporation or other</p>	<p>state the job title, duties and responsibilities of the appointee, and the information required in Rule 704(7).</p> <p>(10) Any promotion of an appointee referred to in Rule 704(9).</p> <p>(11) Any appointment of, or change in legal representative(s) (or person(s) of equivalent authority, however described), appointed as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, with sole powers to represent, exercise rights on behalf of, the issuer and/or that principal subsidiary.</p> <p>(12) For issuers with principal subsidiaries based in jurisdictions other than Singapore, any of its independent directors' appointment or cessation of service from the boards of these principal subsidiaries.</p> <p>(13) Within 60 days after each financial year, the issuer must make an announcement of each person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer as set out in Appendix 7.2 Part II. If there are no such persons, the issuer must make an appropriate negative statement. The SGX-ST may require the issuer to provide additional information on any such person, including his remuneration, any changes to his duties, responsibilities and remuneration package.</p> <p><b>Appointment of Special Auditors</b></p> <p>(14) The SGX-ST may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to the SGX-ST or the issuer's Audit Committee or such other party as the SGX-ST may direct. The issuer may be required by the SGX-ST to immediately announce the requirement, together with such other information as the SGX-ST directs. The issuer may be required by the SGX-ST to announce the findings of the special auditors.</p> <p><b>General Meetings</b></p> <p>(15) The date, time and place of any general meeting. All notices convening meetings must be sent to shareholders at least 14 calendar days before the meeting (excluding the date of notice and the date of meeting). For meetings to pass special</p>
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<p>establishment, in respect of the business or any part of the business of the issuer or the property of the issuer, its holding company or any subsidiary falling under Rule 13.25(2);</p> <p>(b) the presentation of any winding-up petition, or equivalent application in the country of incorporation or other establishment, or the making of any winding-up order or the appointment of a provisional liquidator, or equivalent action in the country of incorporation or other establishment, against or in respect of the issuer, its holding company or any subsidiary falling under Rule 13.25(2);</p> <p>(c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under Rule 13.25(2) that it be wound up by way of members' or creditors' voluntary winding up, or equivalent action in the country of incorporation or other establishment;</p> <p>(d) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios defined under Rule 14.04(9); or</p> <p>(e) the making of any final judgment, declaration or order by any court or tribunal of competent jurisdiction whether on appeal or at first instance which is not subject to any or further appeal, which may adversely affect the issuer's enjoyment of any portion of its assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios defined under Rule 14.04(9).</p> <p>(ii) Rules 13.25(1)(a), (b) and (c) will apply to a subsidiary of the issuer if the value of that subsidiary's total assets, profits or revenue represents 5% or more under any of the percentage ratios defined under Rule 14.04(9). For the purpose of this Rule 13.25(2), 100% of that subsidiary's total assets, profits or revenue (as the case may be) or, where that subsidiary itself has subsidiaries, the consolidated total assets, profits or revenue (as the case may be) of</p>	<p>resolution(s), the notice must be sent to shareholders at least 21 calendar days before the meeting (excluding the date of notice and the date of meeting).</p> <p>(16) All resolutions put to a general meeting of an issuer, and immediately after such meeting, whether or not the resolutions were passed.</p> <p><b>Acquisitions and Realisations</b></p> <p>(17) Any acquisition of-</p> <p>(a) shares resulting in the issuer holding 10% or more of the total number of issued shares excluding treasury shares of a quoted company;</p> <p>(b) except for an issuer which is a bank, finance company, securities dealing company or approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must state:-</p> <p>(i) the aggregate cost of the issuer's quoted investments before and after the acquisition, and such amounts as a percentage of the latest audited consolidated net tangible assets of the issuer;</p> <p>(ii) the total market value of its quoted investments before and after the acquisition; and</p> <p>(iii) the amount of any provision for diminution in value of investments;</p> <p>(c) shares resulting in a company becoming a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and</p> <p>(d) shares resulting in the issuer increasing its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5)).</p>
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that subsidiary is to be compared to the total assets, profits or revenue (as the case may be) shown in the issuer's latest- published audited consolidated financial statements irrespective of the interest held in the subsidiary.

#### GENERAL MATTERS RELEVANT TO THE ISSUER'S BUSINESS

##### (I) Changes in issued share capital

###### *Rule 13.25A of the HK Listing Rules*

An issuer must, whenever there is a change in its issued share capital as a result of or in connection with any of the events referred to in Rule 13.25A(2), submit through HKEx-EPS, or such other means as HKEX may from time to time prescribe, for publication on HKEX's website a return in such form and containing such information as HKEX may from time to time prescribe by not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day next following the relevant event.

##### (II) Monthly return

###### *Rule 13.25B of the HK Listing Rules*

A listed issuer shall, by no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the fifth business day next following the end of each calendar month, submit through HKEx-EPS, or such other means as HKEX may from time to time prescribe, for publication on HKEX's website a monthly return in relation to movements in the listed issuer's equity securities, debt securities and any other securitised instruments during the period to which the monthly return relates, in such form and containing such information as HKEX may from time to time prescribe.

##### (III) Issues of securities

###### *Rule 13.28 of the HK Listing Rules*

Where the directors agree to issue securities for cash in accordance with Rule 13.36(1) (a) or 13.36(2), an issuer shall publish an announcement as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day, containing the information in accordance with this Rule.

(18) Any sale of-

- (a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares of a quoted company;
- (b) except for an issuer which is a bank, a finance company, a securities dealing company or an approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment in quoted securities falling below each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must contain the same information as required under Rule 704(17)(b)(i) to (iii), relating to a sale instead of an acquisition;
- (c) shares resulting in a company ceasing to be a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and
- (d) shares resulting in the issuer reducing its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5))

(19) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10.

#### Winding Up, Judicial Management, etc

- (20) Any application filed with a court to wind up the issuer or any of its subsidiaries, or to place the issuer or any of its subsidiaries under judicial management.
- (21) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.
- (22) Any breach of any loan covenants or any notice received from principal bankers or from the trustee of any debenture holders to demand repayment of loans granted to the issuer or any of its subsidiaries which, in the opinion of the issuer's directors, would result in the issuer facing a cash flow problem.

<p><b>(IV) Pre-emptive rights</b></p> <p><i>Rule 13.36 of the HK Listing Rules</i></p> <p>(1) (a) Except in the circumstances mentioned in Rule 13.36(2), the directors of the issuer shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting:-</p> <p>(i) shares;</p> <p>(ii) securities convertible into shares; or</p> <p>(iii) options, warrants or similar rights to subscribe for any shares or such convertible securities.</p> <p>(b) Notwithstanding Rule 13.36(2)(b), the directors of the issuer (other than a PRC issuer, to which the provisions of Rule 19A.38 apply) shall obtain the consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.</p> <p>(2) No such consent as is referred to in Rule 13.36(1)(a) shall be required:-</p> <p>(a) for the allotment, issue or grant of such securities pursuant to an offer made to the shareholders of the issuer which excludes for that purpose any shareholder that is resident in a place outside Hong Kong provided the directors of the issuer consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings; or</p> <p>(b) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued,</p>	<p>(23) Where Rule 704(20), (21) or (22) applies, a monthly update must be announced regarding the issuer's financial situation, including:-</p> <p>(a) the state of any negotiations between the issuer and its principal bankers or trustee; and</p> <p>(b) the issuer's future direction, or other material development that may have a significant impact on the issuer's financial position.</p> <p>If any material development occurs between the monthly updates, it must be announced immediately.</p> <p><b>Announcement of Results, Dividends, etc</b></p> <p>(24) Any recommendation or declaration of a dividend (including a bonus or special dividend, if any), the rate and amount per share and date of payment. If dividends are not taxable in the hands of shareholders, this must be stated in the announcement and in the dividend advice to shareholders. If there is a material variation in the interim or final dividend rate compared to that for the previous corresponding period, the directors must state the reasons for the variation at the time the dividend is recommended or declared. If the directors decide not to declare or recommend a dividend, this must be announced.</p> <p>(25) After the end of each of the first three quarters of its financial year, half year or financial year, as the case may be, an issuer must not announce any:-</p> <p>(a) dividend;</p> <p>(b) capitalisation or rights issue;</p> <p>(c) closing of the books;</p> <p>(d) capital return;</p> <p>(e) passing of a dividend; or</p> <p>(f) sales or turnover</p> <p>unless it is accompanied by the results of the quarter, half year or financial year, as the case may be, or the results have been announced.</p>
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<p>allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of 20% of the existing issued share capital of the issuer (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in Rule 7.14(3), 20% of the issued share capital of an overseas issuer following the implementation of such scheme) plus the number of such securities repurchased by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the existing issued share capital of the issuer), provided that the existing shareholders of the issuer have by a separate ordinary resolution in general meeting given a general mandate to the directors of the issuer to add such repurchased securities to the 20% general mandate.</p> <p>(3) A general mandate given under Rule 13.36(2) shall only continue in force until:-</p> <p>(a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or</p> <p>(b) revoked or varied by ordinary resolution of the shareholders in general meeting,</p> <p>whichever occurs first.</p> <p>(4) Where the issuer has obtained a general mandate from its shareholders pursuant to Rule 13.36(2)(b), any refreshments of the general mandate before the next annual general meeting shall be subject to the following provisions:</p> <p>(a) any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour;</p>	<p><b>Books Closure</b></p> <p>(26) Any intention to fix a books closure date, stating the date, reason and address of the share registry at which the relevant documents will be accepted for registration. At least 5 market days of notice (excluding the date of announcement and the books closure date) must be given for any books closure date. Issuers could consider a longer notice period, where necessary. Subject to the provisions of the Companies Act, the SGX-ST may agree to a shorter books closure period. In fixing a books closure date, an issuer must ensure that the last day of trading on a cum basis falls at least 1 day after the general meeting, if a general meeting is required to be held.</p> <p>(27) The issuer must not close its books for any purpose until at least 8 market days after the last day of the previous books closure period. This rule does not prohibit identical books closure dates for different purposes.</p> <p><b>Treasury Shares</b></p> <p>(28) Any sale, transfer, cancellation and/or use of treasury shares, stating the following:-</p> <p>(a) Date of the sale, transfer, cancellation and/or use;</p> <p>(b) Purpose of such sale, transfer, cancellation and/or use;</p> <p>(c) Number of treasury shares sold, transferred, cancelled and/or used;</p> <p>(d) Number of treasury shares before and after such sale, transfer, cancellation and/or use;</p> <p>(e) Percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and</p> <p>(f) Value of the treasury shares if they are used for a sale or transfer, or cancelled.</p>
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<p>(b) HKEX reserves the right to require the following parties to abstain from voting in favour of the relevant resolution at the general meeting:</p> <p>(i) any parties who were controlling shareholders of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their associates; or</p> <p>(ii) where there were no such controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their respective associates;</p> <p>(c) the issuer must comply with the requirements set out in Rules 13.39(6) and (7), 13.40, 13.41 and 13.42;</p> <p>(d) the relevant circular to shareholders must contain information relating to the issuer's history of refreshments of mandate since the last annual general meeting, the amount of proceeds raised from the utilisation of such mandate, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount. The circular must also contain information required under Rule 2.17; and</p> <p>(e) where the issuer offers or issues securities to its shareholders pro rata to their existing holdings (including where overseas shareholders are excluded for legal or regulatory reasons), it will not be necessary for the issuer to comply with Rules 13.36(4)(a), (b) or (c) in order for it to refresh its general mandate immediately thereafter such that the amount in percentage terms of the unused part of the general mandate upon refreshment is the same as the unused part of the general mandate immediately before the issue of securities. In such cases, it need only obtain approval from its shareholders and comply with Rule 13.36(4)(d).</p> <p>(5) In the case of a placing of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given under Rule 13.36 (2)(b) if the relevant price</p>	<p><b>Employee share option or share scheme</b></p> <p>(29) Any grant of options or shares. The announcement must be made on the date of the offer and provide details of the grant, including the following:-</p> <p>(a) Date of grant;</p> <p>(b) Exercise price of options granted;</p> <p>(c) Number of options or shares granted;</p> <p>(d) Market price of its securities on the date of grant;</p> <p>(e) Number of options or shares granted to each director and controlling shareholder (and each of their associates), if any; and</p> <p>(f) Validity period of the options.</p> <p><b>Use of Proceeds</b></p> <p>(30) The use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the prospectus or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.</p> <p><b>Loan agreements/Issue of Debt Securities</b></p> <p>(31) when the issuer or any of its subsidiaries enters into a loan agreement or issues debt securities that contain a condition making reference to shareholding interests of any controlling shareholder in the issuer, or places restrictions on any change in control of the issuer, and the breach of this condition or restriction will cause a default in respect of the loan agreement or debt securities, significantly affecting the operations of the issuer:-</p> <p>(a) The details of the condition(s) making reference to shareholding interests of such controlling shareholder in the issuer or restrictions placed on any change in control of the issuer; and</p> <p>(b) The aggregate level of these facilities that may be affected by a breach of such condition or restriction.</p>
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<p>represents a discount of 20% or more to the benchmarked price of the securities, such benchmarked price being the higher of:</p> <p>(a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and</p> <p>(b) the average closing price in the 5 trading days immediately prior to the earlier of:</p> <p>(i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;</p> <p>(ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and</p> <p>(iii) the date on which the placing or subscription price is fixed,</p> <p>unless the issuer can satisfy HKEX that it is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves the issue of new securities at a price representing a discount of 20% or more to the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide HKEX with detailed information on the allottees to be issued with securities under the general mandate.</p> <p><b>Rule 13.51 of the HK Listing Rules</b></p> <p>An issuer must publish an announcement as soon as practicable in regard to:-</p> <p>(1) any proposed alteration of the issuer's memorandum or articles of association or equivalent documents, and in the case of a PRC issuer, any proposed request by the PRC issuer to a PRC competent authority to waive or otherwise modify any provision of the Regulations.</p> <p>(2) any changes in its directorate or supervisory committee, and shall procure that each new director or supervisor or member of its governing body shall sign and lodge with HKEX as soon as practicable after their appointment a declaration and undertaking in the form set out in Form B, H or I, where applicable in Appendix 5.</p>	<p>(32) Any breach of the terms of loan agreements or debt issues which may have a significant impact on the operations of the issuer.</p>
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**APPENDIX A:                   COMPARISON OF A SUMMARY OF THE PRINCIPAL LISTING RULES OF THE SGX-ST AND THE HKEX**

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Where a new director, supervisor or chief executive is appointed or the resignation, re-designation, retirement or removal of a director, supervisor or chief executive takes effect, the issuer must announce the change as soon as practicable and include the details in the announcement in accordance with this Rule.

The issuer must also disclose in the announcement of resignation or removal of a director, supervisor or chief executive the reasons given by or to him for his resignation or removal (including, but not limited to, any information relating to his disagreement with the board and a statement whether or not there are any matters that need to be brought to the attention of holders of securities of the issuer).

The issuer must notify HKEX and publish an announcement on any important change in the holding of an executive office, including changes to any important functions or executive responsibilities of a director.

- (3) any change in the rights attaching to any class of listed securities and any change in the rights attaching to any shares into which any listed debt securities are convertible or exchangeable;
- (4) any change in its auditors or financial year end, the reason(s) for the change and any other matters that need to be brought to the attention of holders of securities of the issuer (including, but not limited to, information set out in the outgoing auditors' confirmation in relation to the change in auditors);
- (5) any change in its secretary, share registrar (including any change in overseas branch share registrar) or registered address or where applicable, agent for the service of process in Hong Kong or registered office or registered place of business in Hong Kong; and
- (6) any change in its Compliance Adviser.

**General Meeting**

*Rule 13.39(4) of the HK Listing Rules*

Any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The issuer must announce the results of the poll in the manner prescribed under Rule 13.39(5).



**Employee share option or share scheme***Rule 17.06A of the HK Listing Rules*

As soon as possible upon the granting by the listed issuer of an option under the scheme, the listed issuer must publish an announcement in accordance with rule 2.07C setting out the following details:

- (1) date of grant;
- (2) exercise price of options granted;
- (3) number of options granted;
- (4) market price of its securities on the date of grant;
- (5) where any of the grantees is a director, chief executive or substantial shareholder of the listed issuer, or an associate of any of them, the names of such grantees and the number of options granted to each of them; and
- (6) validity period of the options.

**Notifiable transactions***Rule 14.04 of the HK Listing Rules*

any reference to a “transaction” by a listed issuer:

- (1) includes the acquisition or disposal of assets, including deemed disposals as referred to in Rule 14.29;
- (2) includes any transaction involving a listed issuer writing, accepting, transferring, exercising or terminating an option to acquire or dispose of assets or to subscribe for securities;
- (3) includes entering into or terminating finance leases where the financial effects of such leases have an impact on the balance sheet and/or profit and loss account of the listed issuer;
- (4) includes entering into or terminating operating leases which, by virtue of their size, nature or number, have a significant impact on the operations of the listed issuer. (e.g. if such lease(s), by virtue of its/their total monetary value or the number of leases involved, represent(s) a 200% or more increase in the scale of the listed issuer’s existing operations conducted through lease arrangements of such kind);

- (5) includes granting an indemnity or a guarantee or providing financial assistance by a listed issuer, other than by a listed issuer which:
  - (a) is a banking company and provides the financial assistance in its ordinary and usual course of business;
  - (b) grants an indemnity or a guarantee, or provides financial assistance to its subsidiaries; or
  - (c) is a securities house and provides the financial assistance in its ordinary and usual course of business and upon normal commercial terms;
- (6) includes entering into any arrangement or agreement involving the formation of a joint venture entity in any form, such as a partnership or a company, or any other form of joint arrangement, other than a joint venture where:
  - (i) the joint venture is engaging in a single purpose project/transaction which is of a revenue nature in the ordinary and usual course of business of the issuer;
  - (ii) the joint venture arrangement is on an arm's length basis and on normal commercial terms; and
  - (iii) the joint venture agreement contains clause(s) to the effect that the joint venture may not, without its partners' unanimous consent:
    - (A) change the nature or scope of its business; or
    - (B) enter into any transactions which are not on an arm's length basis; and
- (7) to the extent not expressly provided in (1) to (6) above, excludes any transaction of a revenue nature in the ordinary and usual course of business of the listed issuer.

