

CIRCULAR DATED 2 SEPTEMBER 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

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

Capitalised terms appearing but not defined on the cover of this Circular bear the same meanings as ascribed to them in the section entitled "Definitions" of this Circular.

If you have sold or transferred all of your ordinary shares in the capital of LHN Limited (the "**Company**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

LHN GROUP

SPACE OPTIMISED
LHN LIMITED

(Company Registration Number 201420225D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED GLOBAL OFFERING OF 42,000,000 NEW SHARES FOR SUBSCRIPTION AT THE OFFER PRICE, TO BE CARRIED OUT IN CONJUNCTION WITH THE PROPOSED SEHK LISTING;
- (2) THE PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY;
- (3) THE PROPOSED ADOPTION OF THE LHN EMPLOYEE SHARE OPTION SCHEME;
- (4) THE PROPOSED PARTICIPATION BY KELVIN LIM, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE LHN EMPLOYEE SHARE OPTION SCHEME; AND
- (5) THE PROPOSED PARTICIPATION BY JESS LIM, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE LHN EMPLOYEE SHARE OPTION SCHEME.

Important Dates and Times

Last date and time for lodgement of Proxy Form	:	23 September 2017 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	25 September 2017 at 10.00 a.m.
Place of Extraordinary General Meeting	:	10 Raeburn Park #02-18 Singapore 088702

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DEFINITIONS

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

“Acceptance Date”	:	The date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date not later than 28 days after the Option Offer Date
“Adoption Date”	:	The date of conditional adoption of the Scheme by the Shareholders
“Auditors”	:	The auditors appointed by the Company
“Awards”	:	The awards which have been or may be granted pursuant to the LHN Performance Share Plan
“Board”	:	The board of Directors of the Company as at the date of this Circular
“Business Day”	:	Any day on which the SEHK and/or the SGX-ST are open for the business of dealing in securities, as the context may require
“Catalist”	:	The Catalist of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“CCASS”	:	The Central Clearing and Settlement System established and operated by HKSCC
“CCASS Investor Participant”	:	A person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	:	A person admitted to participate in CCASS as (i) a direct clearing participant or general clearing participant, (ii) a custodian participant, or (iii) a CCASS Investor Participant
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 2 September 2017
“Commencement Date”	:	In respect of any particular Option, the Business Day on which the Option is deemed to be granted and accepted in accordance with the Scheme
“Committee”	:	The Remuneration Committee of the Company

DEFINITIONS

“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended, modified, supplemented or re-enacted from time to time
“Companies Amendment Act 2014”	:	The Companies (Amendment) Act 2014
“Company”	:	LHN Limited
“Constitution”	:	The Constitution of the Company, as amended from time to time
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held at 10.00 a.m. on 25 September 2017 at 10 Raeburn Park #02-18, Singapore 088702, for the purposes of considering and if, thought fit, passing with or without modifications, the resolutions as set out in the Notice of EGM
“Eligible Person”	:	Any of the following persons: (i) Employees; and (ii) Group Non-Executive Directors
“Employee”	:	Any full-time employee of any member of the Group
“EPS”	:	Earnings per Share
“Existing Constitution”	:	The existing constitution of the Company, which was previously known as the memorandum and articles of association of the Company prior to 3 January 2016
“Expiry Date”	:	In respect of an Option, such date of expiry of the Option as the Committee may in its absolute discretion determine and which shall not exceed 10 years from the Commencement Date but subject to the provisions for early termination thereof contained in the rules of the Scheme
“FY”	:	Financial year ended or ending, as the case may be, 30 September
“Grantee”	:	Any Eligible Person who accepts the offer of the grant of an Option in accordance with the terms of the Scheme or (in the case of an Eligible Person being an individual and where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death or permanent disability of the Eligible Person

DEFINITIONS

“Group”	:	The Company and its subsidiaries, collectively
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
“Group Non-Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, other than a Group Executive Director
“HK Listing Rules”	:	The Rules Governing the Listing of Securities on the SEHK, as may be amended, modified or supplemented from time to time
“HK Takeovers Code”	:	The Hong Kong Code on Takeovers and Mergers as may be amended, modified or supplemented from time to time
“HKCO”	:	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as may be amended, modified, supplemented or re-enacted from time to time
“HKSCC”	:	Hong Kong Securities Clearing Company Limited
“Hong Kong”	:	The Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Offer Share(s)”	:	The initial 4,200,000 new Shares being made available by the Company for subscription pursuant to the Hong Kong Public Offering, subject to re-allocation
“Hong Kong Public Offering”	:	The offer for subscription of the Hong Kong Offer Shares in Hong Kong at the Offer Price on, and subject to, the terms and conditions of the prospectus and the application forms to be issued in connection with the Proposed Global Offering
“International Offer Share(s)”	:	The initial 37,800,000 new Shares offered by the Company for subscription at the Offer Price under the International Offering, subject to re-allocation
“International Offering”	:	The conditional placing of the International Offer Shares for cash at the Offer Price plus brokerage of 1%, SFC transaction levy of 0.0027% and SEHK trading fee of 0.005% of the Offer Price, to selected professional, institutional, and other investors
“Latest Practicable Date”	:	24 August 2017, being the latest practicable date prior to the printing of this Circular
“LHN Performance Share Plan”	:	The LHN Performance Share Plan, approved by Shareholders and adopted by the Company on 10 March 2015

DEFINITIONS

“Market Day”	:	A day on which the SGX-ST is open for securities trading
“New Constitution”	:	The new constitution of the Company which is proposed to replace the Existing Constitution upon the Proposed Global Offering becoming unconditional
“Notice of EGM”	:	The notice of EGM set out on pages N-1 to N-4 of this Circular
“NTA”	:	Net tangible assets
“Option”	:	An option to subscribe for Shares granted pursuant to the Scheme and for the time being subsisting
“Option Offer Date”	:	The date of the Committee resolution approving the grant of Options, which must be a Business Day
“Option Period”	:	In respect of an Option, the period commencing after the first anniversary of the Commencement Date and expiring on the Expiry Date for such Option
“Offer Price”	:	The final offer price per Offer Share (excluding brokerage of 1%, SFC transaction levy of 0.0027% and SEHK trading fee of 0.005%) at which the Offer Shares are to be subscribed for pursuant to the Proposed Global Offering, to be determined by the Company and joint lead manager (for itself and on behalf of the underwriters)
“Offer Share(s)”	:	The Hong Kong Offer Shares and the International Offer Shares
“Personal Data Protection Act”	:	The Personal Data Protection Act 2012 (No. 26 of 2012) as amended, modified, supplemented or re-enacted from time to time
“PRC”	:	The People’s Republic of China excluding for the purpose of this Circular, Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Global Offering”	:	The Hong Kong Public Offering and the International Offering
“Proposed Resolutions”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Proposed SEHK Listing”	:	The proposed dual primary listing of, and permission to deal in, on the Main Board of the SEHK, (i) all of the Shares in issue, (ii) the Offer Shares that may be allotted and issued pursuant to the Proposed Global Offering, and (iii) the new Shares to be allotted and issued upon the exercise of Options which may be granted under the Scheme to be adopted

DEFINITIONS

“Scheme”	:	The LHN Employee Share Option Scheme, the rules of which are set out in Appendix D
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
“SEHK”	:	The Stock Exchange of Hong Kong Limited
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified, supplemented or re-enacted from time to time
“SFC”	:	Securities and Futures Commission of Hong Kong
“SFO”	:	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as may be amended, modified, supplemented or re-enacted from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGX-ST Market Price”	:	Means either (i) the weighted average price for trades of the Shares done on the SGX-ST for the full Market Day on which the Offer Price is determined; or (ii) if trading in the Shares is not available for a full Market Day as at the time the Offer Price is determined, the weighted average price for trades of the Shares done on the SGX-ST on the immediately preceding Market Day and up to the time the Offer Price is determined
“Shareholders”	:	The registered holders of Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Singapore Takeovers Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified or supplemented from time to time
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“Subscription Price”	:	The price per Share at which a Grantee of an Option may subscribe for Shares on the exercise of an Option pursuant to the Scheme

DEFINITIONS

- “Substantial Shareholder”** : A person who has an interest, directly or indirectly, in 5% or more of the total number of Shares
- “Underwriting Agreement(s)”** : The underwriting agreement(s) to be entered into between, among others, the Company and the underwriters relating to the Proposed Global Offering
- “%” or “per cent.”** : Per centum or percentage

The term **“subsidiary”** shall have the meaning ascribed to it in the Companies Act.

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

The terms **“close associates”**, **“connected persons”** and **“core connected persons”** shall have the meanings ascribed to them respectively in the HK Listing Rules.

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless otherwise provided.

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

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

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

LETTER TO SHAREHOLDERS

LHN LIMITED

(Company Registration Number 201420225D)
(Incorporated in the Republic of Singapore)

Board of Directors

Kelvin Lim (Executive Chairman and Group Managing Director)
Jess Lim (Executive Director and Group Deputy Managing Director)
Ch'ng Li-Ling (Lead Independent Non-executive Director)
Eddie Yong (Independent Non-executive Director)
Chan Ka Leung Gary (Independent Non-executive Director)

Registered Office

10 Raeburn Park
#02-18
Singapore 088702

2 September 2017

To: The Shareholders of LHN Limited

Dear Sir/Madam

- (1) **THE PROPOSED GLOBAL OFFERING OF 42,000,000 NEW SHARES FOR SUBSCRIPTION AT THE OFFER PRICE, TO BE CARRIED OUT IN CONJUNCTION WITH THE PROPOSED SEHK LISTING;**
- (2) **THE PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY;**
- (3) **THE PROPOSED ADOPTION OF THE LHN EMPLOYEE SHARE OPTION SCHEME;**
- (4) **THE PROPOSED PARTICIPATION BY KELVIN LIM, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE LHN EMPLOYEE SHARE OPTION SCHEME; AND**
- (5) **THE PROPOSED PARTICIPATION BY JESS LIM, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE LHN EMPLOYEE SHARE OPTION SCHEME.**

1. INTRODUCTION

1.1 Extraordinary General Meeting

The Board is convening the EGM to seek Shareholders' approval for the following matters to be tabled at the EGM:

- (a) the Proposed Global Offering of 42,000,000 new Shares by the Company for subscription at the Offer Price, to be carried out in conjunction with the Proposed SEHK Listing, to be tabled as an ordinary resolution;
- (b) the proposed adoption of the New Constitution, to be tabled as a special resolution;
- (c) the proposed adoption of the LHN Employee Share Option Scheme, to be tabled as an ordinary resolution;
- (d) the proposed participation by Kelvin Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme, to be tabled as an ordinary resolution; and
- (e) the proposed participation by Jess Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme, to be tabled as an ordinary resolution.

(collectively, the "**Proposed Resolutions**").

LETTER TO SHAREHOLDERS

1.2 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Resolutions and to seek their approval for the Proposed Resolutions as set out in the Notice of EGM.

The Sponsor and the SGX-ST assume no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

2. PROPOSED SEHK LISTING

2.1 Background and Rationale for the Proposed SEHK Listing

On 5 May 2017, the Company announced that it proposes to seek the Proposed SEHK Listing. On 8 June 2017, the Company announced that it has submitted an application to the SEHK for the listing of, and permission to deal in, the Shares on the Main Board of the SEHK.

The Board believes that having a primary listing status in each of Singapore and Hong Kong is beneficial to the Company as this provides the Company with ready access to these different equity markets in the Asia Pacific region as and when opportunities arise. The Board further believes that the Proposed SEHK Listing will increase the market visibility of the Company and attract investors with different profiles. The Proposed SEHK Listing has the potential to widen the investor base of the Company and enable the Company to benefit from exposure to a wider range of private and institutional investors. Apart from increasing the liquidity of its Shares, it is also an excellent opportunity for the Company to enhance its profile as it seeks to further expand regionally.

In conjunction with the Proposed SEHK Listing, the Company proposes to undertake the Proposed Global Offering to allot and issue 42,000,000 new Shares. The Company intends to use the net proceeds raised from the Proposed Global Offering for business expansion, the purchase of equipment and general working capital. Further details on the use of proceeds are set out in Section 3.3 of this Circular.

2.2 Subsequent to the Proposed SHEK Listing – Dual Primary Listed

In the event that the Company successfully proceeds with the Proposed Global Offering and Proposed SEHK Listing, the Company will be concurrently listed on Catalist and the Main Board of the SEHK.

Pursuant to this, the Company will be required to comply with the relevant Singapore and Hong Kong laws, listing rules and regulations, including, *inter alia*, the takeover requirements under both jurisdictions, and the disclosure and listing requirements of the SGX-ST and the SEHK. In the event of any conflict between the Catalist Rules and the HK Listing Rules or the requirements of the Singapore Takeovers Code and the HK Takeovers Code, the Company shall comply with the more onerous rules and requirements.

In addition, Shareholders may wish to switch the trading of their Shares from the SGX-ST to SEHK or from SEHK to the SGX-ST. Shareholders who wish to switch the trading of their Shares from the SGX-ST to SEHK, or *vice versa*, will need to comply with the relevant procedures for trading and transfer of Shares between the two securities exchanges.

LETTER TO SHAREHOLDERS

Further information relating to, *inter alia*, the takeover obligations of the Company and the salient provisions of the Catalist Rules, the HK Listing Rules and relevant laws and regulations which are applicable to the Company after the Proposed Global Offering and Proposed SEHK Listing is set out in **Appendix A** to this Circular.

The procedures for trading and transfer of Shares of the Company from the SGX-ST to SEHK, and *vice versa*, are set out in **Appendix B** to this Circular.

2.3 Inter-Conditionality and Cautionary Statement

The Company intends to proceed with the Proposed Global Offering and Proposed SEHK Listing upon obtaining all necessary approvals.

In connection with the Proposed Global Offering and Proposed SEHK Listing, the Company is proposing to adopt the New Constitution (as set out in Section 4 of this Circular) and adopt the Scheme (as set out in Section 5 of this Circular).

With respect to the resolutions set out in the Notice of EGM, Shareholders should note that:

- (a) each of the resolutions relating to the Proposed Global Offering and the Proposed SEHK Listing (Resolution 1) and the proposed adoption of the New Constitution (Resolution 2) are inter-conditional on each other (the “**Key Resolutions**”). This means that if any one of these resolutions is not approved, the other resolution will not be passed and the Company will not proceed with the Proposed Global Offering and Proposed SEHK Listing.
- (b) the adoption of the Scheme (Resolution 3) is conditional upon the passing of the Key Resolutions. This means that if the Key Resolutions are not approved, the resolution relating to the Scheme will not be duly passed.
- (c) (i) the proposed participation by Kelvin Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme (Resolution 4); and (ii) the proposed participation by Jess Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme (Resolution 5), are each conditional upon the adoption of the Scheme (Resolution 3). This means that if Resolution 3 is not approved, Resolutions 4 and 5 will not be duly passed.

The Proposed Global Offering and Proposed SEHK Listing are subject to, among others, approval from the SEHK and SGX-ST for the listing of, and permission to deal in, the Shares on the Main Board of the SEHK and the Catalist respectively, and Shareholders’ approval for Resolutions 1 and 2 set out in the Notice of EGM. Shareholders should note that in view of the Proposed Global Offering, the success of the Proposed SEHK Listing will further be subject to the then prevailing market conditions.

The Board wishes to caution that there is no certainty or assurance as at the date of this Circular that the relevant approvals will be obtained and that the Proposed Global Offering and the Proposed SEHK Listing will eventually materialise.

Further, the Company reserves the right not to proceed with the Proposed Global Offering and Proposed SEHK Listing if after assessing various factors, including the prevailing general economic and capital market conditions, the Company does

LETTER TO SHAREHOLDERS

not consider the Proposed Global Offering and Proposed SEHK Listing to be in the best interests of the Company and/or if the requisite approvals required for the Proposed Global Offering and Proposed SEHK Listing have not been or cannot practicably be obtained.

In the event that all the resolutions set out in the Notice of EGM are approved by Shareholders and the Proposed Global Offering and Proposed SEHK Listing does not occur for any reason whatsoever, the New Constitution and the Scheme will not come into effect. The Company will table a resolution to adopt a new Constitution which will take into account, amongst others, the prevailing requirements in the Companies Act as amended by the Companies Amendment Act 2014 as well as the Catalist Rules at a separate general meeting on such later date as deemed appropriate.

2.4 Approvals Required

On 8 June 2017, the Company submitted an application to the SEHK for the listing of, and permission to deal in, on the Main Board of the SEHK, all of the Shares in issue and the new Shares that may be allotted and issued pursuant to the Proposed Global Offering and the exercise of Options which may be granted under the Scheme.