<p><b>Rule 14.06 of the HK Listing Rules</b></p> <p>The transaction classification is made by using the percentage ratios set out in Rule 14.07. The classifications are:-</p> <ol style="list-style-type: none"> <li>(1) share transaction — an acquisition of assets (excluding cash) by a listed issuer where the consideration includes securities for which listing will be sought and where all percentage ratios are less than 5%;</li> <li>(2) discloseable transaction — a transaction or a series of transactions by a listed issuer where any percentage ratio is 5% or more, but less than 25%;</li> <li>(3) major transaction — a transaction or a series of transactions by a listed issuer where any percentage ratio is 25% or more, but less than 100% for an acquisition or 75% for a disposal;</li> <li>(4) very substantial disposal — a disposal or a series of disposals of assets (including deemed disposals) by a listed issuer where any percentage ratio is 75% or more;</li> <li>(5) very substantial acquisition — an acquisition or a series of acquisitions of assets by a listed issuer where any percentage ratio is 100% or more; and</li> <li>(6) reverse takeover — an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of HKEX, constitutes, or is part of a transaction or arrangement or series of transactions or arrangements which constitute, an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirements for new applicants as set out in Chapter 8 of the HK Listing Rules.</li> </ol> <p>A “reverse takeover” normally refers to:-</p> <ol style="list-style-type: none"> <li>(a) an acquisition or a series of acquisitions of assets constituting a very substantial acquisition where there is or which will result in a change in control (as defined in the Takeovers Code) of the listed issuer (other than at the level of its subsidiaries); or</li> <li>(b) acquisition(s) of assets from a person or a group of persons or any of his/his/her associates pursuant to an agreement, arrangement or understanding entered into by the listed issuer within 24 months of such person or group of persons gaining control</li> </ol>	<p><b>Chapter 10 of the Listing Manual (Acquisitions and Realisations)</b></p> <p><b>Rule 1004, Listing Manual</b></p> <p>Transactions are classified into the following categories:-</p> <ol style="list-style-type: none"> <li>(a) Non-discloseable transactions;</li> <li>(b) Discloseable transactions;</li> <li>(c) Major transactions; and</li> <li>(d) Very substantial acquisitions or reverse takeovers.</li> </ol> <p><b>Rule 1006, Listing Manual</b></p> <p>A transaction may fall into category (a), (b), (c) or (d) of Rule 1004 depending on the size of the relative figures computed on the following bases:-</p> <ol style="list-style-type: none"> <li>(a) The net asset value of the assets to be disposed of, compared with the group’s net asset value. This basis is not applicable to an acquisition of assets.</li> <li>(b) The net profits attributable to the assets acquired or disposed of, compared with the group’s net profits.</li> <li>(c) The aggregate value of the consideration given or received, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares.</li> <li>(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.</li> <li>(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.</li> </ol> <p>Transactions are categorised as follows:-</p> <p>— Non-Discloseable transaction: Where any of the relative figures in Rule 1006 is 5% or less (Rule 1008(1))</p>
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<p>(as defined in the Takeovers Code) of the listed issuer (other than at the level of its subsidiaries), where such gaining of control had not been regarded as a reverse takeover, which individually or together constitute(s) a very substantial acquisition.</p> <p><b>Percentage ratios</b></p> <p><i>Rule 14.07 of the HK Listing Rules</i></p> <p>The percentage ratios are the figures, expressed as percentages resulting from each of the following calculations:-</p> <ol style="list-style-type: none"> <li>(1) Assets ratio — the total assets which are the subject of the transaction divided by the total assets of the listed issuer (see in particular Rules 14.09 to 14.12, 14.16, 14.18 and 14.19);</li> <li>(2) Profits ratio — the profits attributable to the assets which are the subject of the transaction divided by the profits of the listed issuer (see in particular Rules 14.13 and 14.17);</li> <li>(3) Revenue ratio — the revenue attributable to the assets which are the subject of the transaction divided by the revenue of the listed issuer (see in particular Rules 14.14 and 14.17);</li> <li>(4) Consideration ratio — the consideration divided by the total market capitalisation of the listed issuer. The total market capitalisation is the average closing price of the listed issuer's securities as stated in HKEX's daily quotations sheets for the five business days immediately preceding the date of the transaction (see in particular Rule 14.15); and</li> <li>(5) Equity capital ratio — the nominal value of the listed issuer's equity capital issued as consideration divided by the nominal value of the listed issuer's issued equity capital immediately before the transaction.</li> </ol> <p><i>Note:</i> The value of the listed issuer's debt capital (if any), including any preference shares, shall not be included in the calculation of the equity capital ratio.</p> <p>Listed issuers must consider all the percentage ratios to the extent applicable for classifying a transaction. In the case of an acquisition where the target entity uses accounting standards different from those of the listed issuer, the listed issuer must, where applicable, perform</p>	<ul style="list-style-type: none"> <li>— Discloseable transaction: Where any of the relative figures in Rule 1006 exceeds 5% but does not exceed 20% (Rule 1010)</li> <li>— Major transaction: Where any of the relative figures in Rule 1006 exceeds 20% (Rule 1014)</li> <li>— Very substantial acquisition or reverse takeover: Where any of the relative figures in Rule 1006 is 100% or more, or where there is a change in control of the issuer (Rule 1015)</li> </ul> <p><b>Rule 1010, Listing Manual</b></p> <p>Where any of the relative figures computed on the bases set out 5% but does not exceed 20%, an issuer must, after terms have been agreed, immediately announce the following:-</p> <ol style="list-style-type: none"> <li>(1) Particulars of the assets acquired or disposed of, including the name of any company or business, where applicable;</li> <li>(2) A description of the trade carried on, if any;</li> <li>(3) The aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment;</li> <li>(4) Whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof;</li> <li>(5) The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation;</li> <li>(6) In the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds. In the case of an acquisition, the source(s) of funds for the acquisition;</li> <li>(7) The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal;</li> </ol>
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an appropriate and meaningful reconciliation of the relevant figures for the purpose of calculating the percentage ratios.

*Rule 14.33 of the HK Listing Rules*

The table below summarises the notification, publication and shareholders' approval requirements which will generally apply to each category of notifiable transaction. However, listed issuers should refer to the relevant rules for the specific requirements.

	Publication of an announcement		Circular to shareholders	Shareholders' approval	Accountants' report
	Notification to Stock Exchange	in accordance with Rule 2.07C			
Share transaction	Yes	Yes	No	No	No
Discloseable transaction	Yes	Yes	No	No	No
Major transaction	Yes	Yes	Yes	Yes	Yes
Very substantial disposal	Yes	Yes	Yes	Yes	No
Very substantial acquisition	Yes	Yes	Yes	Yes	Yes
Reverse takeover	Yes	Yes	Yes	Yes	Yes

- (8) The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year;
- (9) The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year;
- (10) The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction;
- (11) Whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests;
- (12) Details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction; and
- (13) The relative figures that were computed on the bases set out in Rule 1006.

For very substantial acquisitions/reverse takeovers, the issuer must also immediately announce the latest three years of pro forma financial information of the assets to be acquired. (Rule 1015(1)(a)(ii))

Very substantial acquisitions/reverse takeovers transactions are conditional upon the approval of shareholders and the approval of the SGX-ST. (Rule 1015(1)(b)). A circular to shareholders containing inter alia, the items set out in Rule 1015(5) will need to be distributed to seek shareholders' approval.

Further, transactions that are Major transactions are conditional upon the prior approval of shareholders. (Rule 1014(2)) A circular to shareholders will need to be distributed to seek shareholders' approval for Major transactions (Rule 1014(2)).

The disclosures required to be made in such circular for these types of transactions are prescribed in the Listing Manual.

ANNOUNCEMENT OF FINANCIAL RESULTS AND ANNUAL REPORTS	
<p><b>Disclosure of Financial Information</b></p> <p><i>Rule 13.46(1)</i></p> <p>In the case of an issuer (other than an overseas issuer and a PRC issuer):-</p> <p>(i) Such issuer shall sent to every member of the issuer; and</p> <p>(ii) every other holder of its listed securities (not being bearer securities)</p> <p>a copy of either (A) its annual report including its annual accounts and, where the issuer prepares group accounts within the meaning of Section 124(1) of the Companies Ordinance, the group accounts, together with a copy of the auditors' report thereon, or (B) its summary financial report not less than 21 days before the date of the issuer's annual general meeting and in any event not more than four months after the end of the financial year to which they relate. The issuer may send a copy of its summary financial report to a member and a holder of its listed securities in place of a copy of its annual report and accounts, provided that it complies with the relevant provisions set out in Section 141 of the Companies Ordinance and in the Companies (Summary Financial Reports of Listed Companies) Regulation.</p> <p><b>Annual Reports</b></p> <p><i>Rule 13.47 of the HK Listing Rules</i></p> <p>An issuer's annual report must comply with the provisions set out in Appendix 16 in relation to annual reports. The issuer's summary financial report must comply with the provisions set out in the Companies (Summary Financial Reports of Listed Companies) Regulation.</p> <p><b>Interim Reports</b></p> <p><i>Rule 13.48 of the HK Listing Rules</i></p> <p>In respect of the first six months of each financial year of an issuer unless that financial year is of six months or less, the issuer shall send to the persons listed in Rule 13.46(1), either (i) an interim report, or (ii) a summary interim report not later than three months after the end of that period of six months. The issuer may send a copy of its summary interim report to a member and a holder of its listed securities in place of a copy of its interim report, provided that such summary interim report complies with the relevant provisions of the</p>	<p><b>Rule 705, Listing Manual: Financial Statements</b></p> <p>(1) An issuer must announce the financial statements for the full financial year (as set out in Appendix 7.2) immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.</p> <p>(2) An issuer must announce the financial statements for each of the first three quarters of its financial year (as set out in Appendix 7.2) immediately after the figures are available, but in any event not later than 45 days after the quarter end if:-</p> <p>(a) its market capitalization exceeded S\$75 million as at 31 March 2003; or</p> <p>(b) it was listed after 31 March 2003 and its market capitalization exceeded S\$75 million at the time of listing (based on the IPO issue price); or</p> <p>(c) its market capitalization is S\$75 million or higher on the last trading day of each calendar year commencing from 31 December 2006. An issuer whose obligation falls within this sub-section (c) will have a grace period of a year to prepare for quarterly reporting. As an illustration, an issuer whose market capitalization is S\$75 million or higher as at the end of the calendar year 31 December 2006 must announce its quarterly financial statements for any quarter of its financial year commencing in 2008. Notwithstanding the grace period, all issuers whose obligation falls under this subsection (c) are strongly encouraged to adopt quarterly reporting as soon as possible.</p> <p>(3) (a) An issuer who falls within the sub-sections in Rule 705(2) above must comply with Rule 705(2) even if its market capitalization subsequently decreases below S\$75 million.</p> <p>(b) An issuer who does not fall within the sub-sections in Rule 705(2) above must announce its first half financial statements (as set out in Appendix 7.2) immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.</p>

<p>Companies (Summary Financial Reports of Listed Companies) Regulation governing summary financial reports.</p> <p><b>Preliminary Announcements of Results — Full Financial Year</b></p> <p><i>Rule 13.49 of the HK Listing Rules</i></p> <p>(1) An issuer shall publish in accordance with Rule 2.07C its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than three months after the end of the financial year.</p> <p>(2) The preliminary announcement shall be based on the issuer's financial statements for the financial year which shall have been agreed with the auditors.</p> <p>(3) (i) Where an issuer is unable to make an announcement of its preliminary results based on its financial statements in accordance with Rules 13.49(1) and 13.49(2), it must make an announcement not later than three months after the end of the financial year.</p> <p>The announcement must contain at least the following information:-</p> <p>(a) a full explanation for its inability to make an announcement based on financial statements which have been agreed with the auditors. Where there are uncertainties arising from the lack of supporting evidence or relating to the valuation of assets or liabilities, sufficient information to allow investors to determine the significance of the assets or liabilities;</p> <p>(b) the expected date of announcement of the financial results for the financial year which shall have been agreed with the auditors; and</p> <p>(c) so far as the information is available, results for the financial year based on financial results which have yet to be agreed with the auditors. Where possible, those results must have</p>	<p>(4) Notwithstanding the foregoing, with respect to the first announcement to be made by the issuer pursuant to Rules 705(1) or (2) following its listing on the SGX-ST, where the time period between the date of its listing and the final date for the issuer to make the relevant announcement pursuant to Rule 705(1) or (2) above is less than 30 days, the issuer shall have 30 days from the relevant deadline to make the relevant announcement of the financial statements provided that the following conditions are satisfied:</p> <p>(a) the extension is announced by the issuer at the time of the issuer's listing; and</p> <p>(b) in the announcement referred to in paragraph (a), the issuer must confirm that there is no material adverse change to the financial position of the issuer since the date of its prospectus or introductory document issued in connection with its listing on the SGX-ST.</p> <p>(5) In the case of an announcement of interim financial statements (quarterly or half-yearly, as applicable, but excluding full year financial statements), an issuer's directors must provide a confirmation that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect. In order to make this confirmation, directors would not be expected to commission an audit of these financial statements. The confirmation may be signed by 2 directors on behalf of the board of directors.</p> <p><b>Rule 707, Listing Manual: Annual Report</b></p> <p>(1) The time between the end of an issuer's financial year and the date of its annual general meeting (if any) must not exceed four months.</p> <p>(2) An issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.</p> <p><b>Rule 712 and 713, Listing Manual: Appointment of Auditors:</b></p> <p>(1) An issuer must appoint a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other</p>
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<p>been reviewed by the issuer's audit committee. In the event that the audit committee disagreed with an accounting treatment which had been adopted or the particulars published in accordance with Rule 13.49(3)(i)(a), full details of such disagreement.</p> <p>(ii) Where an issuer makes an announcement in accordance with Rule 13.49(3)(i), then:</p> <p>(a) the issuer will be required to comply with the requirements set out in Rule 13.49(2), as soon as the financial results for the financial year have been agreed with the auditors; and</p> <p>(b) where the financial results for the financial year which have been agreed by the auditors differ materially from the financial results published by the issuer in accordance with Rule 13.49(3)(i)(c), full particulars of, and reasons for, the difference must be set out in the preliminary announcement of such agreed results.</p> <p>(4) The preliminary announcement of results (made in accordance with Rule 13.49(2) or 13.49(3)) must comply with the provisions set out in Appendix 16 in relation to preliminary announcements of results for the full financial year.</p> <p>(5) [Repealed]</p> <p><b>Preliminary Announcements of Results — First Half of The Financial Year</b></p> <p>(6) The issuer shall publish in accordance with Rule 2.07 C a preliminary announcement in respect of its results for the first six months of each financial year, unless that financial year is of six months or less, as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than two months after the end of that period of six months.</p>	<p>audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. A mineral, oil and gas company must appoint an auditing firm where the auditing firm and audit partner-in-charge have the relevant industry experience.</p> <p>(2) The auditing firm appointed by the issuer must be:-</p> <p>(a) Registered with the Accounting and Corporate Regulatory Authority ("ACRA");</p> <p>(b) Registered with and/or regulated by an independent audit oversight body acceptable to the SGX-ST. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies; or</p> <p>(c) Any other auditing firm acceptable by the SGX-ST.</p> <p>(3) A change in auditing firm must be specifically approved by shareholders in a general meeting.</p> <p><b>Rule 713, Listing Manual</b></p> <p>(1) An issuer must disclose in its annual report the date of appointment and the name of the audit partner in charge of auditing the issuer and its group of companies. The audit partner must not be in charge of more than 5 consecutive audits for a full financial year, the first audit being for the financial year beginning on or after 1 January 1997, regardless of the date of listing. The audit partner may return after two years.</p> <p>(2) If the listing of an issuer occurs after 5 consecutive audits by the same audit partner in charge, the same audit partner may complete the audit of the financial year in which the issuer lists.</p>
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<p>In circumstances where the issuer is unable to make such an announcement, the issuer must make an announcement within the required time referred to above. The announcement must contain:-</p> <p>(i) a full explanation for its inability to make an announcement based on unaudited financial statements; and</p> <p>(ii) the expected date of announcement of the unaudited results for the first half of the financial year.</p> <p>(7) The preliminary announcement of interim results must comply with the provisions set out in Appendix 16 in relation to preliminary announcements of interim results.</p> <p><b>Suspension on Failure to Publish Timely Financial Information</b></p> <p><i>Rule 13.50 of the HK Listing Rules</i></p> <p>Without prejudice to the generality of Rules 13.46, 13.47, 13.48 and 13.49, HKEX will normally require suspension of trading in an issuer's securities if an issuer fails to publish periodic financial information in accordance with the HK Listing Rules. The suspension will normally remain in force until the issuer publishes an announcement in accordance with Rule 2.07C containing the requisite financial information.</p> <p><b>Reporting Accountants</b></p> <p><i>Rule 4.03 of the HK Listing Rules</i></p> <p>All accountants' reports must normally be prepared by certified public accountants who are qualified under the Professional Accountants Ordinance for appointment as auditors of a company and who are independent both of the issuer and of any other company concerned to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the requirements on independence issued by the Hong Kong Institute of Certified Public Accountants, provided that, in the case of a circular issued by a listed issuer in connection with the acquisition of an overseas company, HKEX may be prepared to permit the accountants' report to be prepared by a firm of practising accountants which is not so qualified but which is acceptable to HKEX. Such a firm must normally have an international name and reputation and be a member of a recognised body of accountants.</p>	<p><b>Rule 719, Listing Manual</b></p> <p>(1) <i>Internal Controls</i></p> <p>An issuer should have a robust and effective system of internal controls, addressing financial, operational and compliance risks. The audit committee (or such other committee responsible) may commission an independent audit on internal controls for its assurance, or where it is not satisfied with the systems of internal control.</p> <p>(2) <i>Suspected Fraud Or Irregularity</i></p> <p>If the audit committee of an issuer becomes aware of any suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, which has or is likely to have a material impact on the issuer's operating results or financial position, the audit committee must discuss such matter with the external auditor and, at an appropriate time, report the matter to the board.</p> <p><b>Rule 720, Listing Manual</b></p> <p>(1) An issuer must comply with Rule 210(5), Rule 221 (if applicable) and Rule 210(9)(e) (if applicable) on a continuing basis.</p> <p>(2) Without limiting the generality of the foregoing, where a director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board of directors of the issuer. An announcement containing the details in Appendix 7.4.2 must be made.</p> <p>(3) (a) The SGX-ST may require an issuer to obtain the approval of the SGX-ST for the appointment of a director, a chief executive officer and chief financial officer (or its equivalent rank).</p> <p>(b) The circumstances under which the SGX-ST may effect Rule 720(3)(a) include but are not limited to:-</p> <p>(i) Where the issuer is the subject of an investigation into the affairs of the issuer by a special auditor appointed under Rule 704(12), or a regulatory or enforcement agency;</p> <p>(ii) Where the integrity of the market may be adversely affected;</p>
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<p><b>Internal control</b></p> <p>The board should ensure that the issuer maintains sound and effective internal controls to safeguard shareholders' investment and the issuer's assets.</p> <p>The board's annual review should, in particular, consider the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting and financial reporting function.</p> <p>The directors should at least annually conduct a review of the effectiveness of the issuers' and its subsidiaries' internal control systems and report to shareholders that they have done so in their Corporate Governance Report. The review should cover all material controls, including financial, operational and compliance controls and risk management functions.</p> <p>The board's annual review should, in particular, consider the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting and financial reporting function.</p> <p><b>Appointment of Directors</b></p> <p><i>Rule 3.09 of the HK Listing Rules</i></p> <p>Every director of a listed issuer must satisfy HKEX that he has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a director of a listed issuer. HKEX may request further information regarding the background, experience, other business interests or character of any director or proposed director of a listed issuer.</p> <p><i>Rules 13.51B to 13.51C of the HK Listing Rules</i></p> <p>Where there is a change in any of the information required to be disclosed pursuant to Rule 13.51(2) during the course of the director's or supervisor's term of office, the issuer must inform HKEX and publish an announcement/annual report of the listed issuer and ensure that the change and the updated information regarding the director or supervisor is properly disclosed.</p>	<p>(iii) Where the SGX-ST thinks it necessary in the interests of the public or for the protection of investors; and</p> <p>(iv) Where the issuer refused to extend cooperation to the SGX-ST on regulatory matters.</p> <p>(c) The SGX-ST will give prior notice to the issuer where 3(a) is applicable.</p> <p>(4) Where the SGX-ST is of the opinion that a director or key executive officer of an issuer has:</p> <p>(a) wilfully contravened or wilfully caused the issuer to breach the Listing Rules; or</p> <p>(b) wilfully contravened any relevant laws, rules and regulations; or</p> <p>(c) refused to extend cooperation to the SGX-ST or other regulatory agencies in an investigation of wrongdoing related to the issuer such that doubts are cast on the directors' ability to discharge their duties as directors,</p> <p>the SGX-ST may take the necessary actions including but not limited to:-</p> <p>(i) Publishing the names of the individual directors or key executive officers with relevant information about the contravention or failure to extend cooperation; and</p> <p>(ii) Objecting to appointments of the individual directors or key executive officers to the board of directors of other issuers.</p>
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<b>SHARE DISPERSION REQUIREMENT</b>	
<p><b>Minimum prescribed public holdings and other listings</b></p> <p><i>Rules 8.08 and 13.32 of the HK Listing Rules</i></p> <p>Issuers shall maintain the minimum percentage of listed securities as prescribed by Rule 8.08 at all times in public hands (at least 25% of the issuer's total issued share capital must at all times be held by the public for listed issuer with market capitalisation less than HK\$50,000,000). An issuer shall inform HKEX and take certain steps according to this Rule if the number of listed securities in the hands of the public has fallen below the relevant prescribed minimum percentage.</p> <p>If the percentage falls below the minimum, HKEX reserves the right to suspend trading until appropriate steps have been taken to restore the minimum percentage of securities in public hands. In this connection, HKEX will normally require suspension of trading in an issuer's securities where the percentage of its public float falls below 15%.</p>	<p><b>Rule 724, Listing Manual</b></p> <p>(1) If the percentage of securities held in public hands falls below 10%: -</p> <p>(a) The issuer must, as soon as practicable, announce that fact; and</p> <p>(b) The SGX-ST may suspend trading of the class, or all the securities of the issuer.</p> <p>(2) The SGX-ST may allow the issuer a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of securities in public hands to at least 10%. The issuer may be delisted if it fails to restore the percentage of securities in public hands to at least 10% after the period.</p>
<b>SHAREHOLDERS' REPORTING OBLIGATIONS</b>	
<p><b>Disclosure of interests in shares</b></p> <p>The HK Listing Rules require that the interests held by directors and chief executives and substantial shareholders (i.e. shareholders interested in 10% or more of the voting power) be disclosed in annual reports, interim reports and circulars of the listed company.</p> <p>The SFO provides that substantial shareholders (i.e. shareholders interested in 5% or more of the shares in the listed company) are required to disclose their interest and short positions (when such substantial shareholder has or ceases to have more than 1% short position) in the shares of the listed company.</p> <p>Directors and chief executives of a listed company are required to disclose their interest and short position in any shares in a listed company (or any of its associated companies) and their interest in any debentures of the listed company (or any of its associated companies).</p> <p>The time allowed for disclosure of interest is 10 days for "initial notification", and 3 days in any other cases.</p> <p>For a director or chief executive, "initial notification" includes the notification of interests and short position he makes when the company becomes listed, or when he first becomes a director or chief executive. For a substantial shareholder, "initial notification" includes</p>	<p><b>Obligations to notify Company and SGX-ST of substantial shareholding and change in substantial shareholding. (Sections 135–137 of the Securities and Futures Act (Cap 289) ("SFA") and Rule 253(3) of the Listing Manual</b></p> <p><b>Substantial shareholder</b></p> <p>Under the Singapore Companies Act (Cap 50) ("Act"), a substantial shareholder (i.e. shareholder having not less than 5 per cent of the total votes attached to all the voting shares in the company) of a company shall within 2 business days after becoming a substantial shareholder, or when there is a change in the percentage level (as defined in the Act) of the substantial shareholder's interest, or when he ceases to be a substantial shareholder, give notice in writing to the company.</p> <p>Under the SFA, a substantial shareholder shall within 2 business days after becoming a substantial shareholder, or when there is a change in the percentage level of the substantial shareholder's interest, or when he ceases to be a substantial shareholder give notice in writing to the Company.</p>

<p>the notification of interests he makes when he has an interest of more than 5% in the shares on the listing of the company.</p>	<p><b>Section 81 of the Act</b></p> <p>A person has a substantial shareholding in a company if he has an “interest” in voting shares in the company, and the total votes attached to those shares is not less than 5 per cent of the total votes attached to all the voting shares in the company.</p> <p><b>Section 82 of the Act</b></p> <p>A substantial shareholder of a company is required to notify the company of his “interests” in the voting shares in the company within two business days after becoming a substantial shareholder.</p> <p><b>Sections 83 and 84 of the Act</b></p> <p>A substantial shareholder is required to notify the company of changes in the “percentage level” of his shareholding or his ceasing to be a substantial shareholder, again within two business days after he is aware of such changes. (Section 83(1))</p> <p>The reference to changes in “percentage level” means any changes in a substantial shareholder’s interest in the company which results in his interest, following such change, increasing or decreasing to the next discrete 1% threshold. For example, an increase in interests in the company from 5.1% to 5.9% need not be notified, but an increase from 5.9% to 6.1% will have to be notified. (Section 83(3))</p> <p><b>Section 137(1), SFA</b></p> <p>A substantial shareholder is also required to give the above notifications to the Company at the same time.</p>
<b>DIRECTORS’ OBLIGATIONS ON SECURITIES TRANSACTIONS AND INTERESTS IN SHARES</b>	
<p><b>Model Code for Securities Transactions by Directors of Listed Issuers</b></p> <p>Appendix 10 of the HK Listing Rules (the “<b>Model Code</b>”) sets a required standard against which directors must measure their conduct regarding transactions in securities of their listed issuers. Any breach of such required standard will be regarded as a breach of the HK Listing Rules. A director must seek to secure that all dealings in which he is or is deemed to be interested be conducted in accordance with the Model Code.</p> <p><b>Basic Principles</b></p> <ol style="list-style-type: none"> <li>1. The Model Code sets a required standard against which directors must measure their conduct regarding transactions in securities of their listed issuers. Any breach of such required standard will</li> </ol>	<p><b>Directors</b></p> <p>Under Section 164(1) of the Act (Cap 50), a company shall keep a register showing with respect to each director of the company particulars of:</p> <ol style="list-style-type: none"> <li>(a) shares in that company or in a related corporation, being shares of which the director is a registered holder or in which he has an interest and the nature and extent of that interest;</li> <li>(b) debentures of or participatory interests made available by the company or a related corporation which are held by the director or in which he has an interest and the nature and extent of that interest;</li> </ol>

<p>be regarded as a breach of the HK Listing Rules. A director must seek to secure that all dealings in which he is or is deemed to be interested be conducted in accordance with the Model Code.</p> <p>2. A listed issuer may adopt its own code on terms no less exacting than those set out in the Model Code if it so wishes. Any breach of such code will not be a breach of the HK Listing Rules unless it is also a breach of the required standard contained in the Model Code.</p> <p>3. The HKEX regards it as highly desirable that directors of a listed issuer should hold securities in the listed issuer.</p> <p>4. Directors wishing to deal in any securities in a listed issuer must first have regard to the provisions of Parts XIII and XIV of the Securities and Futures Ordinance with respect to insider dealing and market misconduct.</p> <p>5. The single most important thrust of the Model Code is that directors who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions or connected transactions under HK Listing Rules or any inside information must refrain from dealing in the issuer's securities as soon as they become aware of them or privy to them until the information has been announced. Directors who are privy to relevant negotiations or agreements or any inside information should caution those directors who are not so privy that there may be inside information and that they must not deal in the issuer's securities for a similar period.</p> <p>6. In addition, a director must not make any unauthorised disclosure of confidential information, whether to co-trustees or to any other person or make any use of such information for the advantage of himself or others.</p> <p>Directors and chief executives of a listed company are required to disclose their interest and short position in any shares in a listed company (or any of its associated companies) and their interest in any debentures of the listed company (or any of its associated companies). Please refer to the paragraph headed "Shareholders' Reporting Obligations on Interests in Shares" for more information.</p>	<p>(c) rights or options of the director or of the director and another person or other persons in respect of the acquisition or disposal of shares in the company or a related corporation; and</p> <p>(d) contracts to which the director or under which he is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the company or in a related corporation;</p> <p>of the company or a related company.</p> <p>A director of a company shall be deemed to hold or have an interest or a right in or over any shares or debentures if the spouse or infant child of the director holds or has an interest or a right in or over any shares or debentures or makes or is granted any contract, assignment or right of subscription. (Section 164(15)).</p> <p>Under Section 165(1) of the Act, a director of a company shall give notice in writing to the company of such particulars relating to shares, debentures, participatory interests, rights, options and contracts as are necessary for the purposes of compliance by the first mentioned company with Section 164, among other disclosure requirements.</p>
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<b>ON-MARKET SHARE BUYBACKS</b>	
<p><b>Rule 10.06 of the HK Listing Rules</b></p> <p>An issuer whose primary listing is on HKEX may only purchase shares on HKEX, either directly or indirectly, if (i) the shares proposed to be purchased by the issuer are fully-paid up, (ii) the issuer has previously sent to its shareholders an Explanatory Statement complying with the provisions of Rule 10.06(1)(b); and (iii) its shareholders have given a specific approval or a general mandate to its directors to make the purchase(s), by way of an ordinary resolution which complies with Rule 10.06(1)(c) and which has been passed at a General Meeting of the issuer duly convened and held.</p> <p>The issuer must send to its shareholders an Explanatory Statement (at the same time as the notice of the relevant shareholders' meeting) containing all the information reasonably necessary to enable those shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the purchase by the issuer of shares including the information set out in Rule 10.06(1)(b).</p> <p>At the same time as the Explanatory Statement is sent to shareholders of the issuer, the issuer should submit to HKEX (a) a confirmation from the issuer that the Explanatory Statement contains the information required under Rule 10.06(1)(b) and that neither the Explanatory Statement nor the proposed share repurchase has unusual features; and (b) the undertaking from its directors to HKEX according to Rule 10.06(1)(b)(vi).</p> <p>The ordinary resolution proposed to shareholders to give the directors of the issuer a specific approval or general mandate to purchase shares must include: (i) the total number and description of the shares which the issuer is authorised to purchase, provided that the number of shares which the issuer is authorised to purchase on HKEX or on another stock exchange recognised for this purpose by the SFC and HKEX under the Code on Share Repurchases, may not exceed 10 per cent. of the issued share capital of the issuer and the total number of warrants to subscribe for or purchase shares (or other relevant class of securities) authorised to be so purchased may not exceed 10 per cent. of the warrants of the issuer (or such other relevant class of securities, as the case may be), in each case as at the date of the resolution granting the general</p>	<p><b>Rule 881, Listing Manual</b></p> <p>An issuer may purchase its own shares ("share buy-back") if it has obtained the prior specific approval of shareholders in general meeting.</p> <p><b>Rule 882, Listing Manual</b></p> <p>A share buy-back may only be made by way of on-market purchases transacted through the SGX-ST's trading system or on another stock exchange on which the issuer's equity securities are listed ("market acquisition") or by way of an off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Companies Act. Unless a lower limit is prescribed under the issuer's law of incorporation, such share buy-back shall not exceed 10 per cent of the total number of issued ordinary shares in the capital of the issuer as at the date of the resolution passed by shareholders for the share buy-back.</p> <p><b>Rule 883, Listing Manual</b></p> <p>For the purpose of obtaining shareholder approval, the issuer must provide at least the following information to shareholders:-</p> <ol style="list-style-type: none"> <li>(1) The information required under the Companies Act;</li> <li>(2) The reasons for the proposed share buy-back;</li> <li>(3) The consequences, if any, of share purchases by the issuer that will arise under the Takeover Code or other applicable takeover rules;</li> <li>(4) Whether the share buy-back, if made, could affect the listing of the issuer's equity securities on the SGX-ST;</li> <li>(5) Details of any share buy-back made by the issuer in the previous 12 months (whether market acquisitions or off-market acquisitions 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; and</li> <li>(6) Whether the shares purchased by the issuer will be cancelled or kept as treasury shares.</li> </ol>

<p>mandate; and (ii) the dates on which the authority conferred by the resolution will commence and determine. Such authority may only continue in force until:-</p> <ol style="list-style-type: none"> <li>1. the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or</li> <li>2. revoked or varied by ordinary resolution of the shareholders in general meeting, whichever occurs first.</li> </ol> <p>The issuer must report the outcome of the General Meeting called to consider the proposed purchases to the HKEX immediately following the meeting.</p> <p><b>Dealing Restrictions</b></p> <ol style="list-style-type: none"> <li>(i) An issuer shall not purchase its shares on HKEX if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which its shares were traded on HKEX;</li> <li>(ii) an issuer shall not purchase its shares on HKEX for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the HKEX from time to time;</li> <li>(iii) an issuer shall not knowingly purchase its shares from a connected person and a connected person shall not knowingly sell shares to the issuer, on HKEX;</li> <li>(iv) an issuer shall procure that any broker appointed by the issuer to effect the purchase of its shares shall disclose to HKEX such information with respect to purchases made on behalf of the issuer as HKEX may request;</li> <li>(v) an issuer shall not purchase its shares on HKEX at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: <ol style="list-style-type: none"> <li>(i) the date of the board meeting (as such date is first notified to HKEX in accordance with the HK Listing Rules) for the approval of the issuer's results for any year, half-year,</li> </ol> </li> </ol>	<p><b>Shareholding Spread Requirements</b></p> <p><b>Rule 723, Listing Manual</b></p> <p>An issuer must 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.</p> <p><b>Dealing Restrictions:</b></p> <p><b>Rule 884, Listing Manual</b></p> <p>An issuer may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. For this purpose, the average closing market price is:-</p> <ol style="list-style-type: none"> <li>(1) the average of the closing market prices of the shares over the last 5 market days, on which transactions in the share were recorded, before the day on which the purchases are made; and</li> <li>(2) deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.</li> </ol> <p><b>Rule 885, Listing Manual</b></p> <p>An issuer making an off-market acquisition in accordance with an equal access scheme must issue an offer document to all shareholders containing at least the following information:-</p> <ol style="list-style-type: none"> <li>(1) Terms and conditions of the offer;</li> <li>(2) Period and procedures for acceptances; and</li> <li>(3) Information in Rule 883 (2), (3), (4), (5) and (6).</li> </ol> <p><b>Reporting Requirements</b></p> <p><b>Rule 886, Listing Manual</b></p> <ol style="list-style-type: none"> <li>(1) An issuer must notify the SGX-ST of any share buy-back as follows:- <ol style="list-style-type: none"> <li>(a) In the case of a market acquisition, by 9.00 am on the market day following the day on which it purchased shares,</li> <li>(b) In the case of an off market acquisition under an equal access scheme, by 9.00 am on the second market day after the close of acceptances of the offer.</li> </ol> </li> </ol>
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<p>quarterly or any other interim period (whether or not required under the HK Listing Rules); and</p> <p>(ii) the deadline for the issuer to announce its results for any year or half-year under the HK Listing</p> <p>(vi) Rules, or quarterly or any other interim period (whether or not required under the HK Listing Rules), and ending on the date of the results announcement, the issuer may not purchase its shares on HKEX, unless the circumstances are exceptional; an issuer whose primary listing is on HKEX may not purchase its shares on the HKEX if that purchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage for that issuer (as determined by HKEX at the time of listing under Rule 8.08); and</p> <p>(vii) HKEX may waive all or part of the above restrictions if, in the opinion of HKEX, there are exceptional circumstances (such as, but without limitation, political or economic events having a material adverse effect on the price of shares of the issuer or issuers listed on HKEX generally) justifying the waiver of such restrictions. A waiver may be granted either with respect to a fixed amount of securities of an issuer or generally or on such conditions as HKEX shall specify and may be expressed to continue for a stated period of time or until further notice.</p> <p><b>Subsequent Issues</b></p> <p>An issuer whose primary listing is on the HKEX may not make a new issue of shares or announce a proposed new issue of shares for a period of 30 days after any purchase by it of shares, whether on HKEX or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the issuer to issue securities, which were outstanding prior to that purchase of its own securities), without the prior approval of HKEX.</p> <p><b>Reporting Requirements</b></p> <p>An issuer shall:-</p> <p>(a) submit for publication to the HKEX not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a</p>	<p>(2) Notification must be in the form of Appendix 8.3.1 (or 8.3.2 for an issuer with a dual listing on another stock exchange).</p>
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<p>purchase of shares (whether on HKEX or otherwise) details of the repurchase as required under Rule 10.06(4)(a); and</p> <p>(b) include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the details of the shares purchased each month (whether on HKEX or otherwise) as required under Rule 10.06(4)(b).</p> <p><b>Status of Purchased shares</b></p> <p>The listing of all shares which are purchased by an issuer (whether on HKEX or otherwise) shall be automatically cancelled upon purchase and the issuer must apply for listing of any further issues of that type of shares in the normal way.</p>	
<b>ISSUANCE OF NEW SHARES, CONVERTIBLE BONDS OR BONDS WITH WARRANTS</b>	
<p>Please refer to the sub-paragraph headed “General Matters Relevant to the Issuer’s Business — (VI) Pre-emptive rights” under the paragraph headed Reporting Requirements” above for more information.</p>	<p>Pricing formulae prescribed under the Listing Manual for various Issues of Additional Securities</p> <p><b>Issue of Shares, Company Warrants and Convertible Securities For Cash (Other than Rights Issues)</b></p> <p><b>Rule 811, Listing Manual</b></p> <p>(1) An issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the issuer’s shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed.</p> <p>(2) An issue of company warrants or other convertible securities is subject to the following requirements:-</p> <p>(a) if the conversion price is fixed, the price must not be more than 10% discount to the prevailing market price of the underlying shares prior to the signing of the placement or subscription agreement.</p> <p>(b) if the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10% of the prevailing market price of the underlying shares before conversion.</p>