As at the date of this Circular, the SEHK has not granted its approval for the Proposed SEHK Listing. The Company will make the appropriate announcements when approval of the SEHK is obtained.

An application has been made by the Company, through the Sponsor, to the SGX-ST for the listing and quotation notice from the SGX-ST for the listing of and quotation for the Offer Shares on Catalist. An appropriate announcement will be made in due course.

Shareholders are advised that, if granted, the listing and quotation notice is not to be taken as an indication of the merits of the Proposed Global Offering, the Offer Shares, the Company and/or its subsidiaries.

2.5 Sole Sponsor

The Company has appointed Fortune Financial Capital Limited as its sole sponsor in Hong Kong with respect to the Proposed SEHK Listing.

3. PROPOSED GLOBAL OFFERING TO BE CARRIED OUT IN CONJUNCTION WITH THE PROPOSED SEHK LISTING

3.1 Information on the Proposed Global Offering

The terms of the Proposed Global Offering are set out below:

3.1.1 Structure of the Proposed Global Offering

The Proposed Global Offering of up to 42,000,000 Offer Shares consists of:

- (a) the Hong Kong Public Offering of 4,200,000 new Shares (subject to re-allocation) in Hong Kong; and

LETTER TO SHAREHOLDERS

- (b) the International Offering of 37,800,000 new Shares (subject to re-allocation) which will conditionally be placed with selected professional, institutional, and other investors who generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

The Offer Price will be at a discount of not more than 10% to the SGX-ST Market Price should there be any discount.

Shareholders should note that the Proposed Global Offering and Proposed SEHK Listing are subject to approval from the SEHK, and the actual Offer Price and the structure of the Proposed Global Offering remain subject to change.

Based on the proposed structure of the Proposed Global Offering as at the Latest Practicable Date as set out in this Circular, the Offer Shares may comprise up to approximately 11.65% and 10.44% of the issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date and the enlarged issued share capital of the Company (excluding treasury shares and any Shares which may be allotted and issued upon the exercise of Options to be granted under the Scheme) respectively immediately following completion of the Proposed Global Offering and Proposed SEHK Listing.

The Company will determine the exact offering structure and details of the Proposed Global Offering (including the actual number of Offer Shares to be issued and the Offer Price) closer to the launch of the Proposed Global Offering, having regard to, amongst others, the demand for the Proposed Global Offering and the prevailing market price of the Shares on the SGX-ST. The Proposed Global Offering is expected to be fully underwritten by underwriter(s) to be engaged by the Company. If, for any reason, the Offer Price is not agreed between the Company and the joint lead manager (for itself and on behalf of the underwriters), the Proposed Global Offering and the Proposed SEHK Listing will not proceed. As at the Latest Practicable Date, the Company has not appointed any underwriter(s) in relation to the Proposed Global Offering.

The illustrative Offer Price and any indicative Offer Price and the number (and percentage) of Offer Shares used in this Circular in relation to the Proposed Global Offering is strictly intended as an illustration and should not be taken to be in any way a statement or indication of the expected, forecasted or actual Offer Price and the actual number (or percentage) of Offer Shares. Accordingly, there is no assurance that the actual Offer Price or the actual number (or percentage) of Offer Shares will not vary from the illustrations shown in this Circular.

The Offer Shares will not be allotted and issued so as to transfer a controlling interest in the Company without the prior approval of Shareholders in a general meeting as required under Rule 803 of the Catalist Rules. The Offer Shares will also not be placed to any of the restricted persons as set out in Rule 812(1) of the Catalist Rules.

3.1.2 Offer Price

The Offer Price will be determined and agreed between the Company and the underwriter(s) on the latest practicable date for the purpose of ascertaining the information contained in the prospectus in connection with the Proposed Global Offering, which will be issued in Hong Kong. Any discount to the Offer Price will not be more than 10% to the SGX-ST Market Price.

LETTER TO SHAREHOLDERS

3.1.3 Offer Shares

The Offer Shares to be issued pursuant to the Proposed Global Offering will rank *pari passu* in all respects with the other Shares in issue, except that holders of such Offer Shares shall not be entitled to any dividends or distributions the record date for which falls prior to the date of their issue.

3.2 **Undertakings in relation to the Proposed SEHK Listing**

Pursuant to Rule 10.08 of the HK Listing Rules, the Company is expected to give an undertaking to the SEHK that no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may be issued by the Company or form the subject of any agreement to such an issue by the Company within six months from the date on which the Shares are listed and dealings in the Shares commence on the SEHK (the “**First Six-month Period**”) (whether or not such issue of Shares or securities will be completed within six months from the commencement of dealing), except pursuant to the Proposed Global Offering, any exercise of the Options which may be granted under the Scheme or any of the circumstances prescribed by Rule 10.08 of the HK Listing Rules.

Pursuant to Rule 10.07 of the HK Listing Rules, the controlling shareholders of the Company (as defined in the HK Listing Rules) are expected to give an undertaking to the Company and the SEHK that they shall not, and shall procure that the relevant registered holder(s) shall not:

- (a) in the period commencing on the date of the prospectus in relation to the Proposed SEHK Listing and ending on the last day of the First Six-month Period, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of their securities in respect of which he or she or it is shown by the prospectus to be the beneficial owner; or
- (b) during the period of six months immediately following the expiry of the First Six-month Period (the “**Second Six-month Period**”), dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities referred to in (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he or she or it would cease to be a controlling shareholder of the Company (as defined in the HK Listing Rules).

Under the underwriting agreements to be entered into between, among others, the Company, the sole sponsor and the underwriters with respect to the Proposed Global Offering, the Company is also expected to give an undertaking to, among others, the sole sponsor and the underwriters with respect to the Proposed Global Offering, and each of the controlling shareholders (as defined in the HK Listing Rules) and executive Directors of the Company is expected to undertake and covenant to, among others, the sole sponsor and the underwriters with respect to the Proposed Global Offering that he or she or it will procure that the Company:

- (a) does not at any time during the First Six-month Period, issue or create any mortgage, pledge, charge or other security interest or any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest therein (including but not limited to any

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securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares or securities of the Company) or repurchase any Shares or securities of the Company or grant any options, warrants or other rights to subscribe for any Shares or other securities of the Company or agree to do any of the foregoing, except pursuant to the Proposed Global Offering, the exercise of any Options to be granted under the Scheme or under Note (2) to Rule 10.07 of the HK Listing Rules;

- (b) does not at any time within the Second Six-month Period do any of the acts set out in (a) above such that any of the controlling shareholders of the Company (as defined in the HK Listing Rules), directly or indirectly, would cease to be a controlling shareholder of the Company (within the meaning defined in the HK Listing Rules); and
- (c) in the event that the Company does any of the acts set out in clause (a) during the Second Six-month Period, takes all steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of the Company or any interest therein,

provided that none of the above undertakings shall (a) restrict the Company's ability to sell, pledge, mortgage or charge any share capital or other securities of or any other interest in any of the subsidiaries provided that such sale or any enforcement of such pledge, mortgage or charge will not result in such subsidiaries ceasing to be a subsidiary of the Company; or (b) restrict any of the subsidiaries from issuing any share capital or other securities thereof or any other interests therein provided that any such issue will not result in that subsidiary ceasing to be a subsidiary of the Company.

3.3 Use of Net Proceeds from the Proposed Global Offering

For illustrative purposes only, assuming an Offer Price of HK\$1.063 (being the weighted average price for trades done on SGX-ST on the date preceding the Latest Practicable Date), the aggregate net proceeds from the Proposed Global Offering (after deducting related fees and expenses payable in connection with the Proposed Global Offering) will be approximately HK\$14.8 million (or approximately S\$2.6 million based on the prevailing exchange rate of S\$1:HK\$5.747 as at the Latest Practicable Date) ("**Net Proceeds**").

Prospective investors and/or Shareholders should note that the Offer Price and the aggregate net proceeds from the Proposed Global Offering set out above are purely for illustrative purposes, and the actual Offer Price is subject to the final determination between the Company and the joint lead manager (for itself and on behalf of the underwriters) at a date closer to the Proposed SEHK Listing.

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The Board presently intends to use the Net Proceeds from the Proposed Global Offering for the purposes and in the amounts set out below:

Proposed use of Net Proceeds	% of net proceeds
(a) Expansion of the Company's space optimisation business by acquiring a new property	60.4
(b) Acquisition of a property to operate a parking yard and ISO* tank depot for the logistics services management business <i>*International Organisation for Standardisation</i>	23.9
(c) Setting up the Group's first operation in the PRC, in particular, the co-work and co-living space business	4.0
(d) General working capital purposes	10.0
(e) Equipment for the logistics services business	1.7

To the extent that the Net Proceeds from the Proposed Global Offering are not immediately applied to the above purposes, the Board intends to deposit such net proceeds into the Group's interest-bearing bank accounts with licensed banks and/or authorised financial institutions in Hong Kong so long as it is in the Company's interests.

The Company will make periodic announcements on the use of the Net Proceeds from the Proposed Global Offering as and when funds are materially disbursed, as well as provide status reports on the use of the Net Proceeds including whether the use is in accordance with the intended use as announced. Where there is any material deviation from the stated use of Net Proceeds, the Company will announce the reasons for such deviation. Where such Net Proceeds have been used for working capital, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied in the Company's interim and full-year financial statements as well as annual reports until such time the Net Proceeds have been fully utilised.

3.4 Financial Effects of the Proposed Global Offering

The financial effects as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Group following the completion of the Proposed Global Offering.

The financial effects have been prepared based on the latest audited consolidated financial statements of the Group for FY2016 and the following assumptions:

- (a) the allotment and issuance of the maximum of 42,000,000 Offer Shares in FY2016;
- (b) an Offer Price of HK\$1.063 (being the weighted average price for trades done on SGX-ST on the date preceding the Latest Practicable Date) and aggregate net proceeds from the Proposed Global Offering (after deducting related fees and expenses payable in connection with the Proposed Global Offering) of approximately HK\$14.8 million (or approximately S\$2.6 million based on the prevailing exchange rate of S\$1:HK\$5.747 as at the Latest Practicable Date);
- (c) the Group's NTA per Share was computed assuming that the issue of the Offer Shares was completed on 30 September 2016;

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- (d) the Group's EPS was computed assuming that the issue of the Offer Shares was completed on 1 October 2015;
- (e) no additional Shares and Awards are issued by the Company other than pursuant to the Proposed Global Offering; and
- (f) 1,411,800 treasury shares held by the Company as at the Latest Practicable Date are cancelled by the Company pursuant to the Proposed Global Offering.

3.4.1 Share Capital

	As at the Latest Practicable Date	Immediately following issuance of the Offer Shares
Number of Shares (excluding treasury shares)	360,445,400	402,445,400
Issued and paid-up share capital (S\$)	51,286,998	58,017,124 ⁽¹⁾

Note:

- (1) Assuming treasury shares of 1,411,800 held by the Company as at the Latest Practicable Date are cancelled immediately before the issuance of the Offer Shares and the corresponding amount shall be reduced from the Company's share capital.

3.4.2 NTA per Share

	As at 30 September 2016	Immediately following issuance of the Offer Shares
NTA of the Group (S\$'000)	69,549	72,131
Number of Shares	360,004,200	402,004,200
NTA per Share (Singapore cents)	19.32	17.94

3.4.3 EPS

	FY2016	Immediately following issuance of the Offer Shares
Consolidated profit attributable to Shareholders (S\$'000)	15,094	10,760
Weighted average number of Shares	361,334,660	403,334,660
EPS (Singapore cents)	4.18	2.67

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3.4.4 Gearing

	FY2016	
	Before the Proposed Global Offering	After the Proposed Global Offering
Borrowings (S\$'000)	23,768	23,768
Total equity (S\$'000)	69,429	72,012
Gearing (times)	0.34	0.33

4. PROPOSED ADOPTION OF THE NEW CONSTITUTION

4.1 Introduction

The Existing Constitution was adopted upon the listing of the Company on Catalist on 13 April 2015. The Company has undertaken a review of the Existing Constitution and proposes to adopt the New Constitution to, *inter alia*:

- (a) take into account the prevailing requirements in the Companies Act as amended by the Companies Amendment Act 2014, which took effect in two phases on 1 July 2015 and 3 January 2016 respectively;
- (b) take into account the personal data protection regime in Singapore under the Personal Data Protection Act; and
- (c) accordingly, update the provisions of the Existing Constitution for consistency with all the prevailing listing rules as set out in the Catalist Rules. This is pursuant to Rule 730 of the Catalist Rules, which provides that if an issuer amends its constituent documents, they must be made consistent with all the prevailing Catalist Rules at the time of amendment.

In connection with the Proposed Global Offering and Proposed SEHK Listing, the Company is also required, to the extent that it does not contravene the applicable laws of Singapore, to amend its Existing Constitution to comply with the HK Listing Rules and where applicable, the HKCO. In addition, the Company also has to comply with the Joint Policy Statement Regarding the Listing of Overseas Companies issued jointly by the SFC and SEHK on 27 September 2013 (the "**Joint Policy Statement**"). The Joint Policy Statement draws references to certain aspects of Hong Kong laws and prescribes mandatory requirements in relation to the standards of shareholder's protection to be included in the articles of association or equivalent document of companies which are incorporated in jurisdictions other than Hong Kong, the PRC, the Cayman Islands and Bermuda and are seeking to list on SEHK.

In view of the substantial amendments to the Existing Constitution, the Directors propose to seek the approval of Shareholders for the adoption of the New Constitution (as set out in **Appendix C** of this Circular). Shareholders should note that the New Constitution shall only become effective upon the Proposed Global Offering becoming unconditional. In other words, in the event that the Proposed Global Offering and Proposed SEHK Listing do not proceed, the New Constitution will not take effect.

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4.2 Summary of Key Provisions

The following is a summary of the principal provisions of the New Constitution which have been added or are significantly updated from equivalent provisions in the Existing Constitution. It should be read in conjunction with the New Constitution which is set out in its entirety in **Appendix C** to this Circular.

In the paragraphs below, for purposes of convenience, the expression “Regulation” will refer to the provisions under the New Constitution, and the expression “Article” will be used for the relevant cross-references to the equivalent provisions of the Existing Constitution.

(a) Definitions

(i) “book-entry securities”

The definition of “book-entry securities” has been added to mean “Listed Securities: (a) documents evidencing 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; and (b) which are transferable by way of book-entry in the Depository Register and not by way of an instrument of transfer.”

As the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing, it is proposed that this new definition of “book-entry securities” in the New Constitution includes documents of title which are deposited with the CDP or the clearing house for logistics purposes.

(ii) “CDP”, “Depositor”, “Depository Agent” and “Depository Register”

The existing definitions of the terms “Depository”, “Depositor”, “Depository Agent” and “Depository Register” have been replaced with full definitions of the terms “CDP”, “Depositor”, “Depository Agent” and “Depository Register” respectively to reflect the relevant logistics arrangements as the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing.

(iii) “clearing house”

It is proposed that the definition of “clearing house” be included in the New Constitution because of the proposed amendments and insertions in the New Constitution include references to such term. The term “clearing house” shall mean “a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on the stock exchange in such jurisdiction”.

(iv) “close associate” and “corporate communication”

As some of the proposed amendments to the New Constitution include reference to the terms “close associate” and “corporate communication”, it is proposed that the following definition of the terms “close associate” and “corporate communication” be included in the New Constitution:

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“close associate” and “corporate communication” shall have the meanings ascribed to them in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time

(v) *“current address”, “electronic communication” and “relevant intermediary”*

New definitions for the expressions “current address”, “electronic communication” and “relevant intermediary” have been added, and these terms shall contain the meanings ascribed to them respectively in the Companies Act. This follows the introduction of new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Companies Amendment Act 2014.

(vi) *“Designated Stock Exchange”*

As the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing, it is proposed that the new definition of “Designated Stock Exchange” in the New Constitution includes both the SGX-ST and the SEHK, and “Designated Stock Exchange” shall mean “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 and traded 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”.

(vii) *“Direct Account Holder”*

It is proposed that the definition of “Direct Account Holder” be included in the New Constitution and shall mean “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”.

As the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing, it is proposed that this new definition of “Direct Account Holder” in the New Constitution includes a securities account with CDP or a clearing house for logistic purposes.

(viii) *Reference to “holder(s)”*

It is proposed that references to “holder(s)” of shares or a class of shares shall exclude CDP or a clearing house or their respective nominees, except where otherwise expressly provided in the New Constitution, or where the term “registered holders” or “registered holder” is used in the New Constitution.