	<p>(3) Rule 811(1) and (2) is not applicable if specific shareholder approval is obtained for the issue of shares, company warrants or other convertible securities.</p> <p>(4) Where specific shareholders' approval is sought, the circular must include the following:-</p> <p style="padding-left: 40px;">(a) Information required under Rule 810; and</p> <p style="padding-left: 40px;">(b) The basis upon which the discount was determined.</p> <p>(5) In the case of REITs and business trusts, for the purpose of Rule 811, the discount or premium of the issue price may be computed with reference to the weighted average price excluding declared distributions for trades done for the underlying units on the SGX-ST for the full market day on which the placement or subscription agreement is signed, provided that the placees are not entitled to the declared distributions.</p> <p><b>Issue of Company Warrants or other Convertible Securities, by way of a Rights Issue or Bought Deal or otherwise</b></p> <p><b>Rule 806(2), Listing Manual</b></p> <p>A general mandate must limit the aggregate number of shares and convertible securities that may be issued. The limit must be not more than 50% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the total number of issued shares excluding treasury shares. Unless prior shareholder approval is required under the Listing Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.</p> <p><b>Rule 833, Listing Manual</b></p> <p>The following additional requirements apply to an offer of company warrants or other convertible securities by way of a rights issue or bought deal:-</p> <p>(1) The issuer's announcement of the rights issue or bought deal must include either:-</p> <p style="padding-left: 40px;">(a) the exercise or conversion price of the company warrants or other convertible securities, or</p>
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	<p>(b) a price-fixing formula to determine the exercise or conversion price. The price-fixing formula must not contain any discretionary element and the amount of premium or discount (in relation to the underlying share price) must be specified.</p> <p>(2) Where a price-fixing formula is adopted:-</p> <p>(a) if the issue is not underwritten, the issuer must fix and announce the exercise or conversion price before the close of the offer; or</p> <p>(b) if the issue is underwritten, the issuer must fix and announce the exercise or conversion price before the commencement of nil-paid rights trading.</p> <p>(3) An offer of company warrants or convertible securities by way of a bought deal must comply with Part V of this Chapter.</p> <p><b>Rule 838, Listing Manual</b></p> <p>An issuer must satisfy the SGX-ST that its daily weighted average price, adjusted for the capitalization issue or subdivision of shares (“adjusted price”), will not be less than S\$0.50. When deciding, the SGX-ST may take into account an issuer’s adjusted price for the month preceding the application date.</p>
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<p><b>Chapter 17 of the HK Listing Rules (Share Option Schemes)</b></p> <p>The scheme document must include the following provisions and/or provisions as to the following (as the case may be):</p> <ol style="list-style-type: none"> <li>(1) the purpose of the scheme;</li> <li>(2) the participants of the scheme and the basis of determining the eligibility of participants;</li> <li>(3) the total number of securities which may be issued upon exercise of all options to be granted under the scheme, together with the percentage of the issued share capital that it represents at the date of approval of the scheme;</li> <li>(4) the maximum entitlement of each participant under the scheme;</li> <li>(5) the period within which the securities must be taken up under the option, which must not be more than 10 years from the date of grant of the option;</li> <li>(6) the minimum period, if any, for which an option must be held before it can be exercised;</li> <li>(7) the performance targets, if any, that must be achieved before the options can be exercised or, if none, a negative statement to that effect;</li> <li>(8) the amount, if any, payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid;</li> <li>(9) the basis of determination of the exercise price;</li> <li>(10) the voting, dividend, transfer and other rights, including those arising on a liquidation of the listed issuer, attaching to the securities and (if appropriate) any such rights attaching to the options themselves;</li> <li>(11) the life of the scheme, which must not be more than 10 years;</li> <li>(12) the circumstances under which options will automatically lapse;</li> <li>(13) a provision for adjustment of the exercise price or the number of securities subject to options already granted and to the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital;</li> </ol>	<p><b>Share Option Schemes or Share Schemes</b></p> <p><b>Rule 845, Listing Manual</b></p> <p>A limit on the size of each scheme, the maximum entitlement for each class or category of participant (where applicable), and the maximum entitlement for any one participant (where applicable) must be stated. For SGX Main Board issuers, the following limits must not be exceeded:-</p> <ol style="list-style-type: none"> <li>(1) The aggregate number of shares available under all schemes must not exceed 15% of the total number of issued shares excluding treasury shares from time to time;</li> <li>(2) The aggregate number of shares available to controlling shareholders and their associates must not exceed 25% of the shares available under a scheme;</li> <li>(3) The number of shares available to each controlling shareholder or his associate must not exceed 10% of the shares available under a scheme;</li> <li>(4) The aggregate number of shares available to directors and employees of the issuer's parent company and its subsidiaries must not exceed 20% of the shares available under a scheme; and</li> <li>(5) The maximum discount under the scheme must not exceed 20%. The discount must have been approved by shareholders in a separate resolution.</li> </ol> <p><b>Offering of Securities in Singapore</b></p> <p>No person shall make an offer of securities in Singapore unless that offer is accompanied by a prospectus or falls within any of the exemptions provided under the SFA.</p> <p><b>Power of Directors to Allot and Issue Shares</b></p> <p>The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the Bye-laws of that company. However, notwithstanding anything to the contrary in the Bye-laws of a company, prior approval of the company at a general meeting is required to authorize the directors to exercise any power of the company to issue shares. Such approval need not be specific but may be general.</p>
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<p>(14) a provision for the cancellation of options granted but not exercised;</p> <p>(15) unless the securities subject to the scheme are identical with other securities, a provision that they must be separately designated;</p> <p>(16) where there is a provision for termination of the operation of the scheme before the end of its life, a provision for the treatment of options granted under the scheme but not yet exercised at the time of termination;</p> <p>(17) transferability of options; and</p> <p>(18) the specific terms of the scheme that can be changed by directors or scheme administrators without the approval of shareholders of the listed issuer in general meeting.</p>	<p><b>Rule 806(1), Listing Manual</b></p> <p>Approval by an issuer's shareholders under Rule 805(1) is not required if shareholders had, by ordinary resolution in a general meeting, given a general mandate to the directors of the issuer, either unconditionally or on such conditions to issue:-</p> <p>(i) shares; or</p> <p>(ii) convertible securities; or</p> <p>(iii) additional convertible securities issued pursuant to Rule 829, notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or</p> <p>(iv) shares arising from the conversion of the securities in (b) and (c), notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued.</p> <p><b>Rule 806(2), Listing Manual</b></p> <p>A general mandate must limit the aggregate number of shares and convertible securities that may be issued. The limit must be not more than 50% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the total number of issued shares excluding treasury shares. Unless prior shareholder approval is required under the Listing Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.</p> <p><b>Rule 806(6), Listing Manual</b></p> <p>A general mandate may remain in force until the earlier of the following:-</p> <p>(a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution. By an ordinary resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or</p> <p>(b) it is revoked or varied by ordinary resolution of the shareholders in general meeting.</p>
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	<p><b>Specific Mandate</b></p> <p><b>Rule 824, Listing Manual</b></p> <p>Every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting.</p> <p><b>Rule 864, Listing Manual</b></p> <p>In considering an application for listing of additional equity securities the SGX-ST takes into account, among other factors, the following:-</p> <ol style="list-style-type: none"> <li>(1) Rationale for the issue;</li> <li>(2) Whether the issuer is and has been in compliance with the listing rules;</li> <li>(3) Whether the issuer has made full disclosure of the material facts relating to the issue necessary for the SGX-ST to decide on the application. The purpose of the information supplied to the SGX-ST is for the SGX-ST to assess whether the shares qualify for listing. Approval for listing of the additional shares is not an indication of the merits of the transaction; and</li> <li>(4) The SGX-ST must be notified immediately if, before the commencement of dealing in any equity securities which are the subject of an application, the issuer becomes aware that:- <ol style="list-style-type: none"> <li>(a) There has been a significant change affecting any matter contained in the application; or</li> <li>(b) A significant new matter has arisen, which would have been required to be included in the application if it had arisen before the application was submitted.</li> </ol> </li> </ol> <p>For the purpose of this rule, “significant” means significant for the purpose of making an assessment of the activities, assets and liabilities, financial position, management and prospects of the group, and of its profits and losses and of the rights attaching to the securities.</p>
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<b>PROHIBITION OF UNFAIR TRADING ACTIVITIES</b>	
<p><b>Insider Dealing — Section 270 of Part XIII of the SFO:</b></p> <ul style="list-style-type: none"> <li>— insider dealing means a person connected with a listed company utilizing relevant information directly or indirectly for trading in such listed company’s listed securities;</li> <li>— in practical terms, insider dealing refers to intended use of confidential and price sensitive information of a listed company for trading in such listed company’s listed securities or disclose to those confidential and price sensitive information who are intended to use those information for trading in securities of listed company;</li> <li>— “a person connected with a listed company” includes directors, employees, substantial shareholders of the listed company or related company of the listed company. It also includes a person who has access to who is reasonably expected to have access to the relevant information (Please refer to Section 247 of the Securities and Futures Ordinance);</li> <li>— “inside information” refers to price sensitive information which has not been disclosed to the public. In simple terms, it is some specific information which is not known to the general investor but if it is published, it may materially affect the share price (Please refer to Section 245 of the Securities and Futures Ordinance);</li> <li>— Directors of a listed company have the obligation to take reasonable measures to prevent the happening of insider dealing.</li> </ul> <p><b>False Trading — Section 274 of Part XIII of the SFO:</b></p> <p>When a person carries out the following activities with intent or recklessly, false trading is considered to have been committed:</p> <ul style="list-style-type: none"> <li>(a) in relation to securities or futures contracts, creating a false or misleading appearance of active trading or in creating an artificial price, or maintaining at a level that is artificial a price for dealings in securities or futures contracts; or</li> <li>(b) to effect “false trading” (i.e. there is actual trading in securities but there had been no change in beneficial interest) or (the asking price is the same or almost the same as the bidding price and vice versa).</li> </ul>	<p><b>Sections 218 and 219, SFA</b></p> <p>Sections 218 and 219 of the SFA prohibit persons from dealing in securities of a corporation if any such person knows or reasonably ought to know that he is in possession of information that is not generally available, and if it was generally available it might have a material effect on the price or value of securities of that corporation.</p> <p>Such persons include:</p> <ol style="list-style-type: none"> <li>(1) Officers of a corporation or a related corporation;</li> <li>(2) Substantial shareholders of a corporation or a related corporation; and</li> <li>(3) Person who occupy position reasonably expected to give him access to inside information by virtue of: <ul style="list-style-type: none"> <li>— professional or business relationship existing between himself (or his employer or a corporation of which he is an officer) and that corporation or a related corporation; or</li> <li>— being an officer of a substantial shareholder in that corporation or in a related corporation.</li> </ul> </li> </ol> <p><b>Section 197, SFA</b></p> <p><b>False trading and market rigging transactions</b></p> <ol style="list-style-type: none"> <li>(1) No person shall do anything, cause anything to be done or engage in any course of conduct, if his purpose, or any of his purposes, for doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, is to create a false or misleading appearance - <ol style="list-style-type: none"> <li>(a) of active trading in any securities on a securities market; or</li> <li>(b) with respect to the market for, or the price of, such securities.</li> </ol> </li> <li>(1A) No person shall do anything, cause anything to be done or engage in any course of conduct that creates, or is likely to create, a false or misleading appearance of active trading in any</li> </ol>

<p><b>Price Rigging — Section 275 of Part XIII of the SFO:</b></p> <p>When a person carries out the following activities, price rigging is considered to have been committed:</p> <ul style="list-style-type: none"> <li>(a) carry out securities transaction which does not involve a change in the beneficial ownership that has the effect of maintaining, increasing, reducing, stabilizing or causing fluctuations in the price of the securities; or</li> <li>(b) carry out fictitious or artificial securities transaction with intent or recklessly that has the effect of maintaining, increasing, reducing, stabilizing or causing fluctuations in the price of the securities or dealing in futures contracts.</li> </ul> <p><b>Disclosure of False or Misleading Information inducing transactions — Section 277 of Part XIII of the SFO:</b></p> <p>Disclosure of false or misleading information that is likely to induce another person to subscribe for securities, or deal in futures contracts; or sale or purchase of securities; or maintain, increase, reduce or stabilize the price of securities or dealings in futures contracts and those information is false or misleading as to a fact or is false or misleading through omission of a material fact and the person who discloses the information knows or is reckless or negligent as to whether the information is false or misleading as to a material fact or is false or misleading through the omission of a material fact.</p> <p><b>Stock Market Manipulation — Section 278 of Part XIII of the SFO:</b></p> <p>When a person carries out directly or indirectly 2 or more transactions in securities of a listed company with the intention to induce another person to purchase or subscribe or refrain from selling securities of the listed company or related company of the listed company as a result of which or in conjunction with any other transaction causing the following shall be regarded as stock market manipulation:</p> <ul style="list-style-type: none"> <li>(a) increase or are likely to increase the price of any securities;</li> <li>(b) reduce or are likely to reduce the price of any securities; or</li> <li>(c) maintain or stabilize or are likely to maintain or stabilize the price of any securities.</li> </ul>	<p>securities on a securities market, or with respect to the market for, or the price of, such securities, if -</p> <ul style="list-style-type: none"> <li>(a) he knows that doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance; or</li> <li>(b) he is reckless as to whether doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance.</li> </ul> <p>(2) No person shall, by means of any purchase or sale of any securities that do not involve a change in the beneficial ownership of those securities, or by any fictitious transaction or device, maintain, inflate, depress, or cause fluctuations in, the market price of any securities.</p> <p>(3) Without prejudice to the generality of subsection (1), where a person -</p> <ul style="list-style-type: none"> <li>(a) effects, takes part in, is concerned in or carries out, directly or indirectly, any transaction of purchase or sale of any securities, being a transaction that does not involve any change in the beneficial ownership of the securities;</li> <li>(b) makes or causes to be made an offer to sell any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price; or</li> <li>(c) makes or causes to be made an offer to purchase any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of</li> </ul>
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<p><b>Orders of Market Misconduct Tribunal — Section 257 of Part XIII of the SFO:</b></p> <p>If in breach of the above provisions of market misconduct, the Market Misconduct Tribunal may impose sanctions and has the power to make order:</p> <ul style="list-style-type: none"> <li>— prohibiting relevant persons from participating in management of a listed company for 5 years;</li> <li>— prohibiting relevant persons from sale and purchase of specific financial product and carrying out specific market misconducts;</li> <li>— ordering relevant persons to pay to the government an amount not exceeding the amount gained or amount of loss avoided as a result of committing market misconduct and to indemnify the government and the SFC reasonable costs and expenses incidental to proceedings or investigation brought about; and</li> <li>— ordering that any body which may take disciplinary action against the relevant person be recommended to take disciplinary action against him.</li> </ul> <p><b>Penalty on Offenses relating to dealings in securities and futures contracts — Section 303 of Part XIV of the Securities and Futures Ordinance:</b></p> <p>In breach of the above provisions of market misconducts may entail criminal prosecution. If convicted on indictment, the maximum penalty is fine of HK\$10,000,000 and 10 years imprisonment. If convicted on summary conviction, the maximum penalty is fine of HK\$1,000,000 and 3 years imprisonment.</p> <p>Sections 281 and 305 of the SFO further stipulate that any person suffering monetary loss as a result of market misconduct of others has the right to take out civil proceedings for compensation. Those who have committed market misconduct are required to pay compensation to those who have suffered monetary losses as a result of his market misconduct.</p>	<p>securities at a price that is substantially the same as the first-mentioned price, it shall be presumed that his purpose, or one of his purposes, for doing so is to create a false or misleading appearance of active trading in securities on a securities market.</p> <p>(4) The presumption under subsection (3) may be rebutted if the defendant establishes that the purpose or purposes for which he did the act was not, or did not include, the purpose of creating a false or misleading appearance of active trading in securities on a securities market.</p> <p>(5) For the purposes of this section, a purchase or sale of securities does not involve a change in the beneficial ownership if a person who had an interest in the securities before the purchase or sale, or a person associated with the first mentioned person in relation to those securities, has an interest in the securities after the purchase or sale.</p> <p>(6) In any proceedings against a person for a contravention of subsection (2) in relation to a purchase or sale of securities that did not involve a change in the beneficial ownership of those securities, it is a defence if the defendant establishes that the purpose or purposes for which he purchased or sold the securities was not, or did not include, the purpose of creating a false or misleading appearance with respect to the market for, or the price of, securities.</p> <p>(7) The reference in subsection (3)(a) to a transaction of purchase or sale of securities includes -</p> <ul style="list-style-type: none"> <li>(a) a reference to the making of an offer to purchase or sell securities; and</li> <li>(b) a reference to the making of an invitation, however expressed, that expressly or impliedly invites a person to offer to purchase or sell securities.</li> </ul> <p><b>Section 198, SFA</b></p> <p><b>Securities market manipulation</b></p> <p>(1) No person shall effect, take part in, be concerned in or carry out, directly or indirectly, 2 or more transactions in securities of a corporation, being transactions that have, or are likely to have, the effect of raising,</p>
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	<p>lowering, maintaining or stabilising the price of securities of the corporation on a securities market, with intent to induce other persons to subscribe for, purchase or sell securities of the corporation or of a related corporation.</p> <p>(1A) No person shall effect, take part in, be concerned in or carry out, directly or indirectly, 2 or more transactions in securities of a business trust, being transactions that have, or are likely to have, the effect of raising, lowering, maintaining or stabilising the price of securities of the business trust on a securities market, with intent to induce other persons to subscribe for, purchase or sell securities of the business trust.</p> <p>(2) A reference in subsection (1) or (1A) to transactions in securities of a corporation or securities of a business trust, as the case may be, includes: -</p> <ul style="list-style-type: none"><li>(a) a reference to the making of an offer to purchase or sell such securities of the corporation or such securities of the business trust, as the case may be; and</li><li>(b) a reference to the making of an invitation, however expressed, that directly or indirectly invites a person to offer to purchase or sell such securities of the corporation or such securities of the business trust, as the case may be.</li></ul> <p><b>Section 199, SFA False or misleading statements, etc.</b></p> <p>No person shall make a statement, or disseminate information, that is false or misleading in a material particular and is likely -</p> <ul style="list-style-type: none"><li>(a) to induce other persons to subscribe for securities;</li><li>(b) to induce the sale or purchase of securities by other persons; or</li><li>(c) to have the effect of raising, lowering, maintaining or stabilising the market price of securities, if, when he makes the statement or disseminates the information -<ul style="list-style-type: none"><li>(i) he does not care whether the statement or information is true or false; or</li></ul></li></ul>
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	<p>(ii) he knows or ought reasonably to have known that the statement or information is false or misleading in a material particular.</p> <p><b>Board composition</b></p> <p><b>Rule 720 (read with Rule 210(5) &amp; 221) Listing Manual</b></p> <p>The issuer's board must have at least two non-executive directors who are independent and free of any material business or financial connection with the issuer.</p>
<b>CORPORATE GOVERNANCE</b>	
<p>The Code on Corporate Governance Practices (“CGC”) in the HK Listing Rules sets out principles of good corporate governance. The listed company is expected to comply with, but may choose to deviate from, the code provisions under the CGC, while the recommended best practices under the CGC are for guidance only. The listed company is also required to issue to shareholders an annual corporate governance report.</p> <p>The CGC sets out principles relating to matters including:</p> <ul style="list-style-type: none"> <li>— the responsibility and the composition of the board of directors</li> <li>— the appointment, re-election and removal of directors</li> <li>— remuneration of directors and senior management</li> <li>— accountability and audit</li> <li>— delegation by the board</li> <li>— communication with shareholders voting by poll</li> </ul> <p><b>Audit Committee</b></p> <p>The board should establish formal and transparent arrangements to consider how it will apply financial reporting and internal control principles and maintain an appropriate relationship with the issuer's auditors. The audit committee established under the HK Listing Rules should have clear terms of reference.</p> <p>A former partner of the issuer's existing auditing firm should be prohibited from acting as a member of its audit committee for a period of 1 year from the date of his ceasing (a) to be a partner of the firm; or (b) to have any financial interest in the firm, whichever is later.</p>	<p>The Code of Corporate Governance (“COCG”) was first issued by the Corporate Governance Committee on 21 March 2001. Compliance with the Code is not mandatory but listed companies are required under the Listing Manual to disclose their corporate governance practices and give explanations for deviations from the Code in their annual reports.</p> <p><b>Audit Committee</b></p> <p><b>Rule 12 of the COCG</b></p> <p>The Board should establish an Audit Committee (“AC”) with written terms of reference which clearly set out its authority and duties.</p> <p><b>Rule 12.1, COCG</b></p> <p>The AC should comprise at least three directors, the majority of whom, including the AC Chairman, should be independent. All of the members of the AC should be non-executive directors. The Board should disclose in the company's Annual Report the names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board.</p> <p><b>Rule 12.2, COCG</b></p> <p>The Board should ensure that the members of the AC are appropriately qualified to discharge their responsibilities. At least two members, including the AC Chairman, should have recent and relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgement.</p>