(ix) *“Register of Members”*

It is proposed that the definition of “Register of Members” be included in the New Constitution and shall mean “the Company’s register of Members and where applicable, any branch register of Members to be maintained at such

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place within or outside Singapore as the Directors shall determine from time to time". As the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing, a branch register of Members is required to be maintained by the Company in Hong Kong.

(x) *"Registration Office"*

It is proposed that the definition of "Registration Office" be included in the New Constitution and shall mean "in respect of any class of share capital, such place as the Directors may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Directors otherwise direct) the transfers or other documents or titles for such class of share capital are to be lodged for registration and are to be registered".

(xi) *"in writing"*

A new definition for "in writing" has been included in the New Constitution to state that this term refers to and includes any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.

(xii) *"address" and "registered address"*

A new definition for "address" and "registered address" has been added to the New Constitution to state these expressions mean, in relation to any member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly specified.

(xiii) *"Securities Account"*

It is proposed that the definition of "Securities Account" be included in the New Constitution and shall mean "the securities account maintained by a depositor with CDP or a clearing house (as the case may be)."

As the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing, it is proposed that this new definition of "Securities Account" in the New Constitution includes a securities account with CDP or a clearing house for logistic purposes.

(xiv) *"Statutes"*

A new definition of "Statutes" has been included in the New Constitution and shall mean "the Act, the SFA and every other written law for the time being in force concerning companies and affecting the Company, including but not limited to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as applicable)."

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(b) Effectiveness of Special Resolution

A new provision has been added to state that a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under the New Constitution.

(c) Issue of Shares for no consideration

Regulation 6(B) has been added to the New Constitution and it provides that new shares may be issued for no consideration. This is consistent with new section 68 of the Companies Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company.

(d) Replacement of share warrant issued to bearer

Regulation 7A has been added to the New Constitution and it provides that the Board may issue warrants to subscribe for any class of Shares or other securities of the Company, and where such warrants are issued to bearer, no new share warrant certificate shall be issued to replace a lost one unless the Board is satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and unless the Company has received an appropriate indemnity relating to the issue of the replacement certificate. The inclusion of new Regulation 7A is to ensure that the New Constitution is in compliance with paragraph 2(2) of Appendix 3 of the HK Listing Rules.

(e) Failure of Members to disclose their interests to the Company

Regulation 12A has been added to clarify that the Company has 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. The inclusion of new Regulation 12A is to ensure that the New Constitution is in compliance with paragraph 12 of Appendix 3 of the HK Listing Rules.

(f) Alteration of Share Capital

Regulation 14 (equivalent to Article 50(1) of the Existing Constitution) which relates to the Company's power to alter its share capital, contains provisions which (i) empower the Company to, by Ordinary Resolution, convert its share capital or any class of shares from one currency to another currency. This is in line with new section 73 of the Companies Act, which sets out the procedure for such re-denominations; and (ii) empower the Company to, by Special Resolution (as compared to Ordinary Resolution), convert one class of shares into another class of shares. This is in line with new section 74A of the Companies Act, which sets out the procedure for such conversions.

(g) Company's power to purchase its own Shares

Regulation 15(B) (equivalent to Article 50(2) of the Existing Constitution), which relates to Company's power to purchase its own shares has been amended to clarify that where the Company purchases for redemption a redeemable share, purchase not made through the market or by tender shall be limited to a maximum price as may

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from time to time be determined by the Members in General Meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike. As the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing, such amendment is needed to ensure that the New Constitution is in compliance with paragraph 8 of Appendix 3 of the HK Listing Rules.

(h) Share Certificates

Regulation 16(A) (equivalent to Article 14 of Existing Constitution), which relates to share certificates, has been amended to clarify that the share certificate will state (amongst others) the number and class of the shares, whether the shares are fully or partly paid up, and the amount of paid up or (if any) unpaid on the shares.

(i) Joint holders

Regulation 17(A) (equivalent to Article 15(1) of the Existing Constitution), which relates to joint holders of the Shares, has been amended to allow the Company to register four persons, instead of three persons, as joint holders of Shares. This amendment is made pursuant to paragraph 1(3) of Appendix 3 of the HK Listing Rules which provides that where power is taken to limit the number of shareholders in a joint account, such limit shall not prevent the registration of a maximum of four persons.

(j) Capital paid on Shares in advance of calls

Regulation 26 (equivalent to Article 34 of the Existing Constitution), which relates to capital paid on shares in advance of calls, has been amended to clarify compliance with paragraph 3(1) of Appendix 3 of the HK Listing Rules which provides that any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

(k) Transfer of Shares

Regulation 36 (equivalent to Articles 18 and 19 of the Existing Constitution), which relates to the transfer of Shares, has been amended to reflect the logistics arrangements for the transfer of shares in Singapore and in Hong Kong as the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing.

(l) Transfer of Shares between the register of members in Singapore and branch register of members in Hong Kong

As the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing, and Shareholders may wish to switch trading from the SGX-ST to SEHK, or *vice versa*, it is proposed that the new Regulation 41A be inserted in the New Constitution to provide the mechanism for the transfer of shares from the register kept in Singapore and the branch register kept in Hong Kong, and *vice versa*.

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(m) Central Depository System

Regulation 46, which relates to the use of the Central Depository System (or a clearing house, as the case may be) has been added to the New Constitution.

(n) Holding of general meetings

Regulation 51 (equivalent to Article 56 of the Existing Constitution), which relates to proceedings at general meetings, now contains an additional provision to make it clear that if required by the listing rules of the SGX-ST, all general meetings shall be held in Singapore, unless such requirement is waived by the SGX-ST. This additional clarification is in line with Rule 730A and Practice Note 7E of the Catalist Rules.

Regulation 52 (equivalent to Article 57 of the Existing Constitution), which relates to the holding of extraordinary general meetings on requisition, has been amended to specify that the Directors shall, on the requisition of members holding not less than 10% of the total number of paid-up shares as at the date of the deposit of the requisition carries the right of voting at general meetings, convene an extraordinary general meeting. This amendment ensures compliance with paragraph 39 of the Joint Policy Statement.

(o) Routine business at an AGM

Regulation 55 (equivalent to Article 59 of the Existing Constitution), which relates to the routine business that is transacted at an AGM, substitutes the expressions “accounts” and “reports of the Directors” with the expressions “financial statements” and “Directors’ statement” respectively, for consistency with the updated terminology in the Companies Act.

(p) Quorum requirement at any General Meeting

Regulation 58 (equivalent to Article 60 of the Existing Constitution) has been clarified to provide that (i) no business other than appointment of a Chairman shall be transacted unless a quorum is present at the time the meeting proceeds to business, and (ii) that joint holders of a share are treated as one member for the purpose of determining the quorum.

(q) Proceedings at General Meetings

Regulation 63(A) has been added to clarify that all resolutions at general meetings shall be voted by poll if required by the listing rules of the SGX-ST and SEHK (unless otherwise waived), in line with Rule 730A of the Catalist Rules.

Regulation 63(B) (equivalent to Article 65 of the Existing Constitution), which relates to the method of voting at a general meeting where mandatory polling is not required, has been revised to change the threshold for eligibility to demand a poll at the meeting, and has been reduced from ten percent to five per cent of the total rights of the Members (as defined in the New Constitution) having the right to vote at the meeting. This is in line with Section 178 of the Companies Act, as amended pursuant to the Companies Amendment Act 2014.

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(r) Votes of Shareholders – Multiple proxies regime

Regulations 67 and 73 (equivalent to Articles 71 and 77 of the Existing Constitution) which relate to the voting rights of Shareholders, contains provisions which cater to the multiple proxies regime introduced by the Companies Amendment Act 2014. The multiple proxies regime allows “relevant intermediaries”, such as banks, capital markets services licence holders which provide custodial services for securities and the CPF Board, to appoint more than two proxies to attend, speak and vote at general meetings. Similarly, the multiple proxies regime in Hong Kong has also been incorporated into Regulations 67 and 73 to allow “a clearing house (or its nominee(s))” to appoint more than two proxies to attend, speak and vote at general meetings. In particular, Regulations 67 and 73 provide that:

- (i) save as otherwise provided in the Statutes, a Shareholder who is a “relevant intermediary” or a “clearing house (or its nominee(s))” may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder, and where such Shareholder’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the form of proxy. This is in line with new section 181(1C) of the Companies Act;
- (ii) in the case of a Shareholder who is a “relevant intermediary” or a “clearing house (or its nominee(s))” and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with new section 181(1D) of the Companies Act;
- (iii) the Company will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant general meeting. Consequential changes have also been made to make it clear that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant general meeting. This is in line with new section 81SJ(4) of the SFA. Previously, prior to the Companies Amendment Act 2014, the abovementioned cut-off time was a period of 48 hours before the time of the relevant general meeting; and
- (iv) the Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

Under Regulation 75 (equivalent to Article 80 of Existing Constitution), which relates to the deposit of proxies, the cut-off time for the deposit of instruments appointing proxies is now 72 hours before the time appointed for holding the general meeting. Previously, prior to the Companies Amendment Act 2014, the cut-off time for the deposit of instruments appointing proxies was 48 hours before the time appointed for holding the general meeting. This cut-off period has been extended by section 178(1)(c) of the Companies Act, as amended pursuant to the Companies Amendment Act 2014.

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(s) Registration of proxy

Regulations 68(B), 75(A) and 77 (equivalent to Articles 73, 80 and 81 of the Existing Constitution respectively), which relate to the registration of proxy, have been amended to include reference to “Registration Office” for logistics purpose as the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing.

(t) Counting of votes in a General Meeting

Regulation 70(B) has been added to clarify that where the Company has knowledge that any Shareholder is 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 Shareholder in contravention of such requirement or restriction shall not be counted. The inclusion of new Regulation 70(B) is to ensure that the New Constitution is in compliance with paragraph 14 of Appendix 3 of the HK Listing Rules.

(u) Instrument appointing a proxy

Regulation 74 (equivalent to Article 79 of Existing Constitution), which relates to the use of an instrument appointing a proxy, has been amended to clarify that an instrument appointing a proxy shall not preclude the use of two-way form. This amendment is made to ensure compliance with paragraph 11(1) of Appendix 3 to the HK Listing Rules.

(v) Authorisation by a clearing house and register of members

The proposed insertion of Regulation 78A is made pursuant to Section 607 of the HKCO which requires a recognized clearing house, if it or its nominee is a member of a company, to authorize such person or persons to act as its representatives at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of each such person is so authorized.

The proposed insertion of Regulation 78B is made to provide clearly that the Company shall keep a register of members and enter the relevant particulars into the register. This is in line with the requirement under Section 627 of the HKCO.

The proposed insertion of Regulation 78C is made pursuant to Section 632 of the HKCO which provides that a company may, on giving notice by advertisement in a newspaper circulating generally in Hong Kong, close the register for any time or times not exceeding, in whole, 30 days in each year.

The proposed insertion of Regulation 78D is to clarify that the Company or the Directors has the right to fix, subject to the listing rules of the SGX-ST and the HK Listing Rules, the record date for various events for logistics purpose.

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(w) Power of Directors to hold an office of profit and to contract with the Company and disclosure of interests of Directors and Chief Executive Officers

The new Regulations 89, 90, 91, 92 and 93 relate to the power of Directors to hold an office of profit and to contract with the Company. In particular, the obligation of a Director to disclose interests in transactions or proposed transactions with the Company, or any office or property held which might create duties or interest in conflict with those as Director, has also been expanded to extend to chief executive officers (and/or person(s) holding an equivalent position). This is in line with Section 156 of the Companies Act, as amended pursuant to the Companies Amendment Act 2014.

(x) Transactions between the Company and the Directors

The proposed insertion of the new Regulation 112 is made pursuant to paragraph 4(1) of Appendix 3 of the HK Listing Rules, which provides that a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting.

(y) Casual vacancy in the Board of Directors

Regulation 98 (equivalent to Article 102 of Existing Constitution), which relates to the Directors' power to fill casual vacancies and to appoint additional Directors, has been expanded to provide that the Company may also do so by ordinary resolution. This is in line with new section 149B of the Companies Act, which provides that unless the constitution otherwise provides, a company may appoint a director by ordinary resolution passed at a general meeting. Further, Regulation 98 also provides that any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the next general meeting of the Company, and shall then be eligible for re-election. This is consistent with paragraph 4(2) of Appendix 3 of the HK Listing Rules.

(z) Removal of retirement age

Regulation 101 (equivalent to Article 100 of the Existing Constitution) which relates to the filling of the office vacated by a retiring Director in default circumstances except in certain cases, has been revised to remove the event of a Director attaining any applicable retiring age as an exception to a deemed re-election to office. This follows the repeal of Section 153 of the Companies Act and the removal of the 70-year age limit for directors of public companies and subsidiaries of public companies.

(aa) Audit Committee

Regulation 119 has been added to clarify that an audit committee of the Company shall be appointed by the Directors in accordance with Section 201B of the Companies Act and also subject to the requirements under the listing rules of SGX-ST and SEHK. This is to ensure that the audit committee is appointed in compliance with the applicable rules, laws and regulations in Singapore and Hong Kong.

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(bb) General powers of the Directors

Regulation 121 (equivalent to Article 113 of the Existing Constitution), which relates to the general powers of the Directors to manage the Company's business, clarifies that the business and affairs of the Company is to be managed by, or under the direction of, or under the supervision of, the Directors. This is in line with Section 157A of the Companies Act, as amended pursuant to the Companies Amendment Act 2014.

(cc) Company's records

Regulation 132 (equivalent to Article 140 of the Existing Constitution), which relates to the keeping of the Company's records, has been updated to provide that such records may be kept either in hard copy or electronic form. This is in line with the new Sections 395 and 396 of the Companies Act.

(dd) Financial Statements

Regulation 149 (equivalent to Article 144 of the Existing Constitution), which relates to the sending of the Company's financial statements and related documents to Shareholders, provides that such documents shall be sent not less than 21 days before the date of the general meeting. This is consistent with paragraph 5 of Appendix 3 to the HK Listing Rules.

The references to the Company's "profit and loss account" have also been updated in Regulations 148 and 149 (equivalent to Articles 143 and 144 of the Existing Constitution) and substituted with references to "financial statements" for consistency with the updated terminology in the Companies Act.

(ee) Service of notices to Shareholders

Regulation 152 (equivalent to Articles 149, 151, 152 and 154 of the Existing Constitution), which relates to the service of notices to shareholders, has new provisions to facilitate the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to new Section 387C of the Companies Act.

Under the new Section 387C of the Companies Act, notices may be given, sent or served using electronic communications with the express, implied, or deemed consent of the member in accordance with the constitution of the company. In particular:

- (i) Express consent: There is express consent if a shareholder expressly agrees with the Company that notices and documents may be given, sent or served on him using electronic communications.
- (ii) Deemed consent: There is deemed consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders will be given an opportunity to elect, within a specified period of time, whether to receive electronic or physical copies of such notices and documents, and the shareholder fails to make an election within the specified period of time.

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- (iii) Implied consent: There is implied consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders agree to receive such notices or documents by way of electronic communications and do not have a right to elect to receive physical copies of such notices and documents.

Regulation 152 provides that:

- (i) notices and documents may be sent to Shareholders using electronic communications either to a Shareholders' current address (which may be an email address) or by making it available on a website;
- (ii) for these purposes, a Shareholder is deemed to have agreed to receive such notice or document by way of electronic communications and shall not have a right to elect to receive a physical copy of such notice or document (this is the implied consent regime permitted under the new Section 387C); and
- (iii) notwithstanding the above, the Company may give Shareholders an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a Member is deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity but failed to opt out within the specified time.

Certain safeguards for the use of the deemed consent and implied consent regimes are also prescribed under Regulation 152 of the New Constitution.

Regulation 152(F) additionally provides for when service is effected in the case of notice or document sent by electronic communications. In particular, where a notice or document is made available on a website, it is deemed served on the date on which the notice or document is made available on the website, unless otherwise provided under the Companies Act and/or other applicable regulations or procedures. Further, in the case of service on a website, the Company must give notice of publication of the notice or document on that website, and the manner in which the notice or document may be accessed, in the following manner: (a) by sending a separate notice to Shareholders personally or by post; (b) by sending a separate notice to Shareholders' current addresses (as provided for in the Companies Act, which may include email addresses); (c) by way of advertisement in the daily press (in both Singapore and Hong Kong); and/or (d) by way of announcement on the SGX-ST and the SEHK. It should be noted that pursuant to the new Regulation 89D of the Companies Regulations (Rg1), notices or documents relating to take-over offers and rights issues cannot be transmitted by electronic means and accordingly, will be sent to eligible Shareholders by post.

Shareholders who are supportive of the new deemed consent and implied consent regimes for electronic communications may vote in favour of the adoption of the New Constitution, which incorporates new provisions to facilitate these regimes, while Shareholders who are not supportive of the new regime may vote against it.

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Regulation 152 also clarifies (i) the Company may give notice by way of advertisement in newspapers in accordance with the listing rules of the SGX-ST or the SEHK, and (ii) that there is no prohibition on the giving of notice to Members whose registered addresses are inside or outside of Singapore. This is in line with paragraph 7 of Appendix 3 of the HK Listing Rules.

(ff) Untraceable Members

Regulation 156, which relates to power that the Company may have in relation to the Shareholders whose whereabouts are unknown, has been added to the New Constitution. This Regulation is also consistent with paragraph 13 of Appendix 3 of the HK Listing Rules which covers the situations where there are untraceable members.

(gg) Indemnity

Regulation 160 (equivalent to Article 159 of Existing Constitution), which relates to indemnification, has been expanded and permits the Company, subject to the provisions of and so far as may be permitted by the Companies Act, to indemnify a Director or officer of the Company, or its auditors, against losses incurred or to be incurred by them in the execution of their duties. This is in line with new sections 163A and 163B of the Companies Act.

(hh) Personal Data Protection Act

In general, under the Personal Data Protection Act, an organisation can only collect, use or disclose the personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has made known to the individual. Regulation 161 has been added to the New Constitution to specify, among others, the purposes for which the Company and/or its agents and service providers would collect, use and disclose personal data of Shareholders and their appointed proxies or representatives.

(ii) Alteration of Regulations

Regulations 163 and 164, which relate to alteration of Regulations, have been added to the New Constitution. Regulation 163 provides that for any change to a company's constitutional document, however framed, there should be a general requirement for the company to obtain a special resolution of members. Regulation 164 further clarifies that there should not be any alteration in the Regulation to increase an existing Shareholder's liability to the Company unless such increase is agreed by such Shareholder in writing.

(jj) Conflicts of Laws

Regulation 165, which relates to the actions that will be taken by the Company in the event of any conflict between the laws of Singapore and the laws of Hong Kong, has been added to the New Constitution. It is the intention of the Company that in the event that there is any conflict among the Singapore laws that are applicable to the Company and the Hong Kong laws which are also applicable to the Company, the Company shall endeavour to comply with the most onerous of the two, subject to approvals from the SGX-ST, SEHK and/or government authorities.

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(kk) References to “clearing house”

As the Company intends to be concurrently listed on Catalist and the Main Board of the SEHK after completion of the Proposed SEHK Listing, it is proposed that in Regulations 36, 46, 47, 67, 73, 78A and 138, references to both CDP and/or a clearing house be included for logistics purposes.

(ll) Objects Clauses

The objects clauses contained in the Existing Constitution are proposed to be deleted and substituted with a general provision in Regulation 4 of the New Constitution to the effect that, subject to the provisions of the Companies Act or any other written law and its constitution, the Company has:

- (i) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (ii) for these purposes, full rights, powers and privileges.

This is in line with Section 23 of the Companies Act, which provides that a company has full capacity to carry on or undertake any business or activity, do any act or enter into any transactions, subject to the law and to the provisions of its constitution.

By deleting the existing objects clauses (which set out an extensive list of activities that the Company has capacity or power to engage in) and taking advantage of the flexibility afforded by Section 23 of the Companies Act, the Company will have all the powers of a natural person, with full capacity and ability to carry on or undertake any business or activity, and to enter into any transaction. This will facilitate the Company’s ability to adapt to changing business environments, and to undertake various business activities and enter into business transactions for the benefit of the Company and its Shareholders. The proposed amendment will also remove uncertainties as to whether the Company has the power to act in a particular manner or to engage in a particular transaction arising from the unduly restrictive provisions in the current objects clauses.

Notwithstanding the deletion of the existing objects clauses, the Company will still be required to comply with the Companies Act and the Catalist Rules, as well as any applicable Hong Kong laws, listing rules and regulations, in carrying on its business and undertaking business activities.

The above list is not exhaustive and Shareholders are advised to refer to the full text of the New Constitution as set out in **Appendix C** to this Circular.

5. PROPOSED ADOPTION OF THE SCHEME

5.1 Introduction

In connection with the Proposed Global Offering and the Proposed SEHK Listing, the Company proposes to adopt the LHN Employee Share Option Scheme, which takes into account the requirements of both the Catalist Rules and the HK Listing Rules, and is seeking Shareholders’ approval for the adoption of the Scheme.

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5.2 LHN Performance Share Plan

The Company had on 10 March 2015 adopted the LHN Performance Share Plan. As certain terms of the LHN Performance Share Plan are inconsistent with the HK Listing Rules, the Company proposes to terminate the LHN Performance Share Plan as soon as practicable after the Scheme takes effect.

Details of the Awards granted to, and the number of Shares issued and allotted upon the vesting of the Awards to, the participants under the LHN Performance Share Plan since the commencement of the LHN Performance Share Plan to the Latest Practicable Date are as follows:

Number of Awards granted	Number of Shares issued and allotted upon vesting of Awards	Number of participants	Material conditions to which the Awards were subject
332,900	332,900	9	None
441,200	441,200	6	None

As at the Latest Practicable Date, there are no Awards outstanding and unvested.

There have been no Awards granted to the Directors, controlling shareholders (as defined in the Catalist Rules) or their associates (as defined in the Catalist Rules) since the commencement of the LHN Performance Share Plan.

The LHN Performance Share Plan is currently administered by the remuneration committee of the Company.

5.3 Rationale for the Adoption of the Scheme

The purpose of the Scheme is to give the Eligible Persons an opportunity to have a personal stake in the Company and help motivate Eligible Persons to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

The Scheme gives the Company greater flexibility to align the interests of employees, especially executive directors, managers, and other employees holding an executive, managerial, supervisory or similar position in any member of the Group, with that of Shareholders. The Scheme uses methods fairly common among major local and multinational companies to incentivise and motivate employees to achieve pre-determined targets which create and enhance economic value for Shareholders. The Company believes that the Scheme will be an effective tool in motivating employees to strive to deliver long-term shareholder value.

While the Scheme caters principally to Employees, it is recognised that there are other persons who can make significant contributions to the Group through their close working relationship with the Group. Such persons include Group Non-Executive Directors. The

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Scheme will also enable grants of Options to be made to Group Non-Executive Directors to give recognition to the contributions made or to be made by such Group Non-Executive Directors to the success of the Group.

Group Non-Executive Directors are generally persons from different professions and working backgrounds. The Company regards this category of persons as an important resource pool from which the Group is able to tap for business contacts and networking, and for the benefit of their experiences and insights. The Scheme provides the Company with a means to give recognition to them for their special assistance or extra efforts expended in furthering the Company's and/or the Group's interests, such as in introducing or facilitating business opportunities for the Group, or expending additional time on management oversight, or on significant corporate exercises or projects that may be undertaken by the Company or the Group from time to time.

Rationale for participation by controlling shareholders and their associates

The Company acknowledges that the services and contributions of employees who are controlling shareholders or associates of controlling shareholders are important to the development and success of the Group. The extension of the Scheme to confirmed full-time employees who are controlling shareholders or associates of controlling shareholders allows the Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of the Group. The participation of controlling shareholders or the associates of the controlling shareholders in the Scheme will serve both as a reward to them for their dedicated services to the Group and a motivation for them to take a long-term view of the Group.

Although Eligible Persons who are controlling shareholders or the associates of controlling shareholders may already have shareholding interests in the Company, the extension of the Scheme to include them ensures that they are equally entitled, with the other employees of the Group who are not controlling shareholders or the associates of the controlling shareholders, to take part and benefit from this system of remuneration. The Company is of the view that a person who would otherwise be eligible should not be excluded from participating in the Scheme solely by reason that he/she is a controlling shareholder or the associate of the controlling shareholder(s).

The specific approval of the independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Options. A separate resolution must be passed for each such participant. In seeking such approval from the independent Shareholders, clear justifications for the participation of such controlling shareholders and/or the associates of controlling shareholders, and the number and terms of the Options to be granted, shall be provided. Accordingly, the Company is of the view that there are sufficient safeguards against any abuse of the Scheme resulting from the participation of employees who are controlling shareholders or the associates of the controlling shareholders.

It is proposed that Kelvin Lim and Jess Lim, both of whom are controlling shareholders, and both of whom are also employees of the Group, be entitled to participate in the Scheme. The shareholding interests of Kelvin Lim and Jess Lim in the issued share capital of the Company are disclosed in the section entitled "Interests of Directors and Substantial Shareholders" of this Circular.

Rationale for participation of Kelvin Lim and Jess Lim in the Scheme

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Kelvin Lim is the Executive Chairman and Group Managing Director, who is primarily responsible for the business development and overall management of the Group. In addition to overseeing the overall investment activities of the Group to ensure that sound and profitable investments are made, Kelvin Lim also oversees the marketing efforts of the Group, and ensures that the operations of the Group are in order.

Jess Lim is the Executive Director and Deputy Group Managing Director, who is primarily responsible for the internal processes and planning of the Group, which includes the implementation and maintenance of sound internal management systems. In addition, Jess Lim is also responsible for all matters related to the finance, human resource activities and administration works of the Group.

The Directors (excluding Kelvin Lim and Jess Lim) believe that the potential contribution that may be made by each of Kelvin Lim and Jess Lim to the Group's future development will be substantial and their continuing contribution is an important factor for the further growth and success of the Group. Hence, the Directors (excluding Kelvin Lim and Jess Lim) are of the view that the inclusion of Kelvin Lim and Jess Lim in the Scheme will give due recognition for their services and contributions to the growth and development of the Group. The extension of the Scheme to Kelvin Lim and Jess Lim is consistent with the Company's objectives to motivate employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Kelvin Lim and Jess Lim, who are also controlling shareholders of the Company, currently have deemed shareholding interests in the Company, the extension of the Scheme to them will ensure that they are equally entitled, with the other employees who are not controlling shareholders, to take part in and benefit from this system of remuneration, thereby enhancing their long-term commitment to the Company.

5.4 Listing of New Shares

The adoption of the Scheme by the Company is subject to the approval of the Shareholders by ordinary resolution at the EGM, as well as approval from the SGX-ST for the listing of and quotation for the new Shares to be issued upon the exercise of the Options granted under the Scheme on Catalist ("**New Shares**").

An application will be made by the Company, through the Sponsor, to the SGX-ST for the listing of and quotation for the New Shares on Catalist. An appropriate announcement on the outcome of the application will be made in due course. Shareholders are advised that, if granted, the in-principle approval from SGX-ST for the listing and quotation for the New Shares is not to be taken as an indication of the merits of the Shares, the New Shares, the Scheme, the Company or its subsidiaries.

5.5 Summary of Rules

The following is a summary of the principal rules of the Scheme. It should be read in conjunction with the Rules of the Scheme which are set out in their entirety in **Appendix D** to this Circular.

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5.5.1 Purpose

The purpose of the Scheme is to give the Eligible Persons an opportunity to have a personal stake in the Company and help motivate Eligible Persons to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

5.5.2 Who May Join

Subject to the terms of the Scheme, the Committee shall be entitled at any time during the life of the Scheme to offer the grant of any Option to any Eligible Person as the Committee may in its absolute discretion select.

5.5.3 Maximum Number of Shares

The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 10 per cent. of the Shares in issue as at the date of listing of the Shares on the Main Board of the SEHK (such 10% limit representing 40,244,540 Shares) (the “**Scheme Mandate Limit**”) provided that:

- (a) the Company may at any time as the Board may think fit seek approval from Shareholders to refresh the Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other schemes of the Company shall not exceed 10 per cent. of the Shares in issue as at the date of approval by the Shareholders in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Scheme or any other schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. For such a situation, the Company shall send a circular to its Shareholders containing the details and information required under the HK Listing Rules and/or Catalist Rules; and
- (b) the Company may seek separate approval from its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by the Company before such approval is obtained. For such a situation, the Company shall send a circular to its Shareholders containing the details and information required under the HK Listing Rules and/or Catalist Rules; and

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- (c) notwithstanding paragraph (a) above, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other schemes of the Group shall not exceed 30 per cent. of the Shares in issue from time to time. No Options may be granted under the Scheme and any other share option scheme of the Company if this will result in such limit being exceeded.

5.5.4 Maximum Entitlement of Each Participant

No Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of the Options granted to any one Eligible Person (including exercised and outstanding Options) in any 12-month period shall not exceed 1 per cent. of the Shares in issue from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his close associates (or his associates (as defined in the HK Listing Rules) if such Eligible Person is a connected person) abstaining from voting. For such a situation, the Company shall send a circular to its Shareholders disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Person, and containing the details and information required under the HK Listing Rules and/or Catalist Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Eligible Person must be fixed before the approval of the Shareholders, and the date of the Committee meeting or resolution proposing such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price of those Options.

5.5.5 Offer and Grant of Options

Subject to the terms of the Scheme, the Committee shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person (as the Committee may in its absolute discretion select to subscribe) at the Subscription Price for such number of Shares as the Committee may (subject to the terms of the Scheme) determine (provided the same shall be an integral multiple of the respective board lot sizes for dealing in the Shares on the SEHK and the SGX-ST).

5.5.6 Granting of Options to Connected Persons under the HK Listing Rules

Subject to the terms of the Scheme, but only insofar as and for so long as the HK Listing Rules require, where any offer of an Option is proposed to be made to a Director, chief executive or a substantial shareholder (as defined in the HK Listing Rules) of the Company or any of their respective associates (as defined in the HK Listing Rules), such offer must first be approved by the independent non-executive Directors of the Company (excluding the independent non-executive Director who or whose associates is the grantee of an Option).

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Where any grant of Options to a substantial shareholder (as defined in the HK Listing Rules) or an independent non-executive Director of the Company, or any of their respective associates (as defined in the HK Listing Rules), would result in the securities issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) (where the securities are listed on the SEHK), having an aggregate value, based on the closing price of the securities on the SEHK at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by Shareholders. The Company shall send a circular to the Shareholders. The grantee, his associates (as defined in the HK Listing Rules) and all core connected persons of the Company must abstain from voting in favour at such general meeting.

Approval from the Shareholders is required for any change in the terms of Options granted to a participant who is a substantial shareholder (as defined in the HK Listing Rules) or an independent non-executive director of the Company, or any of their respective associates (as defined in the HK Listing Rules). The grantee, his associates (as defined in the HK Listing Rules) and all core connected persons of the Company must abstain from voting in favour at such general meeting.

5.5.7 Granting Options to Controlling Shareholders

Subject to the terms of the Scheme, Eligible Persons who are controlling shareholders (as defined in the Catalist Rules) and their associates (as defined in the Catalist Rules) shall be eligible to participate in the Scheme provided that:

- (a) their participation; and
- (b) the actual number and terms of any Options to be granted to them,

have been approved in separate resolutions by independent Shareholders in a general meeting in respect of each such person, provided always that it shall not be necessary to obtain the approval of independent Shareholders for the participation in the Scheme of a controlling shareholder or his associate who is, at the relevant time, already a participant.

5.5.8 Restriction on the Time of Grant of Options

The Committee shall not offer the grant of an Option to any Eligible Person:

- (a) after inside information has come to its knowledge until such inside information has been announced pursuant to the requirements of the Listing Rules and the Catalist Rules; or

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- (b) during the period commencing one month immediately preceding the earlier of:
- (i) the date of the Board meeting (as such date is first notified to the SEHK in accordance with the HK Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the HK Listing Rules);
 - (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the HK Listing Rules, or quarterly or any other interim period (whether or not required under the HK Listing Rules); and
 - (iii) the deadline for the Company to publish an announcement of its results for any interim or full year period under the Catalist Rules or any other interim period (whether or not required under the Catalist Rules);

and ending on the date of the latest results announcement published on either the website of the SEHK or the SGXNET in respect of the relevant financial period.

5.5.9 Minimum Holding Period, Vesting and Performance Target

Subject to the provisions of the HK Listing Rules and the Catalist Rules, the Committee may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Scheme as the Committee may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the Eligible Person, the satisfactory performance or maintenance by the Eligible Person of certain conditions or obligations or the time or period when the right to exercise the Option in respect of all or some of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Scheme. For the avoidance of doubt, subject to such terms and conditions as the Committee may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise), there is no performance target which need to be achieved by the Eligible Person before the Option can be exercised.