<p>Where the board disagrees with the audit committee's view on the selection, appointment, resignation or dismissal of the external auditors, the issuer should include in the Corporate Governance Report a statement from the audit committee explaining its recommendation and also the reason(s) why the board has taken a different view.</p> <p>The audit committee should be provided with sufficient resources to perform its duties.</p> <p><b>Remuneration Committee</b></p> <p>An issuer should disclose its directors' remuneration policy and other remuneration related matters. The procedure for setting policy on executive directors' remuneration and all directors' remuneration packages should be formal and transparent. Remuneration levels should be sufficient to attract and retain directors to run the company successfully without paying more than necessary. No director should be involved in deciding his own remuneration.</p> <p>The remuneration committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors. The remuneration committee should have access to independent professional advice if necessary.</p> <p>Issuers should disclose details of any remuneration payable to members of senior management by band in their annual reports.</p> <p><b>Nomination Committee</b></p> <p>Issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.</p> <p>The nomination committee should be established with specific written terms of reference which deal clearly with its authority and duties. It should perform the duties as set out in this code provision.</p> <p>Issuers should provide the nomination committee sufficient resources to perform its duties. Where necessary, the nomination committee should seek independent professional advice, at the issuer's expense, to perform its responsibilities.</p> <p>Where the board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement</p>	<p><b>Remuneration Committee</b></p> <p><b>Rule 7.1, COCG</b></p> <p>The Board should establish a Remuneration Committee ("RC") with written terms of reference which clearly set out its authority and duties. The RC should comprise at least three directors, the majority of whom, including the RC Chairman, should be independent. All of the members of the RC should be non-executive directors. This is to minimise the risk of any potential conflict of interest. The Board should disclose in the company's Annual Report the names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board.</p> <p><b>Nominating Committee</b></p> <p><b>Rule 4.1, COCG</b></p> <p>The Board should establish a Nominating Committee ("NC") to make recommendations to the Board on all board appointments, with written terms of reference which clearly set out its authority and duties. The NC should comprise at least three directors, the majority of whom, including the NC Chairman, should be independent. The lead independent director, if any, should be a member of the NC. The Board should disclose in the company's Annual Report the names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board.</p>
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<p>accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent.</p>	
<b>INTERESTED PERSON TRANSACTIONS OR CONNECTED TRANSACTIONS</b>	
<p><b>Chapter 14A of the HK Listing Rules (Connected transactions)</b></p> <p><b>Definition of connected person</b></p> <p><i>Rule 14A.07 of the HK Listing Rules</i></p> <p>A “connected person” is:</p> <ol style="list-style-type: none"> <li>(1) a director, chief executive or substantial shareholder of the listed issuer or any of its subsidiaries;</li> <li>(2) any person who was a director of the listed issuer or any of its subsidiaries in the last 12 months;</li> <li>(3) a supervisor of a PRC issuer or any of its subsidiaries;</li> <li>(4) an associate of any of the above persons;</li> <li>(5) a connected subsidiary; or</li> <li>(6) a person deemed to be connected by the HKEX.</li> </ol> <p><b>Definition of associate</b></p> <p><i>Rule 14A.12 of the HK Listing Rules</i></p> <p>An “associate” of a connected person described in Rule 14A.07(1), (2) or (3) who is an individual includes:</p> <ol style="list-style-type: none"> <li>(1) (a) his spouse; his (or his spouse’s) child or step-child, natural or adopted, under the age of 18 years (each an “<b>immediate family member</b>”);</li> <li>(b) the trustees, acting in their capacity as trustees of any trust of which the individual or his immediate family member is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object (other than a trust which is an employees’ share scheme or occupational pension scheme established for a wide scope of participants and the connected persons’ aggregate interests in the scheme are less than 30%) (the “<b>trustees</b>”); or</li> </ol>	<p><b>Chapter 9, Listing Manual</b></p> <p>The objective of Chapter 9 is to guard against the risk that interested persons could influence the issuer, its subsidiaries or associated companies, to enter into transactions with interested persons that may adversely affect the interests of the issuer or its shareholders.</p> <p><b>Rule 904, Listing Manual</b></p> <p>For the purposes of this Chapter, the following definitions apply:-</p> <ol style="list-style-type: none"> <li>(1) “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to this Chapter.</li> <li>(2) “entity at risk” means: <ol style="list-style-type: none"> <li>(a) the issuer;</li> <li>(b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or</li> <li>(c) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.</li> </ol> </li> <li>(3) “financial assistance” includes: <ol style="list-style-type: none"> <li>(a) the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and</li> <li>(b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another.</li> </ol> </li> </ol>

<p>(c) a 30%-controlled company held, directly or indirectly, by the individual, his immediate family members and/or the trustees (individually or together), or any of its subsidiaries; or</p> <p>(2) (a) a person cohabiting with him as a spouse, or his child, step-child, parent, step-parent, brother, step-brother, sister or step-sister (each a “<b>family member</b>”); or</p> <p>(b) a majority-controlled company held, directly or indirectly, by the family members (individually or together), or held by the family members together with the individual, his immediate family members and/or the trustees, or any of its subsidiaries.</p> <p><i>Rule 14A.13 of the HK Listing Rules</i></p> <p>An “associate” of a connected person described in Rule 14A.07(1), (2) or (3) who is a company includes:</p> <p>(1) its subsidiary or holding company, or a fellow subsidiary of the holding company;</p> <p>(2) the trustees, acting in their capacity as trustees of any trust of which the company is a beneficiary or, in the case of a discretionary trust, is (to its knowledge) a discretionary object (the “<b>trustees</b>”); or</p> <p>(3) a 30%-controlled company held, directly or indirectly, by the company, the companies referred to in (1) above, and/or the trustees (individually or together), or any of its subsidiaries.</p> <p><i>Rule 14A.14 of the HK Listing Rules</i></p> <p>A 30%-controlled company held by a person will not be regarded as his or its associate if the person’s and his or its associates’ interests in the company, other than those indirectly held through the listed issuer’s group, are together less than 10%.</p> <p><i>Rule 14A.15 of the HK Listing Rules</i></p> <p>For PRC issuers only, a person’s associates include any joint venture partner of a cooperative or contractual joint venture (whether or not it is a separate legal entity) where:</p> <p>(1) the person (being an individual), his immediate family members and/or the trustees; or</p>	<p>(4) (a) In the case of a company, “interested person” means:-</p> <p>(i) a director, chief executive officer, or controlling shareholder of the issuer; or</p> <p>(ii) an associate of any such director, chief executive officer, or controlling shareholder.</p> <p>(b) In the case of a REIT, “interested person” shall have the meaning defined in the Code on Collective Investment Schemes issued by the MAS.</p> <p>(c) In the case of a business trust, “interested person” means:-</p> <p>(i) a director, chief executive officer, or controlling shareholder of the trustee-manager of the business trust;</p> <p>(ii) the trustee-manager or controlling unit-holder of the business trust; or</p> <p>(iii) an associate of any of the persons or entities in (i) or (ii) above.</p> <p>(d) In the case of an investment fund which is not a REIT or business trust, “interested person” means:-</p> <p>(i) a director, chief executive officer or controlling shareholder of the investment manager(s) (or any equivalent) of the investment fund;</p> <p>(ii) the investment manager(s) (or any equivalent), the trustee or controlling unit-holder of the investment fund; or</p> <p>(iii) any associate of any of the persons or entities in (i) or (ii) above.</p> <p>(5) “interested person transaction” means a transaction between an entity at risk and an interested person.</p> <p>“transaction” includes:-</p> <p>(a) the provision or receipt of financial assistance;</p>
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<p>(2) the person (being a company), any company which is its subsidiary or holding company or a fellow subsidiary of the holding company, and/or the trustees,</p> <p>together directly or indirectly hold 30% (or an amount that would trigger a mandatory general offer or establish legal or management control over a business enterprise under the PRC law) or more in the joint venture's capital or assets contributions, or the contractual share of its profits or other income.</p> <p><b>Definition of connected subsidiary</b></p> <p><i>Rule 14A.16 of the HK Listing Rules</i></p> <p>A "connected subsidiary" is:</p> <p>(1) a non wholly-owned subsidiary of the listed issuer where any connected person(s) at the issuer level, individually or together, can exercise or control the exercise of 10% or more of the voting power at the subsidiary's general meeting. This 10% excludes any indirect interest in the subsidiary which is held by the connected person(s) through the listed issuer; or</p> <p>(2) any subsidiary of a non wholly-owned subsidiary referred to in (1) above.</p> <p><i>Rule 14A.17 of the HK Listing Rules</i></p> <p>If a listed issuer's subsidiaries are connected persons only because they are the subsidiaries of a connected subsidiary, transactions between these subsidiaries will not be treated as connected transactions.</p> <p><i>Rule 14A.18 of the HK Listing Rules</i></p> <p>A subsidiary of the listed issuer is not a connected person if:</p> <p>(1) it is directly or indirectly wholly-owned by the listed issuer; or</p> <p>(2) it falls under the definition of connected person only because it is:</p> <p>(a) a substantial shareholder of another subsidiary of the listed issuer; or</p> <p>(b) an associate of a director (or a person who was in the past 12 months a director), a chief executive, a substantial shareholder or a supervisor of any subsidiary of the listed issuer.</p>	<p>(b) the acquisition, disposal or leasing of assets;</p> <p>(c) the provision or receipt of services;</p> <p>(d) the issuance or subscription of securities;</p> <p>(e) the granting of or being granted options; and</p> <p>(f) the establishment of joint ventures or joint investments;</p> <p>whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).</p> <p><b>When Announcement Required</b></p> <p><b>Rule 905, Listing Manual</b></p> <p>(1) An issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets.</p> <p>(2) If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.</p> <p>(3) Rule 905(1) and (2) does not apply to any transaction below \$100,000.</p> <p><b>When Shareholder Approval Required</b></p> <p><b>Rule 906, Listing Manual</b></p> <p>(1) An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:-</p> <p>(a) 5% of the group's latest audited net tangible assets; or</p> <p>(b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of</p>
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<p><b>Definition of deemed connected persons</b></p> <p><i>Rule 14A.19 of the HK Listing Rules</i></p> <p>The HKEX has the power to deem any person to be a connected person.</p> <p><i>Rule 14A.20 of the HK Listing Rules</i></p> <p>A deemed connected person includes a person:</p> <p>(1) who has entered, or proposes to enter, into:</p> <p>(a) a transaction with the listed issuer’s group; and</p> <p>(b) an agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person described in rule 14A.07(1), (2) or (3) with respect to the transaction; and</p> <p>(2) who, in the Exchange’s opinion, should be considered as a connected person.</p> <p><i>Rule 14A.21 of the HK Listing Rules</i></p> <p>A deemed connected person also includes a person:</p> <p>(1) who has:</p> <p>(a) a father in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, uncle, aunt, cousin, nephew or niece (each a “<b>relative</b>”) of a connected person described in rule 14A.07(1), (2) or (3); or</p> <p>(b) a majority-controlled company held, directly or indirectly, by the relatives (individually or together) or held by the relatives together with the connected person as described in rule 14A.07(1), (2) or (3), the trustees, his immediate family members and/or family members, or any subsidiary of that majority-controlled company; and</p> <p>(2) whose association with the connected person is such that, in the Exchange’s opinion, the proposed transaction should be subject to the connected transaction requirements.</p>	<p>aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.</p> <p>(2) Rule 906(1) does not apply to any transaction below \$100,000.</p> <p><b>Rule 907, Listing Manual</b></p> <p>An issuer must disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the prescribed format.</p> <p><b>Rule 908, Listing Manual</b></p> <p>In interpreting the term “same interested person” for the purpose of aggregation in Rules 905 and 906, the following applies:-</p> <p>(1) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.</p> <p>(2) If an interested person, (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.</p> <p><b>Rule 918, Listing Manual</b></p> <p>If a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.</p>
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<p><i>Rule 14A.22 of the HK Listing Rules</i></p> <p>The listed issuer must inform the HKEX of any proposed transaction with the person described in rule 14A.20(1) or 14A.21(1) unless it is exempt from all of the connected transaction requirements. It must provide information to the HKEX to demonstrate whether or not the transaction should be subject to connected transaction requirements.</p> <p><b>Definition of connected transactions</b></p> <p><i>Rule 14A.23 of the HK Listing Rules</i></p> <p>Connected transactions are transactions with connected persons, and specified categories of transactions with third parties that may confer benefits on connected persons through their interests in the entities involved in the transactions. They may be one-off transactions or continuing transactions.</p> <p><i>Rule 14A.24 of the HK Listing Rules</i></p> <p>Transaction include both capital and revenue nature transactions, whether or not conducted in the ordinary and usual course of business of the listed issuer's group. This includes the following types of transactions:</p> <ol style="list-style-type: none"> <li>(1) any acquisition or disposal of assets by a listed issuer's group including a deemed disposal;</li> <li>(2) (a) a listed issuer's group granting, accepting, exercising, transferring or terminating an option to acquire or dispose of assets or to subscribe for securities; or       <p style="margin-left: 40px;"><i>Note:</i> Terminating an option is not a transaction if it is made under the terms of the original agreement and the listed issuer's group has no discretion over the termination.</p>       (b) a listed issuer's group deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;</li> <li>(3) entering into or terminating finance leases or operating leases or sub-leases;</li> <li>(4) granting an indemnity or providing or receiving financial assistance. "Financial assistance" includes granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan;</li> </ol>	<p><b>Rule 919, Listing Manual</b></p> <p>In a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.</p> <p><b>Exceptions</b></p> <p><b>Rule 915, Listing Manual</b></p> <p>The following transactions are not required to comply with Rules 905, 906 and 907:</p> <ol style="list-style-type: none"> <li>(1) A payment of dividends, a subdivision of shares, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of the issuer's shares, made to all shareholders on a pro-rata basis, including the exercise of rights, options or company warrants granted under the preferential offer.</li> <li>(2) The grant of options, and the issue of securities pursuant to the exercise of options, under an employees' share option scheme approved by the SGX-ST.</li> <li>(3) A transaction between an entity at risk and an investee company, where the interested person's interest in the investee company, other than that held through the issuer, is less than 5%.</li> <li>(4) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the issuer at the time of the transaction.</li> <li>(5) A transaction between an entity at risk and an interested person for the provision of goods or services if:-       <ol style="list-style-type: none"> <li>(a) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and</li> <li>(b) the sale prices are applied consistently to all customers or class of customers.</li> </ol> <p>Such transactions include telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets.</p> </li> </ol>
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<p>(5) entering into an agreement or arrangement to set up a joint venture in any form (e.g. a partnership or a company), or any other form of joint arrangement;</p> <p>(6) issuing new securities of the listed issuer or its subsidiaries;</p> <p>(7) providing, receiving or sharing services; or</p> <p>(8) acquiring or providing raw materials, intermediate products and/or finished goods.</p> <p><b>Transactions with connected persons</b></p> <p><i>Rule 14A.25 of the HK Listing Rules</i></p> <p>Any transaction between a listed issuer's group and a connected person is a connected transaction.</p> <p><b>Transactions with third parties</b></p> <p><i>Financial assistance to or from commonly held entities</i></p> <p><i>Rule 14A.26 of the HK Listing Rules</i></p> <p>Financial assistance provided by a listed issuer's group to, or received by a listed issuer's group from, a commonly held entity is a connected transaction.</p> <p><i>Rule 14A.27 of the HK Listing Rules</i></p> <p>A "commonly held entity" is a company whose shareholders include:</p> <p>(1) a member of the listed issuer's group; and</p> <p>(2) any connected person(s) at the issuer level who, individually or together, can exercise or control the exercise of 10% or more of the voting power at the company's general meeting. This 10% excludes any indirect interest held by the person(s) through the listed issuer.</p> <p><i>Other transactions with third parties</i></p> <p><i>Rule 14A.28 of the HK Listing Rules</i></p> <p>A listed issuer's group acquiring an interest in a company (the "<b>target company</b>") from a person who is not a connected person is a connected transaction if the target company's substantial shareholder:</p> <p>(1) is, or is proposed to be, a controller. A "controller" is a director, chief executive or controlling shareholder of the listed issuer; or</p>	<p>(6) The provision of financial assistance or services by a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business.</p> <p>(7) The receipt of financial assistance or services from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business.</p> <p>(8) Director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).</p>
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(2) is, or will, as a result of the transaction, become, an associate of a controller or proposed controller.

*Note:* Acquiring the target company's assets is also a connected transaction if these assets account for 90% or more of the target company's net assets or total assets.

*Rule 14A.29 of the HK Listing Rules*

The HKEX may aggregate the interests of the controller and his or its associates in the target company to decide whether they together are the target company's substantial shareholder.

*Rule 14A.30 of the HK Listing Rules*

Rule 14A.28 does not apply to a listed issuer's proposed acquisition if the controller or his or its associate(s) is or are together the target company's substantial shareholders only because of their indirect shareholdings in the target company held through the listed issuer's group.

**Definition of continuing connected transaction**

*Rule 14A.31 of the HK Listing Rules*

Continuing connected transactions are connected transactions involving the provision of goods or services or financial assistance, which are carried out on a continuing or recurring basis and are expected to extend over a period of time. They are usually transactions in the ordinary and usual course of business of the issuer's group.

**Requirements for connected transactions**

*Rule 14A.34 of the HK Listing Rules*

The listed issuer's group must enter into a written agreement for a connected transaction.

*Rule 14A.35 of the HK Listing Rules*

The listed issuer must announce the connected transaction as soon as practicable after its terms have been agreed.

*Note:* If the connected transaction is subsequently terminated or there is any material variation of its terms or material delay in the completion, the listed issuer must announce this fact as soon as practicable. The listed issuer must also comply with all other applicable provisions under the HK Listing Rules.

*Rule 14A.36 of the HK Listing Rules*

The connected transaction must be conditional on shareholders' approval at a general meeting held by the listed issuer. Any shareholder who has a material interest in the transaction must abstain from voting on the resolution.

**Shareholders' approval***Rule 14A.36 of the HK Listing Rules*

The connected transaction must be conditional on shareholders' approval at a general meeting held by the listed issuer. Any shareholder who has a material interest in the transaction must abstain from voting on the resolution.

*Rule 14A.37 of the HK Listing Rules*

The HKEX may waive the general meeting requirement and accept a written shareholders' approval, subject to the conditions that:

- (1) no shareholder of the listed issuer is required to abstain from voting if a general meeting is held to approve the transaction; and
- (2) the approval is given by a shareholder or a closely allied group of shareholders who (together) hold more than 50% of the voting rights in the general meeting.

*Rule 14A.38 of the HK Listing Rules*

If the listed issuer discloses inside information to any shareholder in confidence to solicit the written approval, it must ensure that the shareholder is aware that he must not deal in the securities before the information has been made available to the public.