5.5.10 Amount Payable for Options and Offer Period

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the Option Offer Date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 or S\$1.00 (as the case may be) by way of consideration for the grant thereof is received by the Company on or before the Acceptance Date. Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the SEHK and the SGX-ST respectively or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising

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acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

In the event that the grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null, void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

5.5.11 Subscription Price

The Subscription Price in respect of any particular Option shall be such price as the Committee may in its absolute discretion determine at the time of offer of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the Subscription Price shall not be less than whichever is the highest of:

- (a) the closing price of a Share as stated in the SEHK's daily quotations sheet or as published by the SGX-ST on the Option Offer Date (whichever is higher); and
- (b) the average closing price of a Share as stated in the SEHK's daily quotation sheets or as published by the SGX-ST for the five Business Days immediately preceding the Option Offer Date (whichever is higher).

Accordingly, the Subscription Price will not be at a discount.

5.5.12 Exercise of Option

- (a) An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot for dealing in the Shares on the SEHK or the SGX-ST, as the case may be, or any integral multiple thereof) within the Option Period in the manner as set out in the Scheme by the Grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of the Auditors' certificate pursuant to the Scheme, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or his legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the Grantee (or his legal personal representative(s)) share certificate(s) in respect of the Shares so allotted. For the purposes of the Scheme, a "legal personal representative" is a person entitled to an Option in consequence of the death or permanent disability of an Eligible Person.
- (b) The exercise of any Option may be subject to a vesting schedule to be determined by the Committee in its absolute discretion, which shall be specified in the offer letter.
- (c) Subject as hereinafter provided and subject to the terms and conditions upon which the Option was granted, an Option may be exercised by the Grantee at any time during the Option Period, provided that:
 - (i) in the event that the Grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for

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termination of employment or engagement pursuant to the terms of the Scheme exists with respect to such Grantee, he (or his legal representative(s)) may exercise the Option up to the Grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his death or permanent disability or such longer period as the Committee may determine;

- (ii) in the event that the Grantee ceases to be an Employee for any reason (including his employing company ceasing to be a member of the Group) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his employment to a member of the Group or the termination of his employment with the relevant member of the Group by resignation or culpable termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee may in its absolute discretion determine following the date of such cessation;
- (iii) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of Shareholders (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;
- (iv) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the Grantees who have Options unexercised at the same time as it despatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each Grantee (or his legal representatives or receiver) may until the expiry of the earlier of:
 - (1) the Option Period;
 - (2) the period of two months from the date of such notice; or
 - (3) the date on which such compromise or arrangement is sanctioned by the court,

exercise in whole or in part his Option;

- (v) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options

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at any time not later than five Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

5.5.13 Life of the Scheme

Subject to the terms of the Scheme, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, provided always that the Scheme may continue for a further period of 10 years with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. Upon the expiry of the Scheme as aforesaid, no further Options will be offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme.

5.5.14 Lapse of Option

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the period referred to in the terms of the Scheme related to the exercise of the Option;
- (c) subject to Section 5.5.12(c)(v), the date of the commencement of the winding-up of the Company;
- (d) there is an unsatisfied judgement, order or award outstanding against the Grantee or the Committee has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts; or
- (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in the Scheme with respect to the exercise of the Option.

No compensation shall be payable upon the lapse of any Option, provided that the Committee shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

5.5.15 Adjustment

In the event of any alteration to the capital structure of the Company while any Option remains outstanding, whether by way of capitalisation of profits or reserves, open offer, rights issue, consolidation, distribution, reclassification, reconstruction, sub-division or reduction of the share capital of the Company, the Committee may, if it considers the same to be appropriate, direct that adjustments be made to:

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- (a) the maximum number of shares subject to the Scheme;
- (b) the class and/or aggregate number of shares subject to the Option so far as unexercised;
- (c) the Subscription Price of each outstanding Option; and/or
- (d) the class and/or number of shares in respect of which additional Options may be granted,

provided that:

- (a) any such adjustments shall give the Eligible Persons the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Committee in writing that the adjustments satisfy this requirement;
- (b) any such adjustments shall be made on the basis that the aggregate Subscription Price payable by the Grantee on the full exercise of any Option shall remain as nearly as practicable the same as (but shall not be greater than) it was before such event;
- (c) no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (d) no such adjustments shall be made if as a result, a participant receives a benefit that a Shareholder does not receive; and
- (e) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the HK Listing Rules and supplementary guidance on the interpretation of the HK Listing Rules issued by the SEHK from time to time.

Any adjustment (other than an adjustment arising from a capitalisation issue) must be certified in writing by the Auditors to the Committee to be in their opinion fair and reasonable.

The following (whether singly or in combination) shall not be regarded as events requiring adjustments unless the Committee considers an adjustment to be appropriate pursuant to the terms of the Scheme:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the issue of Shares upon the exercise of any options or conversion of any convertible securities issued by the Company; or
- (c) the cancellation of issued Shares purchased by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST or the SEHK during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force.

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5.5.16 Cancellation of Options not Exercised

The Committee shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the Grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):

- (a) the Grantee commits or permits or attempts to commit or permit a breach of restriction on transferability of Options or any terms or conditions attached to the grant of the Option;
- (b) the Grantee makes a written request to the Committee for the Option to be cancelled;
or
- (c) if the Grantee has, in the opinion of the Committee, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a subsidiary of the Company.

The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that the Committee shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

5.5.17 Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and the laws of Singapore from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue commencing from (i) the allotment date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members. Accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the allotment date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the allotment date.

A Share issued upon the exercise of an Option shall not carry rights until the registration of the Grantee (or any other person) as the holder thereof.

5.5.18 Termination

The Scheme may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required. Upon termination of the Scheme as aforesaid, no further Options shall be offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme.

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5.5.19 Transferability

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

5.5.20 Required Disclosure

The Company shall, for so long as the Scheme continues in operation, make disclosures as required under the HK Listing Rules, the Catalist Rules and all other applicable laws and requirements.

5.5.21 Alteration of the Scheme

The Scheme may be altered in any respect by a resolution of the Committee, except that the following shall not be carried out except with the prior sanction of an ordinary resolution of the Shareholders in general meeting:

- (a) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the Scheme);
- (b) any alteration to the provisions of the Scheme in relation to the matters set out in (i) Rule 17.03 of the HK Listing Rules, or (ii) Rules 843 to 848 and Rules 852 to 853 of the Catalist Rules, to the advantage of participants;
- (c) any change to the authority of the Committee to administer the day-to-day running of the Scheme; and
- (d) any alteration to the aforesaid alteration provisions,

provided always that the amended terms of the Scheme shall comply with the applicable requirements of the HK Listing Rules and the Catalist Rules.

5.5.22 Conditions of the Scheme

The Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) the approval of Shareholders for the adoption of the Scheme;
- (b) the approval of the SEHK and the SGX-ST for the listing of and permission to deal in, a maximum of 40,244,540 Shares to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the Scheme;
- (c) the commencement of dealing in the Shares on the SEHK; and

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- (d) the obligations of the underwriters under the Underwriting Agreement(s) becoming unconditional and not being terminated in accordance with the terms thereof or otherwise.

If the permission referred to in paragraph (b) is not granted within two calendar months after the Adoption Date:

- (i) the Scheme will forthwith terminate;
- (ii) any Option granted or agreed to be granted pursuant to the Scheme and any offer of such a grant shall be of no effect;
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Scheme or any Option; and
- (iv) the Board may further discuss and devise another employee share option scheme for adoption by the Company.

5.6 Financial Effects of the Scheme

5.6.1 Share Capital

The Scheme will result in an increase in the total number of issued Shares (excluding treasury shares) when new Shares are allotted and issued upon the exercise of Options. The number of new Shares issued will depend on, *inter alia*, the number of new Shares comprised in the Options granted, the number of Options that are exercised and the prevailing market price of the Shares.

5.6.2 NTA

The issue of new Shares upon the exercise of the Options will increase the NTA of the Group and the Company by the aggregate Subscription Price of the new Shares issued. On a per Share basis, the effect on the NTA of the Group and the Company is accretive if the Subscription Price is above the NTA per Share but dilutive otherwise.

5.6.3 EPS

Without taking into account earnings that may be derived by the Company from the use of the proceeds from the issuance of new Shares pursuant to the exercise of Options granted under the Scheme, any new Shares issued pursuant to any exercise of the Options will have a dilutive impact on the Company's EPS. Outstanding Options that are unexercised are dilutive to the calculation of diluted EPS when the Subscription Price is less than the market price of Shares during the relevant period.

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5.6.4 Potential Costs of Options

All Options granted under the Scheme would have a fair value. In the event that such Options are granted with Subscription Prices below the fair value of the Options, there will be a cost to the Company. In addition to the impact on the EPS and NTA as described above, the cost to the Company of granting Options under the Scheme would be as follows:

- (a) the exercise of an Option at the Subscription Price would translate into a reduction of the proceeds from the exercise of such Option, as compared to the proceeds that the Company would have received from such exercise had the exercise been made at the prevailing market price of the Shares. Such reduction of the exercise proceeds would represent the monetary cost to the Company; and
- (b) the grant of Options under the Scheme will have an impact on the Company's reported profit/loss under the Financial Reporting Standards as share-based payment requires the recognition of an expense in respect of Options granted under the Scheme. The expense will be based on the fair value of the Options at the date of grant (as determined by an option-pricing model) and will be recognised over the performance period.

It should be noted that the financial effect discussed in (a) above would materialise only upon the exercise of the relevant Options. The cost of granting Options discussed in (b) above would be recognised in the financial statements even if the Options are not exercised. Measured against the cost of granting the Options as described above is the desirable effect of the Scheme in attracting, recruiting, retaining and motivating directors of the Company and its subsidiaries and Employees which could in the long term yield greater returns for the Company and Shareholders.

Shareholders should note that the financial effects described above are purely for illustration only. Shareholders should also note that the financial effects described above are not to be regarded as advice on the tax position of any person or a full statement regarding the financial or tax implications arising from the Scheme. Shareholders who are in doubt as to their respective tax positions or the financial or tax implications should consult their own professional advisers.

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6. INTERESTS OF 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 are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Kelvin Lim ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	–	–	275,000,000	76.29
Jess Lim ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	–	–	275,000,000	76.29
Ch'ng Li-Ling	–	–	–	–
Eddie Yong	–	–	–	–
Chan Ka Leung Gary	–	–	–	–
Substantial Shareholders (other than Directors)				
Trident Trust Company (B.V.I.) Limited ⁽³⁾	–	–	275,000,000	76.29
LHN Capital Pte. Ltd. ⁽⁴⁾	–	–	275,000,000	76.29
HN Capital Ltd. ⁽⁵⁾	–	–	275,000,000	76.29
Hean Nerng Group Pte. Ltd. ⁽⁶⁾	275,000,000	76.29	–	–
Lim Hean Nerng ⁽⁶⁾	–	–	275,000,000	76.29
Foo Siau Foon ⁽⁶⁾	–	–	275,000,000	76.29
Lim Yun En ⁽⁶⁾	–	–	275,000,000	76.29
Lim Wei Yong Matthew ⁽⁶⁾	–	–	275,000,000	76.29
Lim Wei Yee ⁽⁶⁾	–	–	275,000,000	76.29
Lin Weichen ⁽⁶⁾	–	–	275,000,000	76.29
Lim Wei Kheng (Lin Weiqing) ⁽⁶⁾	–	–	275,000,000	76.29
Lim Yu Yang ⁽⁶⁾	–	–	275,000,000	76.29

Notes:

- (1) Based on 360,445,400 Shares (excluding 1,411,800 treasury shares) as at the Latest Practicable Date.
- (2) Kelvin Lim and Jess Lim are siblings. They are therefore deemed interested in each other's interests in the Shares of the Company.
- (3) Trident Trust Company (B.V.I.) Limited, a licensed trust company incorporated in BVI, holds the entire issued and paid-up share capital in LHN Capital Pte. Ltd. as trustee of The Land Banking Trust in BVI. LHN Capital Pte. Ltd., a company incorporated in Singapore, is the trustee of The LHN Capital Trust in Singapore. LHN Capital Pte. Ltd. holds the entire issued and paid-up share capital in HN Capital Ltd., a company incorporated in BVI. The Land Banking Trust is a discretionary purpose trust with the principal purpose of (a) promoting the operation of the businesses owned directly or indirectly by LHN Capital Pte. Ltd. ("**LHN Capital Business**"); and (b) to enable the operation of the LHN Capital Business in accordance with the terms of the business plan. Accordingly, there are no beneficiaries to The Land Banking Trust. The LHN Capital Trust is a discretionary irrevocable trust which the trustee, LHN Capital Pte. Ltd., has all powers in relation to the property comprised in The LHN Capital Trust as the legal owner of such property, subject to any express restrictions contained in The LHN Capital Trust. The beneficial owners of the property in the trust fund are the beneficiaries of The LHN Capital Trust which comprise Lim Hean Nerng, Foo Siau Foon, Kelvin Lim and Kelvin Lim's direct lineal issues (namely, Lim Yun En, Lim Wei Yong

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Matthew, Lim Wei Yee, Lin Weichen, Lim Wei Kheng (Lin Weiqing) and Lim Yu Yang) (“**LHN Capital Trust Beneficiaries**”). Trident Trust Company (Singapore) Pte. Limited is the trust administrator of The LHN Capital Trust.

HN Capital Ltd., Jess Lim and Kelvin Lim hold 85.0%, 10.0% and 5.0% respectively of the entire issued and paid-up share capital in Hean Nerng Group Pte. Ltd.. Kelvin Lim and Jess Lim are also directors of Hean Nerng Group Pte. Ltd..

As Trident Trust Company (B.V.I.) Limited and its associates, namely LHN Capital Pte. Ltd. and HN Capital Ltd., are entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in Hean Nerng Group Pte. Ltd., Trident Trust Company (B.V.I.) Limited is deemed to have an interest in the issued and paid-up share capital of the Company held by Hean Nerng Group Pte. Ltd..

- (4) Kelvin Lim and Jess Lim are directors of LHN Capital Pte. Ltd. In connection with footnote (3) above, as LHN Capital Pte. Ltd. and its associate, namely HN Capital Ltd. are entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in Hean Nerng Group Pte. Ltd., LHN Capital Pte. Ltd. is deemed to have an interest in the issued and paid-up share capital of the Company held by Hean Nerng Group Pte. Ltd..
- (5) Kelvin Lim and Jess Lim are directors of HN Capital Ltd. In connection with footnote (3) above, as HN Capital Ltd. is entitled to exercise control of not less than 20.0% of the votes attached to the voting shares in Hean Nerng Group Pte. Ltd., HN Capital Ltd. is deemed to have an interest in the issued and paid-up share capital of the Company held by Hean Nerng Group Pte. Ltd..
- (6) Section 4(3) of the SFA provides that “where any property held in trust consists of or includes securities and a person knows, or has reasonable grounds for believing, that he has an interest under the trust, he shall be deemed to have an interest in those securities”. In connection with footnote (3) above and pursuant to Section 4(3) of the SFA, The LHN Capital Trust Beneficiaries are deemed to have an interest in the issued and paid-up share capital of the Company held by Hean Nerng Group Pte. Ltd..

Notwithstanding that each of Lim Hean Nerng, Foo Siau Foon and Kelvin Lim’s direct lineal issues (namely, Lim Yun En, Lim Wei Yong Matthew, Lim Wei Yee, Lin Weichen, Lim Wei Kheng (Lin Weiqing) and Lim Yu Yang), being a beneficiary of The LHN Capital Trust, is deemed to be interested in 15.0% or more of the voting shares of the Company, each of them only receives an economic benefit under The LHN Capital Trust but has no control over the property comprised in The LHN Capital Trust and also does not, in fact, have any voting rights in or exercise control over the Company. Pursuant to the Fourth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (“**SFR**”), a controlling shareholder in relation to a corporation means (a) a person who has an interest in the voting shares of the corporation and who exercises control over the corporation; or (b) a person who has an interest in the voting shares of the corporation of an aggregate of not less than 30.0% of the total votes attached to all voting shares in the corporation, unless he does not exercise control over the corporation. Accordingly, it is not meaningful to consider them as controlling shareholders of the Company within the meaning of the Fourth Schedule of the SFR.

However, as Lim Hean Nerng was one of the initial founders of the Group and is deemed to be interested in 15.0% or more of the voting shares of the Company through The LHN Capital Trust, as disclosed in the Company’s offer document dated 1 April 2015, he is considered to be a controlling shareholder.