*Rule 14A.39 of the HK Listing Rules*

If the connected transaction requires shareholders' approval, the listed issuer must (1) set up an independent board committee; and (2) appoint an independent financial adviser.

**Independent board committee***Rule 14A.40 of the HK Listing Rules*

The independent board committee must, taking into account the recommendation of an independent financial adviser, advise the listed issuer's shareholders:

- (1) whether the terms of the connected transaction are fair and reasonable;
- (2) whether the connected transaction is on normal commercial terms or better and in the ordinary and usual course of business of the listed issuer's group;
- (3) whether the connected transaction is in the interests of the listed issuer and its shareholders as a whole; and
- (4) how to vote on the connected transaction.

*Rule 14A.41 of the HK Listing Rules*

The independent board committee must consist only of independent non-executive directors who do not have a material interest in the transaction.

*Rule 14A.42 of the HK Listing Rules*

If all the independent non-executive directors have a material interest in the transaction, an independent board committee will not be formed.

*Rule 14A.43 of the HK Listing Rules*

If an independent board committee is formed, the circular must include a letter from the independent board committee containing its opinion on the matters in rule 14A.40 and its recommendation.

**Independent financial adviser***Rule 14A.44 of the HK Listing Rules*

The listed issuer must appoint an independent financial adviser acceptable to the HKEX to make recommendations to the independent board committee and shareholders on the matters in rules 14A.45(1) to (4). The independent financial adviser will give its opinion based on the written agreement for the transaction.

**Exemptions***Rule 14A.73 of the HK Listing Rules*

Exemptions from the connected transaction requirements are available for the following types of transactions:

- (1) de minimis transactions (rule 14A.76);
- (2) financial assistance (rules 14A.87 to 14A.91);

**APPENDIX A: COMPARISON OF A SUMMARY OF THE PRINCIPAL LISTING RULES OF THE SGX-ST AND THE HKEX**

<p>(3) issues of new securities by the listed issuer or its subsidiary (rule 14A.92);</p> <p>(4) dealings in securities on stock exchanges (rule 14A.93);</p> <p>(5) repurchases of securities by the listed issuer or its subsidiary (rule 14A.94);</p> <p>(6) directors' service contracts and insurance (rules 14A.95 and 14A.96);</p> <p>(7) buying or selling of consumer goods or services (rule 14A.97);</p> <p>(8) sharing of administrative services (rule 14A.98);</p> <p>(9) transactions with associates of passive investors (rules 14A.99 and 14A.100); and</p> <p>(10) transactions with connected persons at the subsidiary level (rule 14A.101).</p> <p><i>Rule 14A.74 of the HK Listing Rules</i></p> <p>The exemptions are broadly divided into two categories: (1) fully exempt from shareholders' approval, annual review and all disclosure requirements; and (2) exempt from shareholders' approval requirement.</p> <p><i>Rule 14A.75 of the HK Listing Rules</i></p> <p>The HKEX has the power to specify that an exemption will not apply to a particular transaction.</p>	
<p><b>RESTRICTIONS ON DEALINGS OF DIRECTORS BEFORE PUBLICATION OF THE FINANCIAL RESULTS</b></p>	
<p>A director must not deal in any securities of the listed issuer on any day on which its financial results are published and:</p> <p>(i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and</p> <p>(ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,</p>	<p><b>Rule 1207(19)(c) Listing Manual</b></p> <p>A listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the company's half year and full year financial statements (if not required to announce quarterly financial statements).</p>

<p>unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in Appendix 10 to the HK Listing Rules. In any event, the director must comply with the procedure in the rules of Appendix 10 to the HK Listing Rules.</p>	
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**APPENDIX B: SUMMARY OF PROPOSED MATERIAL CHANGES TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

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<b>Article</b>	<b>Existing Article</b>	<b>Proposed Article</b>	<b>Rationale</b>
2	“associate” has the meaning attributed to it in the listing rules of the Designated Stock Exchange.	“close associate” in relation to any Director shall have the same meaning as defined in the rules of the Designated Stock Exchange (the “ <b>Listing Rules</b> ”) as modified from time to time, except that for purposes of Article 100, where the transaction or arrangement to be approved by the Board is a connected transaction under Chapter 14A of the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.	The Company proposes to replace the definition of “associate” with the definition of “close associate” to reflect compliance with the HK Listing Rules.
3(C)	—	There is no prescribed maximum number of shares in the share capital of the Company.	The Company proposes to insert Article 3(C) to reflect compliance with HK Listing Rules.
5(A)	Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted by the listing rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).	—	The Company proposes to delete the existing Article 5(A) as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its deletion does not contravene Singapore law.



Article	Existing Article	Proposed Article	Rationale
8(A)	The rights attached to shares issued upon special conditions shall be clearly defined in the Memorandum and Articles and the rights attaching to shares of a class other than ordinary shares shall be expressed. The total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares, Provided Always that the preference shares shall be issued subject to such limitation thereof as may be prescribed by any applicable listing rules of the Designated Stock Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.	The rights attached to shares issued upon special conditions shall be clearly defined in the Memorandum and Articles and the rights attaching to shares of a class other than ordinary shares shall be expressed. The preference shares shall be issued subject to such limitation thereof as may be prescribed by the Relevant Laws. Preference shareholders shall have the right to vote at any meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrear.	The Company proposes to amend the existing Article 8(A) as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its amendment does not contravene Singapore law.
14(A)	The Company shall not be bound to register more than four persons as joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased member.	The Company shall not be bound to register more than four persons as joint holders of a share.	The Company proposes to amend the existing Article 14(A) as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its amendment does not contravene Singapore law.
15	Every person whose name is entered as a member in the Register of Members shall be entitled, within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the closing date of any application of shares or (as the case may be) the date of lodgement of a registrable transfer, to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred.	Every person whose name is entered as a member in the Register of Members shall be entitled, within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the closing date of any application of shares or (as the case may be) the date of lodgement of a registrable transfer, to one certificate for all his shares of any one class or to several certificates each for a part of the shares so allotted or transferred.	The Company proposes to amend the existing Article 15 as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its amendment does not contravene Singapore law.

Article	Existing Article	Proposed Article	Rationale
16(A)	<p>Where a member transfers part only of the shares comprised in a certificate or where a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the member shall pay (in the case of sub-division) a maximum fee of S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange. Where some only of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.</p>	<p>Where a member transfers part only of the shares comprised in a certificate or where a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the member shall pay (in the case of sub-division) such fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Relevant Laws from time to time for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Relevant Laws. Where some only of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.</p>	<p>The Company proposes to amend the existing Article 16(A) as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its amendment does not contravene Singapore law.</p>

Article	Existing Article	Proposed Article	Rationale
17	Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.	Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced (provided that the Directors are satisfied beyond reasonable doubt that the original share certificate has been lost) and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.	The Company proposes to amend the existing Article 17 to reflect compliance with the HK Listing Rules.
35(B)(a)	The Directors may in their sole discretion decline to register any instrument of transfer unless such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof.	The Directors may in their sole discretion decline to register any instrument of transfer unless such fee (which shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time prescribe and as the Director may from time to time require (having regard to any limitation thereof as may be prescribed by the Relevant Laws from time to time)) is paid to the Company in respect thereof.	The Company proposes to amend the existing Article 35(B)(a) as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its amendment does not contravene Singapore law.

Article	Existing Article	Proposed Article	Rationale
49	<p>Any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents and the Act entitled to receive such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-</p> <p>(a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and</p> <p>(b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having a right to vote at that meeting;</p> <p>Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting, so long as shares in the Company are listed on any Designated Stock Exchange, at least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Designated Stock Exchange, Provided Always that in the case of any Extraordinary Annual General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one days' notice in writing of such Extraordinary General Meeting shall be given to the Designated Stock Exchange.</p>	<p>Any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one clear days' notice and not less than twenty clear business days in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen clear days' notice and not less than ten clear business days in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents and the Act entitled to receive such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above and if permitted by the rules of the Designated Stock Exchange, shall be deemed to have been duly called if it is so agreed:-</p> <p>(a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and</p> <p>(b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having a right to vote at that meeting;</p> <p>Provided also that the accidental omission to give notice of a meeting or (in case where instruments of proxy are sent out with such notice) to send such instrument of proxy to, or the non-receipt of such notice or such instrument of proxy by, any person entitled thereto shall not invalidate the proceedings at any General Meeting.</p>	<p>The Company proposes to amend the proviso to the existing Article 49 as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its amendment does not contravene Singapore law.</p>

Article	Existing Article	Proposed Article	Rationale
52	Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.	—	The Company proposes to delete the existing Article 52 as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its deletion does not contravene Singapore law.
59	At any General Meeting a resolution put to the vote of the meeting shall be decided on a poll.	At any General Meeting a resolution put to the vote of the meeting shall be decided on a poll, save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy or proxies shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views.	The Company proposes to amend the existing Article 59 to reflect compliance with the HK Listing Rules.

Article	Existing Article	Proposed Article	Rationale
77	<p>The ordinary remuneration of the Directors, which shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. The ordinary remuneration of an executive Director may not include a commission on or a percentage of turnover and the ordinary remuneration of a non-executive Director shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.</p>	<p>The ordinary remuneration of the Directors, which shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.</p>	<p>The Company proposes to amend the existing Article 77 as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its amendment does not contravene Singapore law.</p>
84	<p>The Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places. Where an appointment is for a fixed term such term shall not exceed five years.</p>	<p>The Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places.</p>	<p>The Company proposes to amend the existing Article 84 as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its amendment does not contravene Singapore law.</p>
87	<p>A Managing Director shall at all times be subject to the control of the Directors but subject thereto the Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.</p>	<p>The Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.</p>	<p>The Company proposes to amend the existing Article 87 as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its amendment does not contravene Singapore law.</p>

Article	Existing Article	Proposed Article	Rationale
93	<p>No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than eleven clear days (i.e. exclusive of the date on which the notice is given as well as the date of the meeting) and not more than forty-two days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected, Provided that in the case of a person recommended by the Directors for election, not less than nine clear days' notice (i.e. exclusive of the date on which the notice is given as well as the date of the meeting) shall be necessary and notice of each and every such person shall be served on the members at least seven days prior to the meeting at which the election is to take place and Provided further that the period for lodgement of the notices referred to in this Article will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election.</p>	<p>The minimum length of the period, during which notice to the Company of the intention to propose a person for election as a Director and during which notice to the Company by such person of his willingness to be elected may be given, will be at least seven (7) days, Provided that the period for lodgement of the notices referred to in this Article will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven (7) days prior to the date of such meeting.</p>	<p>The Company proposes to amend the existing Article 93 as it was initially included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its Shares on the SGX-ST. This provision is not required by Singapore law to be included in the Articles and its amendment does not contravene Singapore law.</p>
95	<p>The Company may in accordance with and subject to the provisions of the Statutes, by Ordinary Resolution of which special notice has been given, remove any Director from office (notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office, and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director.</p>	<p>The Company may in accordance with and subject to the provisions of the Statutes, by Ordinary Resolution of which special notice has been given, remove any Director from office before the expiration of his period of office (notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office, and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director.</p>	<p>The Company proposes to amend the existing Article 95 to clarify that a Director may be removed from office before the expiration of his period of office.</p>

Article	Existing Article	Proposed Article	Rationale
107	<p>(A) An audit committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board) and shall be composed of not fewer than three members of whom a majority shall not be:</p> <p>(a) executive Directors of the Company or any related corporation;</p> <p>(b) a spouse, parent, brother, sister, son or adopted son, or daughter or adopted daughter, of an executive Director of the Company or of any related corporation; or</p> <p>(c) any person having a relationship which, in the opinion of the Directors, would interfere with the exercise of independent judgment in carrying out the functions of an audit committee.</p> <p>(B) The members of an audit committee shall elect a Chairman from among their number who is not an executive Director or employee of the Company or any related corporation.</p> <p>(C) The audit committee may regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.</p> <p>(D) In this Article, “non-executive Director” or “a person who is not an executive Director” means a Director who is not an employee of, and does not hold any other office of profit in, the Company or in any subsidiary or associated company of the Company in conjunction with his office of Director, and his membership of an audit committee and “executive Director” shall be read accordingly.</p>	<p>(A) An audit committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board) and must comprise non-executive Directors only. The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required in the listing rules of the Designated Stock Exchange. The majority of the audit committee members must be independent non-executive Directors.</p> <p>(B) The members of an audit committee shall elect a Chairman from among their number who is an independent non-executive Director.</p> <p>(C) The audit committee may regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.</p>	<p>The Company proposes to amend the existing Article 107 to reflect compliance with the HK Listing Rules.</p>



New Articles

Of

**HENGXIN TECHNOLOGY LTD**

(as adopted by a Special Resolution passed on 2 September 2014 with effect from the date of completion of the Proposed Conversion (as defined under the Circular of the Company dated 7 August 2014))

THE COMPANIES ACT (CAP. 50)

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

**HENGXIN TECHNOLOGY LTD**

**THE COMPANIES ACT (CAP. 50)  
PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION  
OF  
HENGXIN TECHNOLOGY LTD**

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**PRELIMINARY**

1. The regulations in Table A in the Fourth Schedule to the Companies Act, Chapter 50 of Singapore ~~(as amended)~~ shall not apply to the Company.
2. In these presents (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively.

<del>“the Act”</del>	The Companies Act, Chapter 50 of Singapore (as amended from time to time)
<del>“associate”</del>	<del>Has the meaning attributed to it in the listing rules of the Designated Stock Exchange.</del>
<b>“Board”</b>	The board of Directors of the Company
<b>“book-entry securities”</b>	Listed securities: <ol style="list-style-type: none"><li>(a) documents of title to which are deposited by a Depositor with the CDP or a clearing house (as the case may be) and are registered in the name of the CDP or a clearing house or their respective nominee(s); and</li><li>(b) which are transferable by way of book-entry in the Depository Register and not by way of an instrument of transfer</li></ol>
<b>“CDP”</b>	The Central Depository (Pte) Limited established by the Designated Stock Exchange or any other corporation appointed by the Minister as a depository company or corporation for the purpose of the Act, which as bare trustee operates the Central Depository System for the holding and transfer of book-entry securities.
<b>“clear days”</b>	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
<b>“clearing house”</b>	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.

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**APPENDIX C: PROPOSED NEW ARTICLES OF THE COMPANY TO BE ADOPTED**

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<b>“close associate”</b>	in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (the <b>“Listing Rules”</b> ) as modified from time to time, except that for purposes of Article 100, where the transaction or arrangement to be approved by the Board is a connected transaction under Chapter 14A of the Listing Rules, it shall have the same meaning as that ascribed to <b>“associate”</b> in the Listing Rules.
<b>“the Company”</b>	Hengxin Technology Ltd.
<b>“Depositor”</b>	A Depository Agent or a Direct Account Holder to the balance of whose Securities Account any shares are credited, but excluding a sub-account holder.
<b>“Depository”</b>	Shall have the meaning ascribed in the Act.
<b>“Depository Agent”</b>	<p>A member company of the Singapore Exchange Securities Trading Limited, a trust company (registered under the Trust Companies Act, Chapter 336 of Singapore), a banking corporation or merchant bank (approved by the Monetary Authority of Singapore under the Monetary Authority of Singapore Act, Chapter 186 of Singapore), or any other person or body approved by CDP who or which:</p> <ul style="list-style-type: none"><li>(a) performs services as a depository agent for sub-account holders in accordance with the terms of a depository agent agreement entered into between CDP or a clearing house (as the case may be) and the Depository Agent;</li><li>(b) deposits book-entry securities with CDP or a clearing house (as the case may be) on behalf of the sub-account holders; and</li><li>(c) establishes an account in its name with CDP or a clearing house (as the case may be).</li></ul>
<b>“Depository Register”</b>	A register maintained by CDP or a clearing house (as the case may be) in respect of book-entry securities.
<b>“Designated Stock Exchange”</b>	The Singapore Exchange Securities Trading Limited for so long as the shares of the Company are listed and quoted on the Singapore Exchange Securities Trading Limited, the Stock Exchange of Hong Kong Limited for so long as the shares of the Company are listed on The Stock Exchange of Hong Kong Limited, and/or such other stock exchange in respect of which the shares of the Company are listed or quoted.
<b>“Direct Account Holder”</b>	A person who has a securities account directly with CDP or a clearing house (as the case may be) and not through a Depository Agent.

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**APPENDIX C: PROPOSED NEW ARTICLES OF THE COMPANY TO BE ADOPTED**

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<b>“Directors”</b>	The directors of the Company for the time being, as a body or as a quorum present at a meeting of directors-
<b>“Dividend”</b>	Includes dividends, distributions in specie or in kind, capital distributions and capitalisation issues-
<b>“General Meeting”</b>	A general meeting of the Company-
<b>“in writing”</b>	Written or produced by any substitute for writing or partly one and partly the other-
<b>“Managing Director”</b>	Any person appointed by the Directors to be managing director or executive chairman of the Company and the expression <b>“Managing Director”</b> shall include any equivalent appointment(s) howsoever described
<b>“market day”</b>	A day on which the Designated Stock Exchange is open for trading in securities-
<b>“month”</b>	Calendar month-
<b>“Office”</b>	The registered office of the Company for the time being-
<b>“Paid”</b>	Paid or credited as paid-
<b>“These presents”</b>	These Articles of Association as from time to time amended
<b>“Register of Members”</b>	The Company’s principal register of members and any branch register of members to be maintained at such place within or outside Singapore as the Board shall determine from time to time
<b>“Relevant Laws”</b>	means the Act and any other relevant rule, law, regulation or guidelines enacted, promulgated or issued by any relevant competent authority (including the Designated Stock Exchange (if applicable)) from time to time-
<b>“Seal”</b>	The common seal of the Company-
<b>“Secretary”</b>	Any person appointed by the Directors to perform any of the duties of the Secretary or where two or more persons are appointed to act as Joint Secretaries any one of those persons-
<b>“Securities Account”</b>	The securities account maintained by a depositor with CDP or a clearing house (as the case may be)-
<b>“Statutes”</b>	The Act, the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and every other written law for the time bring in force concerning companies and affecting the Company-
<b>“Sub-Account Holder”</b>	A holder of an account maintained with a Depository Agent-

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**APPENDIX C: PROPOSED NEW ARTICLES OF THE COMPANY TO BE ADOPTED**

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**“treasury shares”** means shares of the Company which are purchased or otherwise acquired by a company in accordance with sections 76B to 76G of the Act.

**“year”** Calendar year.

References in these presents to **“holders”** of shares or a class of shares shall:

- (a) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in these presents or where the term **“registered holders”** or **“registered holder”** is used in these presents;
- (b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and
- (c) except where otherwise expressly provided in these presents, exclude the Company in relation to shares held by it as treasury shares,

and **“holding”** and **“held”** shall be construed accordingly.

References in these presents to **“members”** shall, where the Act requires, exclude the Company where it is a member by reason of its holding of its shares as treasury shares.

All such of the provisions of these presents as are applicable to paid-up shares shall apply to stocks, and the words **“share”** and **“shareholder”** shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.

Any references in these presents to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Subject as aforesaid, any words or expression defined in the Act or the Interpretation Act, Chapter 1 shall (if not inconsistent with the subject or context) bear the same meanings in these presents.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these presents.