However, Foo Siau Foon and each of Kelvin Lim’s direct lineal issues are considered Substantial Shareholders of the Company because they are deemed interested in the Shares held by Hean Nerng Group Pte. Ltd., being not less than 5.0% of the total votes attached to all the voting shares of the Company.

However, Kelvin Lim, a beneficiary of The LHN Capital Trust, is also a director of LHN Capital Pte. Ltd., HN Capital Ltd., Hean Nerng Group Pte. Ltd. and the Company. Accordingly, he is deemed to be able to exercise control over the Company and is deemed to be a controlling shareholder of the Company.

Jess Lim is Kelvin Lim’s sibling and is also a director of LHN Capital Pte. Ltd., HN Capital Ltd., Hean Nerng Group Pte. Ltd. and the Company. Accordingly, she is deemed to be able to exercise control over the Company and is deemed to be a controlling shareholder of the Company.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders (other than in his/her capacity as a Director or Shareholder), as well as their respective associates, has any interest, direct or indirect, in the Proposed Resolutions.

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7. DIRECTORS' RECOMMENDATIONS

The Directors, in rendering their recommendation in this Section 7 of this Circular, have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

7.1 Proposed Global Offering and Proposed SEHK Listing

The Directors, having considered, amongst others, the terms and rationale for the Proposed Global Offering and Proposed SEHK Listing as set out in Sections 2 and 3 of this Circular, are of the opinion that the Proposed Global Offering and Proposed SEHK Listing is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Global Offering and Proposed SEHK Listing at the EGM.

7.2 Proposed adoption of the New Constitution

The Directors, having considered, amongst others, the terms and rationale for the proposed adoption of the New Constitution as set out in Section 4 of this Circular, are of the opinion that the proposed adoption of the New Constitution is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the special resolution in respect of the proposed adoption of the New Constitution at the EGM.

7.3 Proposed adoption of the Scheme

The Directors (save for Kelvin Lim and Jess Lim), having considered, amongst others, the terms and rationale for the proposed adoption of the Scheme as set out in Section 5 of this Circular, are of the opinion that the proposed adoption of the Scheme is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the proposed adoption of the Scheme at the EGM.

Kelvin Lim and Jess Lim shall not accept nomination as proxy or otherwise vote at the EGM in respect of the Resolution 3 unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the aforementioned resolution.

7.4 The proposed participation by Kelvin Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme

The Directors (save for Kelvin Lim and Jess Lim), having considered, amongst others, the terms and rationale for the proposed participation by Kelvin Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme as set out in Section 5 of this Circular, are of the opinion that the proposed adoption of the Scheme is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the proposed participation by Kelvin Lim in the LHN Employee Share Option Scheme at the EGM.

Kelvin Lim, Jess Lim and their associates shall not accept nomination as proxy or otherwise vote at the EGM in respect of the Resolution 4 unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the aforementioned resolution.

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7.5 The proposed participation by Jess Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme

The Directors (save for Kelvin Lim and Jess Lim), having considered, amongst others, the terms and rationale for the proposed participation by Jess Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme as set out in Section 5 of this Circular, are of the opinion that the proposed adoption of the Scheme is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the proposed participation by Jess Lim in the LHN Employee Share Option Scheme at the EGM.

Kelvin Lim, Jess Lim and their associates shall not accept nomination as proxy or otherwise vote at the EGM in respect of the Resolution 5 unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the aforementioned resolution.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at 10.00 a.m. on 25 September 2017 at 10 Raeburn Park #02-18, Singapore 088702, for the purpose of considering, and if thought fit, passing with or without any modifications, the Proposed Resolutions as set out in the Notice of EGM.

9. ABSTENTION FROM VOTING

All persons (including those Directors who are also Shareholders) who are eligible to participate in the Scheme must abstain from voting on all the resolutions relating to the Scheme.

Accordingly,

- (i) all Shareholders who are eligible to participate in the Scheme must abstain from voting on Resolution 3 at the EGM, and should not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the Shareholders appointing them on how they wish their votes to be cast; and
- (ii) controlling shareholders and their associates, including without limitation Kelvin Lim, Jess Lim and their respective associates, must abstain from voting on Resolutions 3, 4 and 5 at the EGM, and should not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the Shareholders appointing them on how they wish their votes to be cast.

10. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 not later than 48 hours before the time fixed for the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears in the Depository Register at least 72 hours before the EGM.

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11. 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 Global Offering and Proposed SEHK Listing, the proposed adoption of the New Constitution, the proposed adoption of the Scheme, the proposed participation of Kelvin Lim in the Scheme, the proposed participation of Jess Lim in the Scheme, 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 this 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 this Circular in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Existing Constitution of the Company; and
- (b) the annual report of the Company for FY2016.

Yours faithfully
For and on behalf of the Board of Directors of
LHN LIMITED

Kelvin Lim
Executive Chairman and Group Managing Director

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

The Shares are currently listed on the Catalist of SGX-ST and the Company intends to list its Shares on the SEHK. The Company sets out below a summary of the major differences between the HK Listing Rules and the Catalist Rules, certain applicable laws and regulations of Singapore and Hong Kong, the takeover rules under the Singapore Takeovers Code and the HK Takeovers Code, and certain relevant legislations concerning companies with listed securities.

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 Shareholders. The summary is not meant to be a comprehensive or exhaustive description of all the relevant Singapore and Hong Kong laws, rules and regulations. In addition, Shareholders should also note that the laws, rules and regulations applicable to the Company and Shareholders may change, whether as a result of proposed legislative reforms to the Singapore or Hong Kong laws, rules or regulations or otherwise.

Prospective investors and/or Shareholders should consult their own legal advisers for specific legal advice concerning their legal rights and obligations under Singapore laws and Hong Kong laws. In the event of any conflict between the Hong Kong laws, rules and regulations, including but not limited to the HK Listing Rules, the HK Takeovers Code and Part XV of the SFO, on the one hand, and the Singapore laws, rules and regulations, including but not limited to the Catalist Rules, the Companies Act, the Singapore Takeovers Code, and the SFA, on the other hand, we shall comply with the more restrictive and stringent rule. The Sole Sponsor and the Directors are not aware of any major conflicts between the HK Listing Rules and the Catalist Rules, which may cause difficulties to the Company to comply with the rules under both regimes.

I. Summary of the Major Differences between the HK Listing Rules and the Catalist Rules and Certain Applicable Singapore and Hong Kong Laws

HK Listing Rules and Hong Kong Laws	Catalist Rules and Singapore Laws
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A. REPORTING REQUIREMENTS

Issuers in Hong Kong are required to comply with disclosure obligations under HK Listing Rules upon the occurrence of the events which are prescribed therein.

Issuers in Singapore are required to comply with disclosure obligations under the Catalist Rules upon the occurrence of the events which are prescribed in the Catalist Rules.

In the case that the Company makes a disclosure pursuant to HK Listing Rules, it will make the same disclosure in Singapore.

In the case that the Company makes a disclosure pursuant to the Catalist Rules, it will make the same disclosure in Hong Kong.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

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| <p>1. Chapter 13 of HK Listing Rules (Continuing Obligations)</p> <p>Rule 13.09, HK Listing Rules: General Obligation of Disclosure</p> <p>(1) Without prejudice to Rule 13.10 of HK Listing Rules, where in the view of the SEHK 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 the SEHK, announce the information necessary to avoid a false market in its securities.</p> <p>Notes:</p> <p>(1) This obligation exists whether or not the SEHK makes enquiries under Rule 13.10 of the HK Listing Rules.</p> <p>(2) If an issuer believes that there is likely to be a false market in its listed securities, it must contact the SEHK as soon as reasonably practicable.</p> <p>(2) (a) Where an issuer is required to disclose inside information under the Inside Information Provisions (as defined in HK Listing Rules), it must also simultaneously announce the information.</p> <p>(b) An issuer must simultaneously copy to the SEHK any application to the SFC for a waiver from disclosure under the Inside Information Provisions, and promptly upon being notified of the SFC's decision copy the SEHK with the SFC's decision.</p> | <p>Chapter 7 of the Catalist Rules (Continuing Obligations)</p> <p>Rule 703, Catalist Rules: Disclosure of Material Information</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 would be a breach of law to disclose.</p> <p>(3) Rule 703(1) does not apply to particular information which satisfies the following conditions:</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>(b) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;</p> <p>(c) the information is generated for the internal management purposes of the entity;</p> <p>(d) the information is a trade secret.</p> |
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APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

Rule 13.10B, HK Listing Rules: Announce Information Disclosed to Other Stock Exchanges

An issuer must announce any information released to any other stock exchange on which its securities are listed at the same time as the information is released to that other exchange.

(4) In complying with the SGX-ST's disclosure requirements, an issuer must:

- (a) observe the Corporate Disclosure Policy set out in Appendix 7A to the Catalist Rules, and
- (b) ensure that its directors and executive officers are familiar with the SGX-ST's disclosure requirements and Corporate Disclosure Policy.

(5) The SGX-ST will not waive any requirements under this Rule.

Rule 13.51, HK Listing Rules: Notification on Changes

An issuer must publish an announcement as soon as practicable in regard to:

- (1) any proposed alteration of the issuer's memorandum or articles of association or equivalent documents;
- (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 the SEHK 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 to HK Listing Rules. 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 required pursuant to Rule 13.51(2) of HK Listing Rules of any newly appointed or re-designated director, supervisor or chief executive in the announcement;

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

General

- (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.
- (2) Any proposed alteration to the memorandum of association or articles of association or constitution of the issuer.
- (3) [Deleted]
- (4) Any qualification or emphasis of a matter by the auditors on the financial statements of:
 - (a) the issuer; or
 - (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.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

- (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;
- (5) If an issuer has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.

Appointment or Cessation of Service

- (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;
- (6) any change in its compliance adviser; and
- (7) any revision of interim reports, annual reports or summary financial reports, the reason leading to the revision of published financial reports, and the financial impacts, if any.
- (6) (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 any 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 7F or Appendix 7G to the Catalist Rules, as the case may be.
- (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.

Rule 13.25A, HK Listing Rules: Changes in Issued Shares

- (1) In addition and without prejudice to specific requirements contained elsewhere in HK Listing Rules, an issuer must, whenever there is a change in its issued shares as a result of or in connection with any of the events referred to in Rule 13.25A(2) of HK Listing Rules, submit for publication on the SEHK's website a return in such form and containing such information as
- (7) 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

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

the SEHK 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.

- (2) The events referred to in Rule 13.25A(1) of HK Listing Rules are as follows:
- (a) any of the following:
- (i) placing;
 - (ii) consideration issue;
 - (iii) open offer;
 - (iv) rights issue;
 - (v) bonus issue;
 - (vi) scrip dividend;
 - (vii) repurchase of shares or other securities;
 - (viii) exercise of an option under the issuer's share option scheme by any of its directors;
 - (ix) exercise of an option other than under the issuer's share option scheme by any of its directors;
 - (x) capital reorganisation; or
 - (xi) change in issued shares not falling within any of the categories referred to in Rule 13.25A(2)(a)(i) to (x) or Rule 13.25A(2)(b) of HK Listing Rules; and
- 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.
- (8) 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 state the job title, duties and responsibilities of the appointee, and the information required in Rule 704(6).
- (9) Any promotion of an appointee referred to in Rule 704(8).
- (10) 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 7C Part II to the Catalist Rules. 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.
- (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, and enter into binding obligations on behalf of, the issuer and/or that principal subsidiaries.

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- (b) subject to Rule 13.25A(3) of HK Listing Rules, any of the following:
- (i) exercise of an option under a share option scheme other than by a director of the issuer;
 - (ii) exercise of an option other than under a share option scheme not by a director of the issuer;
 - (iii) exercise of a warrant;
 - (iv) conversion of convertible securities; or
 - (v) redemption of shares or other securities.
- (3) The disclosure obligation for an event in Rule 13.25A(2)(b) of HK Listing Rules only arises where:
- (a) the event, either individually or when aggregated with any other events described in that rule which have occurred since the listed issuer published its last monthly return under Rule 13.25B of HK Listing Rules or last return under this Rule 13.25A (whichever is the later), results in a change of 5% or more of the listed issuer's issued shares; or
 - (b) an event in Rule 13.25A(2)(a) of HK Listing Rules has occurred and the event in Rule 13.25A(2)(b) of HK Listing Rules has not yet been disclosed in either a monthly return published under Rule 13.25B of HK Listing Rules or a return published under this Rule 13.25A.
- (12) For issuers with principal subsidiaries based in jurisdictions other than Singapore, any of its independent director's appointment or cessation of service from the board of these principal subsidiaries.

Appointment of Special Auditors

- (13) 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 sponsor, 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.

Sponsorship

- (27) If its sponsor will cease, or ceases to sponsor it for any reason, stating the reasons and effective date of such cessation.
- (28) Any confirmation made by the sponsor pursuant to Rule 228(5) upon receipt of such confirmation.
- (29) The appointment of a new sponsor.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

- (4) For the purposes of Rule 13.25A(3) of HK Listing Rules, the percentage change in the listed issuer's issued shares is to be calculated by reference to the listed issuer's total number of issued shares as it was immediately before the earliest relevant event which has not been disclosed in a monthly return published under Rule 13.25B of HK Listing Rules or a return published under this Rule 13.25A.

Rule 13.25B, HK Listing Rules: Monthly Return

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 for publication on the SEHK's website a monthly return in relation to movements in the listed issuer's equity securities, debt securities and any other securitised instruments, as applicable, during the period to which the monthly return relates, in such form and containing such information as the SEHK may from time to time prescribe (irrespective of whether there has been any change in the information provided in its previous monthly return). Such information includes, among other things, the number as at the close of such period of equity securities, debt securities and any other securitised instruments, as applicable, issued and which may be issued pursuant to options, warrants, convertible securities or any other agreements or arrangements.

2. General Meetings

Rule 13.73, HK Listing Rules: Notices

In addition to any direction of the court, the issuer shall ensure that notice of every meeting of its shareholders or its creditors concerning the issuer (e.g. for winding up petitions, schemes of arrangement or capital reduction) is published in accordance with

Loan agreements/Issue of Debt Securities

- (33) 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:

- (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
- (b) The aggregate level of these facilities that may be affected by a breach of such condition or restriction.

- (34) Any breach of the terms of loan agreements or debt issues which may have a significant impact on the operations of the issuer.

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

General Meetings

- (14) The date, time and place of any general meeting. All notices convening

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Rule 2.07C of HK Listing Rules. The issuer shall despatch a circular to its shareholders at the same time as (or before) the issuer gives notice of the general meeting to approve the transaction referred to in the circular. The issuer shall provide its shareholders with any material information on the subject matter to be considered at a general meeting that comes to the directors' attention after the circular is issued. The issuer must provide the information either in a supplementary circular or by way of an announcement in accordance with Rule 2.07C of HK Listing Rules not less than 10 business days before the date of the relevant general meeting to consider the subject matter. The meeting must be adjourned before considering the relevant resolution to ensure compliance with this 10 business day requirement by the chairman or, if that is not permitted by the issuer's constitutional documents, by resolution to that effect.

Rules 13.39(4) and (5), HK Listing Rules: Meetings of Shareholders

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 meeting's poll results as soon as possible, but in any event at least 30 minutes before the earlier of either the commencement of the morning trading session or any pre-opening session on the business day after the meeting.

Paragraph E.1.3 in Appendix 14, HK Listing Rules: Communication with Shareholders – Effective Communication

The issuer should arrange for the notice to shareholders to be sent for annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.

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 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).

- (15) Immediately after each general meeting and before the commencement of the pre-opening session on the market day following the general meeting, whether the resolutions put to a general meeting of an issuer were passed.

Rule 730A, Catalist Rules: Facilitating Interaction with Shareholders

- (1) An issuer shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.
- (2) All resolutions at general meetings shall be voted by poll.
- (3) At least one scrutineer shall be appointed for each general meeting. The appointed scrutineer(s) shall be independent of the persons undertaking the polling process. Where the appointed scrutineer is interested in the resolution(s) to be passed at the general meeting, it shall refrain from acting as the scrutineer for such resolution(s).

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(4) The appointed scrutineer shall exercise the following duties:

- (a) ensuring that satisfactory procedures of the voting process are in place before the general meeting; and
- (b) directing and supervising the count of the votes cast through proxy and in person.

3. Rule 13.23(1), HK Listing Rules: Notifiable Transactions, Connected Transactions, Takeovers and Share Repurchases

An issuer must announce details of acquisitions and realisations of assets and other transactions required by Chapters 14 and 14A of HK Listing Rules and, where applicable, must circularise holders of its securities with their details and obtain their approval thereto.