The headnotes are inserted for convenience only and shall not affect the construction of these presents.

**AUTHORIZED SHARE CAPITAL**

3. (A) The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.
- (B) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the ~~provisions of the Act and any other relevant rule, law, regulation or guidelines enacted, promulgated or issued by any relevant competent authority (including the Designated Stock Exchange (if applicable)) from time to time (hereafter, the “Relevant Laws”)~~, on such terms and subject to such conditions as the Company may in general meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall be dealt with in accordance with the Relevant Laws.
- (C) There is no prescribed maximum number of shares in the share capital of the Company.

**ISSUE OF SHARES**

4. (A) Subject to the Act and to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot (with or without conferring a right of renunciation) or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards dividend, return of capital, participation in surplus assets and profits, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that no options shall be granted over unissued shares except in accordance with the Act and the listing rules of the Designated Stock Exchange.
- (B) No shares shall be issued to transfer a controlling interest in the Company without the specific prior approval of the Company in General Meeting.
- (C) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

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## APPENDIX C: PROPOSED NEW ARTICLES OF THE COMPANY TO BE ADOPTED

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- (D) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be issued subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.
- (E) Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all members alike.
5. (A) ~~Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted by the listing rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A). [Deleted.]~~
- (B) The Company may, ~~notwithstanding Article 5(A) above,~~ authorize the Directors not to offer new shares to members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such members on such terms and conditions as the Company may direct.
6. The Company may pay commissions or brokerage on any issue of shares at such amount or rate and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.
7. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.
8. (A) The rights attached to shares issued upon special conditions shall be clearly defined in the Memorandum and Articles and the rights attaching to shares of a class other than ordinary shares shall be expressed. ~~The total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares, Provided Always that the preference shares shall be issued subject to such limitation thereof as may be prescribed by any applicable listing rules of the~~



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## APPENDIX C: PROPOSED NEW ARTICLES OF THE COMPANY TO BE ADOPTED

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~~Designated Stock Exchange~~the Relevant Laws. ~~Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference~~Preference shareholders shall ~~also~~ have the right to vote at any meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

(B) ~~The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued. The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.~~[Deleted.]

8A. Except as allowed by the Statutes and subject further to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority the Company shall not give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

8B. Except as allowed by the Statutes, the Board may, subject to what is allowed by the Statutes, issue warrants to subscribe for any class of shares or other securities of the Company and such warrants may be issued on such terms as the Board may from time to time determine. Where warrants are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such replacement certificate.

8C. No shares shall be issued to bearer.

### VARIATION OF RIGHTS

9. (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two or more persons holding at least one-third of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting,

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**APPENDIX C: PROPOSED NEW ARTICLES OF THE COMPANY TO BE ADOPTED**

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the consent in writing, if obtained from the holders of three- quarters of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.

- (B) The provisions in Article 9(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.
- (C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

#### **ALTERATION OF SHARE CAPITAL**

10. [Deleted.]

11. The Company may by Ordinary Resolution:

- (a) consolidate and divide all or any of its shares;
- (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person or which have been forfeited, and diminish the amount of its capital by the amount of the shares so cancelled;
- (c) subject to the provisions of the Statutes, sub-divide its shares, or any of them; so however that the proportion of the amount paid to the amount unpaid (if any) on each sub-divided share is the same as on the original share from which it was derived; and the resolution whereby any share is sub-divided being otherwise permitted to determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred, qualified or other special rights, or be subject to any such restrictions, as the Company has then the authority to attach to new shares;
- (d) subject to the provisions of the Statutes, convert or exchange any class of shares into or for any other class of shares; and/or
- (e) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in General Meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”.

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## APPENDIX C: PROPOSED NEW ARTICLES OF THE COMPANY TO BE ADOPTED

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12. (A) Subject to a special resolution being passed by the shareholders of the Company in General Meeting and court approval being obtained, the Company may reduce its share capital or any undistributable reserve in any manner permitted, and with, and subject to, any incident authorized, and consent or confirmation required, by law, and by way of special resolution with approval from the court in reducing its share capital.
- (B) Subject to and in accordance with the ~~provisions of the Statutes and any applicable listing rules of the Designated Stock Exchange (hereinafter the “Relevant Laws”)~~, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire any of its issued shares (which expression as used in this Article includes redeemable shares) out of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for the purposes of such purchase or acquisition on such terms as the Company may think fit and in the manner prescribed by the Relevant Laws. All shares purchased by the Company shall, unless held in treasury in accordance with the Relevant Laws, be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of a share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, or in accordance with, the Relevant Laws. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

### SHARE CERTIFICATES

13. (A) Every certificate shall be issued under the Seal and shall bear the facsimile signatures or the autographic signatures at least of one of the Director and the Secretary or such other person as may be authorised by the Directors, and shall specify the number and class of shares to which it relates and the amount paid and amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Directors of the Company. No certificate shall be issued representing shares of more than one class.
- (B) The provisions in this Article and in Articles 14 to 17 (so far as they are applicable) shall not apply to transfer of book-entry securities.
14. (A) The Company shall not be bound to register more than four persons as joint holders of a share ~~except in the case of executors, trustees or administrators of the estate of a deceased member.~~
- (B) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the joint holders shall be sufficient delivery to all.

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## APPENDIX C: PROPOSED NEW ARTICLES OF THE COMPANY TO BE ADOPTED

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15. Every person whose name is entered as a member in the Register of Members shall be entitled, within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the closing date of any application of shares or (as the case may be) the date of lodgement of a registrable transfer, to one certificate for all his shares of any one class or to several certificates ~~in reasonable denominations each~~ for a part of the shares so allotted or transferred.
16. (A) Where a member transfers part only of the shares comprised in a certificate or where a member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the member shall pay (in the case of sub-division) ~~a maximum fee of S\$2.00 (or such other~~ fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the ~~Designated Stock Exchange~~ Relevant Laws from time) to time for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by the Relevant Laws ~~Designated Stock Exchange~~. Where some only of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.
- (B) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu thereof without charge.
17. Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced (provided that the Directors are satisfied beyond reasonable doubt that the original share certificate has been lost) and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

### CALLS ON SHARES

18. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be made payable by instalments.

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19. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
20. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part. No member shall, unless the Directors otherwise determine, be entitled to receive any dividend or vote at any Meeting or upon a poll, until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).
21. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
22. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
23. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish protanto the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. The Board may at any time repay the amount so advanced upon giving to such member not less than one month's notice of its intention in that regard, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.

#### **FORFEITURE AND LIEN**

24. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

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25. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be made forfeit.
26. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be made forfeit by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be made forfeit hereunder.
27. A share so made forfeit or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. The Directors may, if necessary, authorize some person to transfer a share so made forfeit or surrendered to any such other person as aforesaid.
28. A member whose shares have been made forfeit or surrendered shall cease to be a member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at that time of forfeiture or surrender or waive payment in whole or in part.
29. The Company shall have a first and paramount lien on every share (not being a fully paid share) and dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article 29.
30. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

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31. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorize some person to transfer the shares sold to the purchaser.
32. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly made forfeit or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share, or where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

#### **TRANSFER OF SHARES**

33. All transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and the Designated Stock Exchange. An instrument of transfer shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided always that the Depository (or its nominees) or CDP (as the case may be) shall not be required to sign, as transferee, any instrument of transfer relating to any transfer of shares to it during such period as the Directors may think fit, or if the transferor or transferee is a clearing house (or its nominee(s)), any instrument of transfer relating to any transfer of shares to it shall be signed by hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
34. The Registers of Members and of Transfers may be closed at such times and for such periods as the Directors may from time to time determine, Provided Always that such Registers shall not be closed for more than thirty days in any year, and that the Company shall give prior notice of each such closure, as may be required, to the Designated Stock Exchange, stating the period and purpose or purposes for which such closure is made.
35. (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) and fully paid up shares shall also be free from all liens but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may

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refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

(B) The Directors may in their sole discretion decline to register any instrument of transfer unless:-

(a) such fee shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time ~~not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time)~~ and as the Directors may from time to time require (having regard to any limitation thereof as may be prescribed by the Relevant Laws from time to time) is paid to the Company in respect thereof;

(b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;

(c) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(d) the instrument of transfer is in respect of only one class of shares.

36. All instruments of transfer which are registered may be retained by the Company.

37. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every



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other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, Provided Always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

### **TRANSMISSION OF SHARES**

- 38. (A) In case of the death of a member whose name is registered in the Register of Members, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
  - (B) In the case of the death of a member who is a Depositor, the survivors or survivor, where the deceased is a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder and where such executors or administrators are entered into the Depository Register in respect of any shares to the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
  - (C) Nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
39. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, elect either to be registered himself as holder of the share or to have another person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
40. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages

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as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.

41. There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require.

#### **CENTRAL DEPOSITORY SYSTEM**

42. A reference to a member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP or a clearing house (as the case may be), the Depositors on behalf of whom CDP or the clearing house (as the case may be) holds the shares, Provided that:-

- (a) a Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP or a clearing house (as the case may be) forty-eight (48) hours before the General Meeting as a Depositor on whose behalf CDP or the clearing house (as the case may be) holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP or the clearing house (as the case may be) as supplied by CDP or the clearing house (as the case may be) to the Company, and where a Depositor has apportioned the balance standing to his Securities Account between two proxies, to apportion the said number of shares between the two proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor's shareholding specified in the instrument of proxy, or where the balance standing to a Depositor's Securities Account has been apportioned between two proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above;
- (b) the payment by the Company to CDP or a clearing house (as the case may be) of any Dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment;
- (c) the delivery by the Company to CDP or a clearing house (as the case may be) of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential

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offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement; and

- (d) the provisions in these presents relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities (as defined in the Statutes).

### REGISTER OF MEMBERS

42A.(1) The Company shall keep in one or more books a Register of Members and shall enter therein the following particulars, that is to say:

- (a) the name and address of each member, the number and class of shares held by him and the amount paid or agreed to be considered as paid on such shares;
- (b) the date on which each person was entered in the Register of Members; and
- (c) the date on which any person ceased to be a member.

- (2) The Company may keep an overseas or local or other branch Register of Members resident in any place, and the Board may make and vary such regulations as it determines necessary, desirable or expedient in respect of the keeping of any such register and maintaining a registration office (the “**Registration Office**”) in connection therewith.

42B. The Register of Members and branch Register of Members, as the case may be, shall be open to inspection for at least two (2) hours on every business day by members without charge or by any other person, upon a maximum payment of \$2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register of Members is kept in accordance with the Statutes or, if appropriate, upon a maximum payment of \$1.00 or such lesser sum specified by the Board at the Registration Office. The Register of Members including any overseas or local or other branch Register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

### RECORD DATES

42C. Notwithstanding any other provision of these presents, but subject to the listing rules of the Designated Stock Exchange, the Company or the Directors may fix any date as the record date for:

- (a) determining the members entitled to receive any dividend, distribution, allotment or issue; and
- (b) determining the members entitled to receive notice of and to vote at any general meeting of the Company.

**EXCLUSION OF EQUITIES**

43. Except as required by the Statutes or law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these presents contained relating to CDP or a clearing house or their respective nominees (as the case may be) or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

**STOCK**

44. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.
45. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previous to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.
46. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by the number of stock units which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

**GENERAL MEETINGS**

47. Subject to the Statutes, an Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. The interval between the close of a financial year of the Company and the date of the Annual General Meeting shall not exceed four months or such other period as prescribed by the Designated Stock Exchange and the provisions of the Act or other legislation applicable to the Company from time to time. All other General Meetings shall be called Extraordinary General Meetings.
48. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

49. Any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one clear days' notice and not less than twenty clear business days in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen clear days' notice and not less than ten clear business days in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents and the Act entitled to receive such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above and if permitted by the rules of the Designated Stock Exchange, shall be deemed to have been duly called if it is so agreed:-
- (a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and
  - (b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having a right to vote at that meeting;

Provided also that the accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with such notice) to send such instrument of proxy to, or the non-receipt of such notice or such instrument of proxy by, any person entitled thereto shall not invalidate the proceedings at any General Meeting, ~~so long as shares in the Company are listed on any Designated Stock Exchange, at least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Designated Stock Exchange, Provided Always that in the case of any Extraordinary Annual General Meeting at which it is proposed to pass a Special Resolution, at least twenty one days' notice in writing of such Extraordinary General Meeting shall be given to the Designated Stock Exchange.~~

50. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint more than one proxy to attend and vote instead of him and that a proxy need not be a member of the Company.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) In the case of any General Meeting at which business other than routine business (“**special business**”) is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

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- (D) The notice shall disclose any material interests of any Director in the matter dealt with by the resolution so far as the resolution affects those interests differently from the interests of other members of the Company.
51. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-
- (a) declaring dividends;
  - (b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
  - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
  - (d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);
  - (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
  - (f) fixing the Directors fees.
52. ~~Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.~~[Deleted.]

### PROCEEDINGS AT GENERAL MEETINGS

53. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.
54. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two members present in person or by proxy. For the purpose of this Article, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Provided that (i) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one proxy, such proxies shall count as only one Member for the purpose of determining the quorum.
55. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time

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and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At such adjourned Meeting any one or more member present in person or by proxy or by attorney or as representing a corporation which is a member shall be a quorum.

56. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
57. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
58. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
59. At any General Meeting a resolution put to the vote of the meeting shall be decided on a poll, save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views.
60. As a resolution put to the vote of a general meeting is decided on a poll, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of such meeting. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
61. In the case of an equality of votes, the chairman of the meeting shall be entitled to a casting vote.

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62. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

### **VOTES OF MEMBERS**

63. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. A member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a member, or attend, vote or act at any meeting of the Company.

64. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.

65. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by membership in relation to meetings of the Company.

66. No member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum payable by him to the Company in respect of such shares remains unpaid.

66A. Where the Company has knowledge that any member is, under the listing rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

67. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

68. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.



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69. (A) A Member shall be entitled to appoint more than one proxy to attend and vote at the same General Meeting, Provided that if the member shall nominate more than one proxy then the member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
- (B) A proxy need not be a member of the Company.
70. (A) An instrument appointing a proxy for any member shall be in writing in any usual or common form or in any other form which the Directors may approve (provided that this shall not preclude the use of the two-way form) and:
- (a) in the case of an individual member, shall be signed by the member or his attorney duly authorised in writing; and
- (b) in the case of a member which is a corporation shall be either given under its common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorized officer of the corporation.
- (B) The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument of proxy may be treated as invalid.
- (C) If the member is a Depositor, the Company shall be entitled and bound (a) to reject any instrument appointing a proxy lodged by the Depositor if it is not shown in the Depository Register as certified by CDP or a clearing house (as the case may be) to the Company that there are any shares entered against such Depositor's name, as at forty-eight hours before the time of the relevant General Meeting; and (b) to accept the number of shares entered against the name of that Depositor in the Depository Register as certified by CDP or a clearing house (as the case may be) to the Company as at forty-eight hours before the time of the relevant General Meeting as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll, regardless of whether such number is greater or smaller than the number specified in the instrument appointing a proxy lodged by that Depositor.
71. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

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72. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to speak at the meeting.
73. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.
- 73A. Subject to these presents and the Statutes, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

**CORPORATIONS ACTING BY REPRESENTATIVES**

74. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company. The person so authorized shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorized is present thereat.
- 74A. If a clearing house (or its nominee(s)), being a corporation, is a member, it may authorise such persons as it thinks fit to act as its representatives or proxies at any meeting of the Company or at any meeting of any class of members provided that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without the need to produce any further documents of title, notarised authorisation and/or other evidence of fact to substantiate that such person is duly authorised, and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)).

**DIRECTORS**

75. Subject as hereinafter provided, the Directors, all of whom shall be natural persons, shall not be less than one nor more than nine in number. The Company may by Ordinary Resolution from time to time vary the maximum number of Directors.
76. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at General Meetings.

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77. The ordinary remuneration of the Directors, which shall from time to time be determined by an Ordinary Resolution of the Company, shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. ~~The ordinary remuneration of an executive Director may not include a commission on or a percentage of turnover and the ordinary remuneration of a non-executive Director shall be a fixed sum, and not by a commission on or a percentage of profits or turnover.~~
78. Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine, other than by a commission on or percentage of commission or turnover, Provided that such extra remuneration (in case of an executive Director) shall not be by way of commission on or a percentage of turnover and (in the case of a non-executive Director) shall be by a fixed sum, and not by a commission on or a percentage of profits or turnover.
79. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.
80. The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.
81. A Director may be party to or be in any way, whether directly or indirectly, interested in any contract or arrangement or transaction or proposed contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof, provided that he shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement or transaction is first considered, if he knows his interest then exists, or

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in any other case at the first meeting of the Board after he knows he is or has become so interested. For the purposes of this Article 81, a general notice to the Board by a Director to the effect that:

- (a) he is a member or an officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
- (b) he is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient declaration of interest under this Article 81 in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

81A. There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

82. (A) The Directors may from time to time appoint one or more of their body to be the Chairman or Deputy Chairman of the Company (whether such appointment is executive or non- executive in nature) or to be the holder of any executive office under the Company or under any other company in which the Company is in any way interested on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.

(B) The appointment of any Director to the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(C) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

83. The Directors may entrust to and confer upon any Directors holding any executive office under the Company or any other company as aforesaid any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

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83A. The Board shall obtain the approval of the Company in General Meeting before making any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

### MANAGING DIRECTORS

84. The Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places. ~~Where an appointment is for a fixed term such term shall not exceed five years.~~

85. A Managing Director shall while he continues to hold that office be subject to retirement by rotation and he shall be taken into account in determining the rotation of retirement of Directors and he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause he shall ipso facto and immediately cease to be a Managing Director.

86. The remuneration of a Managing Director shall from time to time be fixed by the Directors in accordance with all Relevant Laws, and may subject to these presents be by way of salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

87. ~~A Managing Director shall at all times be subject to the control of the Directors but subject thereto the~~ The Directors may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### APPOINTMENT AND RETIREMENT OF DIRECTORS

88. The Company may by Ordinary Resolution appoint any person to be a Director either as an additional Director or to fill a casual vacancy. Without prejudice thereto the Directors shall also have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number fixed by or in accordance with these presents. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

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89. At each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. For the avoidance of doubt, each Director shall retire at least once every three years. A Director holding the office of Managing Director or Joint Managing Director shall be taken into account in determining the number of Directors to retire.
90. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who is due to retire at an meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re- election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by ballot. A retiring Director shall be eligible for re-election.
91. The Company at the meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment, in default, the retiring Director shall be deemed to have been re-elected except in any of the following cases:-
- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or
  - (b) where such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or
  - (c) where the default is due to the moving of a resolution in contravention of the next following Article; or
  - (d) where such Director has attained any retiring age applicable to him as Director.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re- election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

92. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it, and any resolution moved in contravention of this provision shall be void.
93. ~~No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than eleven clear days (i.e. exclusive of the date on which the notice is given as well as the date of the meeting) and not more than forty-two days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some~~

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~~member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected, Provided that in the case of a person recommended by the Directors for election, not less than nine clear days' notice (i.e. exclusive of the date on which the notice is given as well as the date of the meeting) shall be necessary and notice of each and every such person shall be served on the members at least seven days prior to the meeting at which the election is to take place and~~ The minimum length of the period, during which notice to the Company of the intention to propose a person for election as a Director and during which notice to the Company by such person of his willingness to be elected may be given, will be at least seven (7) days, Provided ~~further~~ that the period for lodgement of the notices referred to in this Article will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven (7) days prior to the date of such meeting.