Rules 14.06 and 14.07, Listing Rules: Classification and Explanation of Terms

Under Chapter 14 of HK Listing Rules, the transaction classification is made by using the percentage ratios set out in Rule 14.07. The classifications are:

- (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%;
- (2) discloseable transaction: a transaction or a series of transactions (aggregated under Rules 14.22 and 14.23 of HK Listing Rules) by a listed issuer where any percentage ratio is 5% or more, but less than 25%;

Rule 704, Catalyst Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Acquisitions and Realisations

(16) Any acquisition of:

- (a) shares resulting in the issuer holding 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings, of a quoted company;
- (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:
 - (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;

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- (3) major transaction: a transaction or a series of transactions (aggregated under Rules 14.22 and 14.23) by a listed issuer where any percentage ratio is 25% or more, but less than 100% for an acquisition or 75% for a disposal;
 - (4) very substantial disposal: a disposal or a series of disposals (aggregated under Rules 14.22 and 14.23 of HK Listing Rules) of assets (including deemed disposals referred to in Rule 14.29 of HK Listing Rules) by a listed issuer where any percentage ratio is 75% or more;
 - (5) very substantial acquisition: an acquisition or a series of acquisitions (aggregated under Rules 14.22 and 14.23 of HK Listing Rules) of assets by a listed issuer where any percentage ratio is 100% or more;
 - (6) reverse takeover: an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of the SEHK, 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 set out in Chapter 8 of HK Listing Rules.
- (ii) the total market value of its quoted investments before and after the acquisition; and
 - (iii) the amount of any provision for diminution in value of investments;
- (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
 - (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)).
- (17) Any sale of:
- (a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares and subsidiary holdings, 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(14)(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

The relevant category that a transaction falls under depends on the following percentage ratios computed on the following bases:

- (1) assets ratio: the total assets which are the subject of the transaction divided by the total assets of the listed issuer;

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- (2) profits ratio: the profits attributable to the assets which are the subject of the transaction divided by the profits of the listed issuer;
- (3) revenue ratio: the revenue attributable to the assets which are the subject of the transaction divided by the revenue of the listed issuer;
- (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 the SEHK's daily quotations sheets for the five business days immediately preceding the date of the transaction; and
- (5) equity capital ratio: the number of shares to be issued by the listed issuer as consideration divided by the total number of the listed issuer's issued shares immediately before the transaction.
- (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)).
- (18) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10 of the Catalist Rules.

Rule 14.34, HK Listing Rules: Notification and Announcement

As soon as possible after the terms of a share transaction, discloseable transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover have been finalised, the listed issuer must in each case inform the SEHK and publish an announcement as soon as possible.

Chapter 10 of the Catalist Rules (Acquisitions and Realisations)

Part IV Classification of Transactions

Rule 1004, Catalist Rules

Under Chapter 10, transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

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Rule 1005, Catalyst Rules

In determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004, the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. The SGX-ST retains the discretion to determine whether the aggregation was correctly applied, and/or to direct the sponsor to aggregate other transactions.

Rules 14.38A to 14.57, HK Listing Rules: Additional Requirements for Major Transaction, Very Substantial Disposal, Very Substantial Acquisition, Reverse Takeover

For a major transaction, very substantial disposal and very substantial acquisition, the shareholders' approval is required, while the approvals from both the shareholders and the SEHK are required for reverse takeover.

Rule 1006, Catalyst Rules

The relevant category that a transaction falls under depends on the size of the relative figures computed on the following bases:

- (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.
- (b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.
- (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.
- (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.
- (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.

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Rules 1008, 1010, 1014 and 1015, Catalyst Rules

Transactions are categorised as follows in the Catalyst Rules:

- **Rule 1008(1):** non-discloseable transaction: where all of the relative figures computed on the bases set out in Rule 1006 amount to 5.0% or less;
- **Rule 1010:** discloseable transaction: where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5.0%;
- **Rule 1014(1):** major transaction: where any of the relative figures computed on the bases set out in Rule 1006 exceeds (a) for an acquisition, 75.0% but is less than 100.0%; or (b) for a disposal, 50.0%; and
- **Rule 1015(1):** very substantial acquisition or reverse takeover: where an acquisition of assets (whether or not the acquisition is deemed in the issuer's ordinary course of business) is one where any of the relative figures as computed on the bases set out in Rule 1006 is 100.0% or more, or is one which will result in a change in control of the issuer, the transaction is classified as a very substantial acquisition or reverse takeover respectively.

Where a transaction is classified as a discloseable transaction, major transaction or very substantial acquisition/reverse takeover, the issuer must make an immediate announcement.

For very substantial acquisitions/reverse takeovers, the issuer must also immediately announce the latest two years of historical financial information (of the assets to be acquired) and one year of proforma financial information (of the enlarged group).

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Further, transactions that are major transactions are conditional upon the prior approval of shareholders. Very substantial acquisitions/reverse takeovers transactions are conditional upon the approval of shareholders and, if applicable, the issue of a listing and quotation notice by the SGX-ST.

A circular to shareholders will need to be distributed to seek shareholders' approval.

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

4. **Rule 13.25, HK Listing Rules: Winding-up and Liquidation** **Rule 704, Catalyst Rules: Announcement of Specific Information**

(1) An issuer shall inform the SEHK of the happening of any of the following events as soon as it comes to its attention:

(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 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) of HK Listing Rules;

(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

In addition to Rule 703, an issuer must immediately announce the following:

Winding Up, Judicial Management, etc

(19) 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.

(20) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.

(21) 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.

(22) Where Rule 704(19), (20) or (21) applies, a monthly update must be announced regarding the issuer's financial situation, including:

(a) the state of any negotiations between the issuer and its principal bankers or trustee; and

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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) of HK Listing Rules;

(b) the issuer's future direction, or other material development that may have a significant impact on the issuer's financial position.

If any material development occurs between the monthly updates, it must be announced immediately.

(c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of HK Listing Rules 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;

(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) of HK Listing Rules; or

(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

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represents more than 5% under any of the percentage ratios defined under Rule 14.04(9) of HK Listing Rules.

- (2) 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) of HK Listing Rules.

5. Rules 13.45, HK Listing Rules: After Board Meetings

An issuer shall inform and announce immediately after approval by or on behalf of the board of:

- (1) any decision to declare, recommend or pay any dividend or to make any other distribution on its listed securities, including the rate and amount of the dividend or distribution and the expected payment date;
- (2) any decision not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in due course;
- (3) any preliminary announcement of profits or losses for any year, half-year or other period;
- (4) any proposed change in the capital structure, including any redemption of its listed securities; and
- (5) any decision to change the general character or nature of the business of the issue or group.

Rule 704, Catalyst Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Announcement of Results, Dividends, etc

- (23) 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.
- (24) 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:
- (a) dividend;
 - (b) capitalisation or rights issue;

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- (c) closing of the books;
- (d) capital return;
- (e) passing of a dividend; or
- (f) sales or turnover

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.

6. Rule 13.66, HK Listing Rule: Closure of Books and Record Date

- (1) An issuer must announce any closure of its transfer books or register of members in respect of securities listed in Hong Kong at least six business days before the closure for a rights issue, or 10 business days before the closure in other cases. In cases where there is an alteration of book closing dates, the issuer must, at least five business days before the announced closure or the new closure, whichever is earlier, notify the SEHK in writing and make a further announcement.
- (2) An issuer must ensure that the last day for trading in the securities with entitlements falls at least one business day after the general meeting, if the entitlements require the approval of shareholders in the general meeting or are contingent on a transaction that is subject to the approval of shareholders in the general meeting.

Rule 704, Catalist Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Books Closure

- (25) 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.
- (26) 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.

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7. There are no corresponding or similar provisions in HK Listing Rules dealing with treasury shares and subsidiary holdings.
- Treasury Shares and Subsidiary Holdings**
Rule 704, Catalyst Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

- (31) Any sale, transfer, cancellation and/or use of treasury shares stating the following:
- (a) date of the sale, transfer, cancellation and/or use;
 - (b) purpose of such sale, transfer, cancellation and/or use;
 - (c) number of treasury shares sold, transferred, cancelled and/or used;
 - (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
 - (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
 - (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.
- (31A) Any sale, transfer, cancellation and/or use of subsidiary holdings stating the following:
- (a) date of the sale, transfer, cancellation and/or use;
 - (b) purpose of such sale, transfer, cancellation and/or use;
 - (c) number of subsidiary holdings sold, transferred, cancelled and/or used;

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(d) number of subsidiary holdings before and after such sale, transfer, cancellation and/or use; and

(e) percentage of the number of subsidiary holdings against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use.

8. Chapter 17 of HK Listing Rules (Share Option Schemes) Chapter 8 of the Catalist Rules (Changes in Capital)

Rule 17.02, HK Listing Rules: Adoption of a new scheme Part VIII Share Option Schemes or Share Schemes

The adoption of share option scheme for specified participants of a listed issuer or any of its subsidiaries is subject to the approval of the shareholders of the issuer in general meeting.

Rule 842(3), Catalist Rules

The approval of an issuer's shareholders must be obtained for any share option scheme or share scheme implemented by:

- (a) the issuer; and
- (b) a principal subsidiary of the issuer if the scheme may cause Rule 805(2) to apply.

Rule 842(4), Catalist Rules

If shareholder approval is not required pursuant to Rule 842(3), an issuer must announce the principal terms of any such share option scheme or share scheme implemented by its subsidiaries.

Notes to Rule 17.03(3), HK Listing Rules: Terms of the scheme Terms of Schemes

The total number of securities which may be issued upon the exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10% of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the scheme. Options lapsed in accordance with the terms of the scheme will not be counted for the purpose of calculating the 10% limit.

Rule 843, Catalist Rules

Participation in a scheme must be restricted to directors and employees of the issuer and its subsidiaries, except that:

- (1) directors and employees of an associated company of the issuer may participate in the scheme if the issuer has control over the associated company.

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The listed issuer may seek shareholders' approval in general meeting to "refresh" the 10% limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer (or the subsidiary) under the limit as "refreshed" must not exceed 10% of the relevant class of securities in issue as at the date of approval of the limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as "refreshed". The listed issuer must send a circular to its shareholders containing the information required under Rule 17.02(2)(d) of HK Listing Rules and the disclaimer required under Rule 17.02(4) of HK Listing Rules.

Rule 17.04(1), Listing Rules: Granting Options to a Director, Chief Executive or Substantial Shareholder of a Listed Issuer, or any of their Respective Associates

In addition to the shareholders' approval set out in note (1) to Rule 17.03(3) of HK Listing Rules and the note to Rule 17.03(4) of HK Listing Rules, each grant of options to a director, chief executive or substantial shareholder of a listed issuer, or any of their respective associates, under a scheme of the listed issuer or any of its subsidiaries must comply with the requirements of this Rule 17.04(1). Each grant of options to any of these persons must be approved by independent non-executive directors of the listed issuer (excluding independent non-executive director who is the grantee of the options).

Where any grant of options to a substantial shareholder or an independent non-executive director of the listed issuer, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12 month period up to and including the

(2) directors and employees of the issuer's parent company and its subsidiaries who have contributed to the success and development of the issuer may participate in the scheme.

Rule 844, Catalyst Rules

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.

Rule 846, Catalyst Rules

The exercise price of options to be granted must be set out. Options granted at a discount may be exercisable after 2 years from the date of grant. Other options may be exercisable after one year from the date of grant.

Shareholder Approval

Rule 852, Catalyst Rules

Participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer. A separate resolution must be passed for each person and to approve the actual number and terms of options to be granted to that participant.

Rule 853, Catalyst Rules

Any grant of options to a director or employee of the issuer's parent company and its subsidiaries that, together with options already granted to the person under the scheme, represents 5% or more of the total number of options available to such directors and employees, must be approved by independent shareholders. A separate resolution must be passed for each such person and to approve the aggregate number of options to be made available for grant to all directors and employees of the parent company and its subsidiaries.

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date of such grant, (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and (b) (where the securities are listed on the SEHK), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$ five million (5,000,000), such further grant of options must be approved by shareholders of the listed issuer. The listed issuer must send a circular to the shareholders. The grantee, his associates and all core connected persons of the listed issuer must abstain from voting in favour at such general meeting.

Rule 17.06A, HK Listing Rules: Announcement on Grant of Options

As soon as possible upon the granting by the listed issuer of an option under its share option scheme, the listed issuer must publish an announcement setting out the following details:

- (1) date of grant;
- (2) exercise price of the options grant;
- (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.

Rule 854, Catalyst Rules

When seeking shareholder approval, an issuer must explain the basis for the following in the circular:

- (1) Participation by, and the specific grant of options to, each of the controlling shareholders or their associates;
- (2) Participation by, and the grant of options to, directors and employees of the parent company and its subsidiaries;
- (3) Participation by non-executive directors;
- (4) Participation by directors and employees of the associated companies;
- (5) Discount quantum; and
- (6) Size of the scheme.

Rule 704, Catalyst Rules: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:

Employee Share Option or Share Scheme

- (32) 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:
 - (a) date of grant;
 - (b) exercise price of options granted;
 - (c) number of options or shares granted;
 - (d) market price of its securities on the date of grant;
 - (e) number of options or shares granted to each director and controlling shareholders (and each of their associates), if any; and
 - (f) validity period of the options.

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- 9. Material change in use of proceeds** **Rule 704, Catalyst Rules: Announcement of Specific Information**
- Pursuant to section 307B(1) of the SFO, a listed corporation must, as soon as reasonably practicable after any inside information has come to its knowledge, disclose the information to the public. Any material change of use of proceeds is generally price sensitive and hence, inside information for the purpose of the SFO. If such information was not previously disclosed in the listing document, the listed issuer must make an announcement to notify investors of the change after listing.
- In addition to Rule 703, an issuer must immediately announce the following:
- Use of Proceeds**
- (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 offer document 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.
- 10. Rules 13.46 to 13.50, HK Listing Rules: Disclosure of Financial Information** **Rule 705, Catalyst Rules: Financial Statements**
- Distribution of annual report and accounts**
- An issuer is required to send (i) every member of the issuer; and (ii) every other holder of its listed securities (not being bearer securities), a copy of either (a) its annual report including its annual accounts and, where the issuer prepares group accounts, its 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.
- (1) An issuer must announce the financial statements for the full financial year (as set out in Appendix 7C to the Catalyst Rules) immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.
- (2) An issuer must announce its financial statements for each of the first three quarters of its financial year (as set out in Appendix 7C to the Catalyst Rules) immediately after the figures are available, but in any event not later than 45 days after the quarter end if:
- (a) its market capitalisation exceeded S\$75 million as at 31 March 2003;
- (b) it was listed after 31 March 2003 and its market capitalisation exceeded S\$75 million at the time of listing (based on the initial public offering issue price); or

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- (c) its market capitalisation is S\$75 million or higher on the last trading day of each calendar year, commencing from 31 December 2006. An issuer who falls within this category for the first time, will have an initial grace period of one year to prepare to meet the requirements in Rule 705(2).
- (3) (a) An issuer who falls within any of the categories in this Rule 705(2), must comply with the requirements in Rule 705(2), even if its market capitalisation subsequently decreases below S\$75 million.
 - (b) An issuer whose market capitalisation does not exceed S\$75 million must announce its first half financial statements (as set out in Appendix 7C to the Catalist Rules) immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.
- (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 announcements of the financial statements provided that the following conditions are satisfied:
 - (a) the extension is announced by the issuer at the time of the issuer's listing; and
 - (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 offer document issued in connection with its listing on the SGX-ST.

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- (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.

Interim reports

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 (i) every member of the issuer; and (ii) every other holder of its listed securities (not being bearer securities), either (a) an interim report, or (b) 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 Companies (Summary Financial Reports) Regulation governing summary financial reports.

Preliminary announcements of results – Full financial year

An issuer shall publish 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.

Rules 707(1) and (2), Catalyst Rules: Annual Report

- (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.
- (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.

Sustainability Report

Rule 711A, Catalyst Rules

An issuer must issue a sustainability report for its financial year, no later than 5 months after the end of the financial year.

Rule 711B, Catalyst Rules

- (1) The sustainability report must describe the sustainability practices with reference to the following primary components:
- (a) material environmental, social and governance factors;
- (b) policies, practices and performance;

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- (c) targets;
 - (d) sustainability reporting framework;
and
 - (e) Board statement.
- (2) If the issuer excludes any primary component, it must disclose such exclusion and describe what it does instead, with reasons for doing so.