94. The office of a Director shall be vacated in any of the following events, namely:-
- (a) if he shall become prohibited or disqualified by the Statutes or any other law from acting as a Director; or
  - (b) if (not being a Director holding any executive office for a fixed term) he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer; or
  - (c) if he shall become bankrupt or have a receiving order made against him or shall make arrangement or composition with his creditors generally; or
  - (d) if he becomes of unsound mind, or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
  - (e) is absent, for more than six months and without leave of the Directors, from meetings of the Directors held during that period; or
  - (f) if he is removed by the Company in General Meeting pursuant to these presents.
95. The Company may in accordance with and subject to the provisions of the Statutes, by Ordinary Resolution of which special notice has been given, remove any Director from office before the expiration of his period of office (notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office, and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director.

**ALTERNATE DIRECTORS**

96. (A) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (other than another Director or a person who has already been appointed alternate for another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by a majority of the Directors, shall have effect only upon and subject to being so approved.
- (B) The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if the Director concerned (below called “**his principal**”) ceases to be a Director.
- (C) An alternate Director shall (except when absent from Singapore) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which his principal is not personally present and generally at such meeting to perform all functions of his principal as a Director, and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of his principal) were a Director. If his principal is for the time being absent from Singapore or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his principal. To such extent as the Directors may from time to time determine in relation to any committees of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his principal is a member. An alternate Director shall not (save as aforesaid) have any power to act as a Director nor shall he be deemed to be a Director for any other purposes of these presents.
- (D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct provided that any fees payable to him shall be deducted from his principal’s remuneration.

**MEETINGS AND PROCEEDINGS OF DIRECTORS**

97. Subject to the provisions of these presents, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time, any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Singapore. Any Director may waive notice of any meeting and any such waiver may be retroactive. Directors may participate in a meeting of the Directors by means of a conference telephone, video conferencing, audio visual, or other similar communications equipment by means of which all persons participating in the meeting can hear each other, without a Director being in the physical present of another Director or Directors, and participation in a



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meeting pursuant to this provision shall constitute presence in person at such meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting. Such a meeting shall be deemed to take place where the largest group of Directors present for the purpose of the meeting is assembled or, if there is no such group, where the Chairman of the meeting is present.

98. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number, shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
99. Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes (except where only two Directors are present and form the quorum or when only two Directors are competent to vote on the question in issue), the chairman of the meeting shall have a second or casting vote.
100. A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his close associates has any interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting, but this prohibition shall not apply to any of the following matters namely:
  - (a) any contract or arrangement for the giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associate(s) or obligations incurred or undertaken by him or any of his close associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;
  - (b) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (c) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (d) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
  - (e) any contract or arrangement concerning any other company in which the Director or his close associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director ~~and~~ or any of his close associates is/are not in aggregate beneficially interested in five (5) per cent or

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more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his close associate(s) is derived);

- (f) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors or his close associate(s) and to employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

101. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents, the continuing Directors or Director may, except in an emergency, act for the purpose of filling up such vacancies or of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

102. (A) The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

- (B) If at any time there is more than one Deputy Chairman, the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

103. A resolution in writing signed by the majority of the Directors or their alternates, being not less than are sufficient to form a quorum shall be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form, each signed by one or more Directors. The expressions "in writing" and "signed" include approval by any such Director by telefax, telex, cable or telegram or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

104. The Directors may delegate any of their powers or discretion to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorize the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee.

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105. The meetings and proceedings of any such committee consisting of two or more members shall be governed mutatis mutandis by the provisions of these presents regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.

106. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was defect in the appointment of any of the persons acting as aforesaid, or that any such persons was at the time of his appointment not qualified for appointment or subsequently became disqualified or had vacated office, or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

### AUDIT COMMITTEE

107. (A) An audit committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board) and must comprise non-executive Directors only. The audit committee must comprise a minimum of 3 members, at least one of whom is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required in the listing rules of the Designated Stock Exchange. The majority of the audit committee members must be independent non-executive Directors. ~~shall be composed of not fewer than three members of whom a majority shall not be:-~~

~~(a) executive Directors of the Company or any related corporation;~~

~~(b) a spouse, parent, brother, sister, son or adopted son, or daughter or adopted daughter, of an executive Director of the Company or of any related corporation; or~~

~~(c) any person having a relationship which, in the opinion of the Directors, would interfere with the exercise of independent judgment in carrying out the functions of an audit committee.~~

(B) The members of an audit committee shall elect a Chairman from among their number who is an independent non-executive Director. ~~not an executive Director or employee of the Company or any related corporation~~

(C) The audit committee may regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

~~(D) In this Article, “non-executive Director” or “a person who is not an executive Director” means a Director who is not an employee of, and does not hold any other office of profit in, the Company or in any subsidiary or associated company of the Company in conjunction with his office of Director, and his membership of an audit committee and “executive Director” shall be read accordingly.~~

**BORROWING POWERS**

108. Subject as hereinafter provided and to the provisions of the ~~Statutes~~ Relevant Laws, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

**GENERAL POWERS OF DIRECTORS**

109. The business and affairs of the Company shall be managed by or under the direction of the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these presents required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

110. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in General Meeting.

111. The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in Singapore or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorize the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

112. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

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113. The Company or the Directors on behalf of the Company may in exercise of the powers in that behalf conferred by the Statutes cause to be kept a Branch Register or Registers of Members and the Directors may (subject to the provisions of the Statutes) make and vary such regulations as they may think fit in respect of the keeping of any such Register.

114. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

115. The Directors shall cause minutes to be duly made and entered in books provided for such purpose:-

- (a) of all appointments of officers to be engaged in the management of the Company's affairs;
- (b) of the names of the Directors present at all meetings of the Company, of the Directors and of any committee of Directors; and
- (c) of all proceedings at all meetings of the Company, of the Directors and of any committee of Directors.

Such minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

115A. Except as permitted by the Statutes, the Company shall not directly or indirectly:

- (a) make a loan to a Director or a director of any holding company of the Company or to any of their respective close associates (as defined by the rules, where applicable, of the Designated Stock Exchange);
- (b) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director; or
- (c) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

115B. A company that is a member of a group of companies of which the Company is a member, shall not directly or indirectly:

- (a) make a quasi-loan to a Director or a director of any holding company of the Company or to any of their respective close associates (as defined by the rules, where applicable, of the Designated Stock Exchange);
- (b) enter into any guarantee or provide any security in connection with a loan made by any person to a Director or such a director; or

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- (c) if any one or more of the Directors hold (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

115C. A company that is a member of a group of companies of which the Company is a member, shall not directly or indirectly:

- (a) enter into a credit transaction as creditor for a director of the Company or of its holding company;
- (b) enter into a guarantee or provide any security in connection with a credit transaction entered into by any other person as creditor for such a director; or
- (c) if any one or more of the directors of the Company holds (jointly or severally or directly or indirectly) a controlling interest in another company:-
  - (i) enter into a credit transaction as creditor for that other company; or
  - (ii) enter into a guarantee or provide any security in connection with a credit transaction entered into by any other person as creditor for that other company.

For the purpose of determining the interest of the Director in making a loan to any Director or to any other company as above or under Sections 162 and 163 of the Act, references to a director therein shall also include references to:

- (a) a person acting in his capacity as the trustee (other than as trustee under an employees' share scheme or a pension scheme) of any trust the beneficiaries of which include the director, his spouse, or any of his children or step-children, or
- (b) a person acting in his capacity as partner of that director or of his spouse, child or step-child, or of any trustee referred to in paragraph (a).

Article 115A shall only have effect for so long as the shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

#### **SECRETARY**

116. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit, two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Assistant Secretaries. The appointment and duties of the Secretary or Joint Secretaries shall not conflict with the provisions of the Act and in particular Section 171 of the Act.

117. (A) The Directors shall provide for the safe custody of the Seal which shall not be used without the authority of the Directors or of a committee authorized by the Directors in that behalf.

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(B) The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

118. Every instrument to which the Seal shall be affixed shall be signed autographically or by facsimile by one Director and the Secretary or by two Directors or some other person appointed by the Directors, save that as regards any certificates for shares or debentures or other securities of the Company, the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method of mechanical electronic signature or other method approved by the Directors.

119. (A) The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

(B) The Company may exercise the powers conferred by the Statutes with regard to having a duplicate Seal as referred to in Section 124 of the Act which shall be a facsimile of the Seal with the addition on its face of the words "Share Seal".

#### **KEEPING OF STATUTORY RECORDS**

120. Any register, index, minute book or book of account required to be kept by the Company under the Statutes may be kept either by making entries in a bound book or (subject to reasonable precautions against falsification and for discovery of falsification, and to the provision of proper facilities for inspection to the persons entitled to inspection) by recording in any other permanent manner. The Company shall cause true English translations of all accounts, minute books or other records required to be kept by the Company under the Statutes which are not kept in English to be made from time to time at intervals of not more than seven days, and shall keep the translations with the originals for so long as the originals are required under the Statutes to be kept. The Company shall also keep at the Office certified English translations of all instruments, certificates, contracts or documents not written in English which the Company is required under the Statutes to make available for public inspection.

#### **AUTHENTICATION OF DOCUMENTS**

121. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee, which is certified as aforesaid, shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed, or as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to

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this Article may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security procedures or devices approved by the Directors.

### **RESERVES**

122. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions (if any) of the Statutes.

### **DIVIDENDS**

123. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

124. If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

125. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:-

- (a) all Dividends in respect of shares shall be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all Dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

126. (A) No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. Any dividend unclaimed after six (6) years from the date of declaration shall be made forfeit and revert to the Company.

(B) A payment by the Company to CDP or a clearing house (as the case may be) of any Dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.



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127. No Dividend or other monies payable on or in respect of a share shall bear interest as against the Company.
128. (A) The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- (B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.
129. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
130. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution, provided that the amount of its net assets shall not be less than the aggregate of its called up share capital and undistributable reserves; and if, and to the extent that, the distribution does not reduce the amount of those assets to less than that aggregate. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
- 130A.(1) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Directors;
  - (ii) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the

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procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article 130A;

- (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
  - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the “**elected ordinary shares**”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose, the Directors shall (a) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.
- (2) (i) The ordinary shares allotted pursuant to the provisions of Article 130A(1) shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
  - (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of Article 130A(1), with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these presents, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the members).
- (3) The Directors may, on any occasion when they resolve as provided in this Article 130A, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the

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Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Article 130A shall be read and construed subject to such termination.

- (4) The Directors may, on any occasion when they resolve as provided in Article 130A(1) of this Article 130A, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlements of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (5) Notwithstanding the foregoing provisions of this Article 130A, if at any time after the Directors' resolution to apply the provisions of Article 130A(1) in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstances (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of Article 130A(1).

131. Any Dividend or other monies payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

132. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

133. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in

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accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

**CAPITALIZATION OF PROFITS AND RESERVES**

134. (A) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 4(A)):

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Article 4(A)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

(b) capitalize any sum standing to the credit of any of the Company's reserve accounts as representing profits available for distribution under the provisions of the Statutes by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Article 4(A)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares or (subject to any special rights previously conferred on any shares or class of shares for the time being issued) new shares of any other class not being redeemable shares for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

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(B) In addition and without prejudice to the powers provided for by this Article 134(A), the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

#### **ACCOUNTS**

135. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes, shall be kept at the Office or at such other place as the Directors think fit. No member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorized by the Directors.

135A. The accounts shall record the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Statutes or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

136. The Directors shall from time to time, in accordance with the provisions of the Act and Designated Stock Exchange's listing rules, cause to be prepared and to be laid before a General Meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and any reports and documents as may be prescribed by Statutes.

137. A copy of either (i) the directors' report, accompanied by the balance sheet (including every document required by law to be annexed thereto) and profit and loss account or income and expenditure account, or (ii) the summary financial report shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these presents, Provided that this Article shall not require a copy of these documents to be sent to more than one of any joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

#### **AUDITORS**

138. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

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139. An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

**NOTICES**

140. (A) Any notice or document (including a share certificate) or any corporate communication within the meaning ascribed thereto under the rules of the Designated Stock Exchange shall be in writing, or to the extent permitted by the listing rules of the Designated Stock Exchange from time to time and subject to these presents, contained in an electronic communication, and may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address appearing in the Register of Members or the Depository Register (as the case may be), or by delivering it to such address as aforesaid, or (in the case of a notice) by advertisement in an English language newspaper and a Chinese language newspaper or by sending it in accordance with applicable legislations and the listing rules of the Designated Stock Exchange as an electronic communication to the member at his electronic address or by publishing it in accordance with applicable legislations and the Listing Rules on the Company's computer network. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours after the time when the cover containing the same is posted, and in proving such service or delivery, it shall be sufficient to prove that such cover was properly addressed, stamped and posted. Any notice or document to be given or issued under these Articles may be either in English language or Chinese language only or in both English language and Chinese language, subject to due compliance with the Statutes and the listing rules of the Designated Stock Exchange.

(B) A member shall be entitled to have notices served on him at any address within Singapore and Hong Kong. Any member whose registered address is outside Singapore and Hong Kong may notify the Company in writing of an address in Singapore or Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who does not notify the Company or CDP or a clearing house (as the case may be) of an address in Singapore or Hong Kong may notify the Company of an address outside Singapore and Hong Kong, and the Company may serve notices on him at such overseas address. In the absence of notification by a member of an address in Singapore or Hong Kong for the purpose of service of notice, such member shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have been remained there for the space of twenty-four hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed.

(C) Any notice or document sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Singapore or Hong Kong and in proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice was properly prepaid (and in the case of an address outside Singapore or Hong Kong where airmail service can be extended thereto airmail

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postage prepaid), addressed and put into such post office and a certificate in writing signed by the Secretary of the Company or other person appointed by the Board that the envelope or wrapper containing the notice was so addressed and put into such post office shall be conclusive evidence thereof. Any notice or document sent as an electronic communication shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. Any notice or document published on the Company's computer network shall be deemed to have been served or delivered on the day on which a notification is sent to the member that the notice or document is available on the Company's computer network. Any notice or document served by advertisement in newspapers in accordance with paragraph (A) to this Article shall be deemed to have been served on the day on which the notice or document is first published in newspapers.

(D) The signature to any notice or document to be given by the Company may be written, printed or made electronically.

141. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose, a joint holder having no registered address in Singapore and not having supplied an address within Singapore for the service of notices shall be disregarded.
142. A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or CDP or a clearing house (as the case may be) an address within Singapore for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid, any notice or document delivered or sent by post to or left at the address any member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company or CDP or a clearing house (as the case may be) have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member in the Register of Members or, where such member is a Depositor, entered against his name in the Depository Register as sole or first-named joint holder.

### **CORPORATE COMMUNICATIONS**

143. A Member who (having no registered address within Singapore or Hong Kong) has not supplied to the Company or (as the case may be) CDP or a clearing house (as the case may be) an address within Singapore for the service of notices shall not be entitled to receive notices from the Company.
- 143A. The Company may make copies of its corporate communications (together with the necessary ancillary forms and documents) available to the public in electronic format or by other means and in the manner to the extent permitted by and in accordance with the Statutes and the listing rules of the Designated Stock Exchange.

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- 143B. (A) The Company may, after it has made adequate arrangements to ascertain the preference of the holders of its securities and other persons entitled to receive notices of general meetings of the Company and to the extent permitted by and in accordance with the Statutes and the listing rules of the Designated Stock Exchange, send or otherwise make available using electronic means or by posting on the Company's own website any corporate communication which it is required by the Statutes or the listing rules of the Designated Stock Exchange to send, mail, despatch, issue, publish or otherwise make available to the relevant holders of its securities or other persons entitled to receive notices of general meetings of the Company and any such corporate communication sent or otherwise made available using electronic means or by posting on the Company's own website shall be deemed to satisfy the requirements in the Statutes or the listing rules of the Designated Stock Exchange that such corporate communication be sent, mailed, despatched, issued, published or otherwise made available by the Company to the relevant holders of its securities or other persons entitled to receive notices of general meetings of the Company.
- (B) Any requirement in the listing rules of the Designated Stock Exchange and/or these presents that a corporate communication, notice or other document must be in writing or in printed form may be satisfied by such corporate communication, notice or other document being in electronic format in compliance with this Article.
- (C) Subject to paragraph (A) of this Article, any corporate communication which is made available by the Company, in compliance with this Article, to the relevant holders of its securities or other persons entitled to receive notices of general meetings of the Company by posting on the Company's own website shall be deemed to have been given to such holders or persons at the time when such corporate communication is first posted on the Company's own website. Any corporate communication which is made available by the Company, in compliance with this Article, by using electronic means shall be deemed to have been served or delivered on the day following that on which it was sent by or on behalf of the Company.
- 143C. Where the Company is required by the listing rules of the Designated Stock Exchange to send, mail, despatch, issue, publish or otherwise make available any corporate communication in both English and Chinese, the Company may, where it has made adequate arrangements to ascertain whether or not a holder of its securities wishes to receive the English language version only or the Chinese language version only, and to the extent permitted by and in accordance with applicable legislations and the listing rules of the Designated Stock Exchange, send the English language version only or the Chinese language version only (in accordance with the holder's stated wish) to the holder concerned.

**MEMBERS WHOSE WHEREABOUTS ARE UNKNOWN**

144. (1) Without prejudice to the rights of the Company under paragraph (2) of this Article<sup>144</sup>, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on



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two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

- (2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a member who is untraceable, but no such sale shall be made unless:
  - (a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by these Articles have remained uncashed;
  - (b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
  - (c) the Company, if so required by the rules governing the listing of shares on the Designated Stock Exchange, has given notice to, and caused advertisement in newspapers in accordance with the requirements of, the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the “relevant period” means the period commencing twelve years before the date of publication of the advertisement referred to in paragraph (c) of this Article 144 and ending at the expiry of the period referred to in that paragraph.

- (3) To give effect to any such sale the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

#### **WINDING UP**

145. The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

146. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the members in specie or in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one

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kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members of different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

147. On a voluntary winding up of the Company, no commission or fee shall be paid to a Liquidator without the prior approval of the Members in General Meeting. The amount such commission or fee shall be notified to all Members not less than seven days prior to the Meeting at which it is to be considered.

#### **INDEMNITY**

148. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court. Without prejudice to the generality of the foregoing, no Director, Manager, Secretary or other officer of the Company shall be liable for the acts, receipts, neglect or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

#### **ALTERATION OF ARTICLES**

149. No Article shall be rescinded, altered or amended and no new Article shall be made until the same has been approved by a special resolution of the members. A special resolution shall be required to alter the provisions of the memorandum of association and/or these presents and as permitted in the circumstances provided under the Act.

#### **CONFLICT OF LAWS**

150. Being a company incorporated in Singapore and listed on the Designated Stock Exchange, the Company is required to comply with the Statutes, including but not limited to the Statutes of Singapore and Hong Kong. In the event of any conflict among the Statutes, the Company shall comply with the most onerous Statute(s), subject to approvals from the relevant stock exchanges and/or government authorities.