Preliminary announcements of results – First half of the financial year

The issuer shall publish 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.

Rule 4.03, HK Listing Rules: Reporting Accountants

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.

Appointment of Auditors

Rule 712, Catalyst Rules

- (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 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.
- (2) The auditing firm appointed by the issuer must be:
- (a) Registered with the Accounting and Corporate Regulatory Authority;

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- (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
 - (c) Any other auditing firm acceptable by the SGX-ST.
- (3) A change in auditing firm must be specifically approved by shareholders in a general meeting.

Rule 713, Catalist Rules

- (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.
- (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.

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- 11. Public Float Requirement Chapter 8 of HK Listing Rules (Qualifications for Listing)**
- Free Float**
- Rule 723, Catalyst Rules**
- Rule 8.08(1), HK Listing Rules: Qualifications for listing**
- Save and except for the circumstances specified under Chapter 8 of HK Listing Rules, an issuer must maintain at least 25% of its total number of issued shares at all times be held by the public.
- An issuer must ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public.
- Rule 724, Catalyst Rules**
- (1) If the percentage of securities held in public hands falls below 10%:
- (a) The issuer must, as soon as practicable:
- (i) notify its sponsor of that fact; and
- (ii) announce that fact.
- (b) The SGX-ST may suspend trading of the class, or all the securities of the issuer.
- (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%, failing which the issuer may be delisted.
- 12. Shareholders' Reporting Obligations**
- Obligation to notify the Company and SGX-ST of substantial shareholding and change in substantial shareholding**
- Part XV of the SFO: Disclosure of Interests by Substantial Shareholders**
- Substantial shareholder**
- 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. The SFO and the Outline of Part XV of the SFO – Disclosure of Interests (“**Outline**”) issued by the SFC provides that a substantial shareholder (i.e. shareholder interested in 5% or more of any class of voting shares in a
- Under the Companies Act, a substantial shareholder (i.e. shareholder having not less than 5.0% of the total votes attached to all the voting shares in the company) of a company shall within two (2) business days after becoming a substantial shareholder, or when there is a change in the percentage level (as defined in the Companies Act) of the substantial shareholder's interest, or when he ceases to be a substantial shareholder, give notice in writing to the company.

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listed company) is required to disclose his interest, and short positions, in the shares of the listed company, within 10 business days after first becoming a substantial shareholder, or to disclose his changes in percentage figures of his shareholdings in the listed company or ceasing to be a substantial shareholder within three business days after becoming aware of the relevant events. Please refer to Section 2.7 of the Outline for examples of relevant events.

Under the SFA, a substantial shareholder shall within two (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 SGX-ST.

Section 81, Companies Act

A person has a substantial shareholding in a company if he has an "interest" in one (1) or more voting shares in the company, and the total votes attached to those shares is not less than 5.0% of the total votes attached to all the voting shares in the company.

Section 82, Companies Act

A substantial shareholder of a company is required to notify the company of his "interests" in the voting shares in the company within two (2) business days after becoming a substantial shareholder.

Sections 83 and 84, Companies Act

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 (2) business days after he becomes aware of such changes.

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 1.0% 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.

Sections 135 to 137, SFA

A substantial shareholder is also required to give the above notifications to the SGX-ST at the same time.

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13. Part XV of the SFO: Disclosure of Interests by Directors and Chief Executives

A director or a chief executive of a listed company is required to disclose his interest and short position in any shares in a listed company (or any of its associated companies) and his interest in any debentures of the listed company (or any of its associated companies) within 10 business days after becoming a director or chief executive of the listed company or within three business days after becoming aware of the relevant events.

If a person is both a substantial shareholder and a director of the listed company concerned under the SFO, such person may have separate duties to file notices (one in each capacity) as a result of a single event. For example, a person who is interested in 5.9% of the shares of a listed company and buys a further 0.2% will have to file a notice because he is a director (and therefore has to disclose all transactions) and will also have to file a notice as a substantial shareholder because his interest has crossed the 6.0% level.

Register of director's and chief executive officer's shareholdings

Under Sections 164(1) and 164(1A) of the Companies Act, a company shall keep a register showing with respect to each director and chief executive officer of the company particulars of:

- (a) shares;
- (b) debentures of or participatory interests;
- (c) rights or options in respect of the acquisition or disposal of shares; and
- (d) contracts to which such person is a party 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,

of the company or a related corporation.

A director or chief executive officer 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 a child of less than 18 years of age of the director or chief executive officer (as the case may be) holds or has an interest or a right in or over any shares or debentures. Any contract, assignment or right of subscription shall be deemed to have been entered into or exercised or made by, or a grant shall be deemed as having been made to, the director or chief executive officer (as the case may be) if the contract, assignment or right of subscription is entered into, exercised or made by, or a grant is made to, the spouse or a child of less than 18 years of age of a director or chief executive officer of a company.

Under Section 165(1) of the Companies Act, every director and chief executive officer 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.

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Duty of director or chief executive officer to notify corporation of his interests

Sections 133 and 134 of the SFA

Section 133 of the SFA stipulates that every director and chief executive officer of a corporation shall give notice in writing to the corporation of particulars of, inter alia, shares in the corporation; or a related corporation of the corporation, which he holds, or in which he has an interest and the nature and extent of that interest, within two (2) business days after:

- (a) the date on which the director or chief executive officer becomes such a director or chief executive officer; or
- (b) the date on which the director or chief executive officer becomes a holder of, or acquires an interest in, the shares,

whichever last occurs.

Under Section 134, any director or chief executive officer of a corporation who intentionally or recklessly contravenes Section 133 in relation to the disclosure of shares held in the corporation, or furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

Power of corporation to require disclosure of beneficial interest in its voting shares

Any corporation may, under Section 137F of the SFA, require any member of the corporation within such reasonable time as is specified in the notice (which shall comply

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with the requirements stipulated by the Monetary Authority of Singapore):

- (a) to inform it whether he holds any voting shares in the corporation as beneficial owner or as trustee; and
- (b) if he holds them as trustee, to indicate so far as he can the persons for whom he holds them (either by name or by other particulars sufficient to enable those persons to be identified) and the nature of their interest.

Whenever a corporation receives information from a person pursuant to a requirement imposed on him under Section 137F with respect to shares held by a member of the corporation, it shall be under an obligation to inscribe against the name of that member in a separate part of the register kept by it under Section 137C:

- (i) the fact that the requirement was imposed and the date on which it was imposed; and
- (ii) the information received pursuant to the requirement.

Any person who intentionally or recklessly contravenes the requirement to comply with the notice, or in purported compliance with the requirement, furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

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Duty of corporation to make disclosure

Section 137G of the SFA

Where a corporation has been notified in writing by a director or chief executive officer of the corporation or a substantial shareholder in respect of a change in the particulars of his shareholdings, the corporation shall announce or otherwise disseminate the information stated in the notice to the securities market operated by the securities exchange on whose official list any or all of the shares of the corporation are listed, as soon as practicable and in any case, no later than the end of the business day following the day on which the corporation received the notice.

Any corporation that intentionally or recklessly contravenes this duty of disclosure; or in purported compliance, announces or disseminates any information knowing that it is false or misleading in a material particular or reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

14. Restrictions and notification requirements on issuers purchasing their own shares on a stock exchange

Rule 10.05, HK Listing Rules

Subject to the provisions of the Code on Share Buy-backs, approved by the SFC and as amended from time to time, an issuer may purchase its shares on the SEHK or on another stock exchange recognised for this purpose by the SFC and the SEHK. All such purchases must be made in accordance with Rule 10.06 of HK Listing Rules. The Code on Share Buy-backs must be complied with by an issuer and its directors and any breach thereof by an issuer will be a deemed breach of HK Listing Rules and the SEHK may in its absolute discretion

Chapter 8 of the Catalist Rules (Changes in Capital)

Part XI Share Buy-Back

Rule 866, Catalist Rules: Shareholder Approval

An issuer may purchase its own shares if it has obtained the prior specific approval of shareholders in general meeting.

Rule 867, Catalist Rules

A share buy-back may only be made by way of:

- (1) 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

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take such action to penalise any breach of this paragraph or the listing agreement as it shall think appropriate. It is for the issuer to satisfy itself that a proposed purchase of shares does not contravene the Code on Share Buy-backs.

Rule 10.06, HK Listing Rules

An issuer with primary listing on the SEHK can purchase its shares on the SEHK, either directly or indirectly, if the relevant shares are fully-paid up, the issuer has previously sent to the shareholders an explanatory statement complying with the provisions of Rule 10.06(1)(b) of HK Listing Rules and that the shareholders of the issuer have given specific approval or a general mandate to the directors to make such a purchase, provided that the amount of shares so purchased under the general mandate shall not exceed 10% of the number of issued shares of the issuer as at the date of the passing of the relevant shareholders' resolution granting the mandate of purchase.

Rule 10.06(1)(b), HK Listing Rules: Explanatory statement

For the purpose of obtaining shareholders' approval, the issuer must have previously sent 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 below:

- (1) a statement of the total number and description of the shares which the issuer proposes to purchase;
- (2) a statement by the directors of the reasons for the proposed purchase of shares;

- (2) 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 shares excluding treasury shares and subsidiary holdings as at the date of the resolution passed by shareholders for the share buy-back.

Rule 868, Catalyst Rules

For the purpose of obtaining shareholder approval, the issuer must provide at least the following information to shareholders:

- (1) The information required under the Companies Act;
- (2) The reasons for the proposed share buy-back;
- (3) The consequences, if any, of share purchases by the issuer that will arise under the Singapore Takeovers Code or other applicable takeover rules;
- (4) Whether the share buy-back, if made, could affect the listing of the issuer's equity securities on the SGX-ST; and
- (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.
- (6) Whether the shares purchased by the issuer will be cancelled or kept as treasury shares.

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- (3) a statement by the directors as to the proposed source of funds for making the proposed purchase of shares, which shall be funds legally available for such purposes in accordance with the issuer's constitutive documents and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;
- Rule 869, Catalist Rules: Dealing Restriction**
- In the case of a market acquisition, the purchase price must not exceed 105.0% of the Average Closing Price.
- "Average Closing Price" means the average of the closing market prices of a share over the last five (5) market days preceding the day of the market acquisition on which transactions in the shares were recorded and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.
- (4) a statement as to any material adverse impact on the working capital or gearing position of the issuer (as compared with the position disclosed in its most recent published audited accounts) in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period, or an appropriate negative statement;
- Rule 870, Catalist Rules: Off-market Acquisition On An Equal Access Scheme**
- In the case of off-market acquisition in accordance with an equal access scheme, an issuer must issue an offer document to all shareholders containing at least the following information:
- (1) Terms and conditions of the offer;
 - (2) Period and procedures for acceptances; and
 - (3) Information in Rule 868(2), (3), (4), (5) and (6).
- (5) a statement of the name of any directors, and to the best of the knowledge of the directors having made all reasonable enquiries, any close associates of the directors, who have a present intention, in the event that the proposal is approved by shareholders, to sell shares to the issuer, or an appropriate negative statement;
- Rule 871(1), Catalist Rules: Announcement of Share Buy-Back**
- An issuer must announce any share buy-back as follows:
- (a) In the case of a market acquisition, by 9.00 am on the market day following the day on which it purchased shares,
 - (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.
- (6) a statement that the directors have undertaken to the SEHK to exercise the power of the issuer to make purchases pursuant to the proposed resolution in accordance with HK Listing Rules and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;

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- (7) a statement as to the consequences of any purchases which will arise under the Takeovers Code of which the directors are aware, if any;
- (8) a statement giving details of any purchases by the issuer of shares made in the previous six months (whether on the SEHK or otherwise) giving the date of each purchase and the purchase price per share or the highest and lowest prices paid for such purchases, where relevant;
- (9) a statement as to whether or not any core connected persons of the issuer have notified the issuer that they have a present intention to sell shares to the issuer or have undertaken not to sell any of the shares held by them to the issuer, in the event that the issuer is authorised to make purchases of shares;
- (10) a statement giving the highest and lowest prices at which the relevant shares have traded on the SEHK during each of the previous 12 months; and
- (11) the disclaimer of the SEHK in the form set out under HK Listing Rules.
- Rule 871(2), Catalist Rules**
- The announcement must be in the form of Appendix 8D to the Catalist Rules. Such announcement would include, inter alia, the name of the overseas exchange on which the company's shares are also listed, the maximum number of shares authorised for purchase, the date of purchases, the total number of shares purchased, the purchase price per share, the highest and lowest prices paid for such shares, the total purchase consideration, the cumulative number of shares purchased to date and the number of issued shares after the purchase.

15. Rule 10.06(2), HK Listing Rules: Dealing Restrictions

The buy-back of shares by an issuer is subject to various dealing restrictions, including, among others, that an issuer shall not purchase its shares on the SEHK if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on SEHK.

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Rule 10.06(4), HK Listing Rules: Reporting Requirements

- (a) An issuer shall submit for publication to SEHK 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 purchase of shares (whether on the SEHK or otherwise), the total number of shares purchased by the issuer the previous day, the purchase price per share or the highest and lowest prices paid for such purchases, where relevant, and shall confirm that those purchases which were made on the SEHK were made in accordance with HK Listing Rules and if the issuer's primary listing is on the SEHK, that there have been no material changes to the particulars contained in the explanatory statement. In respect of purchases made on another stock exchange, the issuer's report must confirm that those purchases were made in accordance with the domestic rules applying to purchases on that other stock exchange. Such reports shall be made on a return in such form and containing such information as the SEHK may from time to time prescribe. In the event that no shares are purchased on any particular day then no return need be made to the SEHK. The issuer should make arrangements with its brokers to ensure that they provide to the issuer in a timely fashion the necessary information to enable the issuer to make the report to the SEHK.

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- (b) An issuer shall also include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the number of shares purchased each month (whether on the SEHK or otherwise) and the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid by the issuer for such purchases. The directors' report shall contain reference to the purchases made during the year and the directors' reasons for making such purchases.

Solicitation for Proxy

Investors holding securities in listed companies listed on SEHK through CCASS who want to attend the shareholders' meetings in person or appoint proxies to vote on their behalf must make a request through their broker firms or directly to HKSCC (as the case may be) to authorise the investors as corporate representatives or proxies of HKSCC Nominees Limited (or any successor thereto) in respect of such shareholding of the investors in the listed companies.

Depositors who wish to attend and vote at the extraordinary general meeting, and whose names are shown in the records of the CDP as at a time not earlier than 72 hours prior to the time of the extraordinary general meeting supplied by CDP to the company, may attend the extraordinary general meeting in person. Such depositors who are individuals and who wish to attend the extraordinary general meeting in person need not take any further action and can attend and vote at the extraordinary general meeting.

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B. ISSUANCE OF NEW SHARES, CONVERTIBLE BONDS OR BONDS WITH WARRANTS

1. Sections 140 and 141, Companies Ordinance: Allotment and Issues of Shares **Power of Directors to Allot and Issue Shares**

The directors of a company may exercise a power (i) to allot shares in the company; or (ii) to grant rights to subscribe for, or to convert any security into, shares in the company, only if the company gives approval in advance by resolution of the company.

Rules 13.36(1) to (3), HK Listing Rules: Preemptive rights

Except in the circumstances, mentioned in Rule 13.36(2) of HK Listing Rules:

- (a) the directors of the issuer shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting: (i) shares; (ii) securities convertible into shares; or (iii) options, warrants or similar rights to subscribe for any shares or such convertible securities; and
- (b) the directors of the issuer shall obtain consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.

No such consent as is referred to in Rule 13.36(1)(a) of HK Listing Rules shall be required:

- (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

The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the constitution of that company.

However, notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares. Such approval need not be specific but may be general.

Rule 803, Catalyst Rules

An issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

Rule 805, Catalyst Rules

Except as provided in Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for the following:

- (1) The issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer; or
- (2) If a principal subsidiary of an issuer issues shares or convertible securities or options that will or may result in:
 - (a) the principal subsidiary ceasing to be a subsidiary of the issuer; or
 - (b) a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary. For example, if the issuer has a 70% interest in a principal subsidiary, shareholder approval will be required for any issue of shares in the principal subsidiary reducing the issuer's equity interest to 56%.

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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

- (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, 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 (i) 20% of the number of issued shares of the issuer as at the date of the resolution granting the general mandate (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in Rule 7.14(3) of HK Listing Rules, 20% of the number of issued shares of an overseas issuer following the implementation of such scheme) and (ii) 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 number of issued shares of the issuer as at the date of the resolution granting the

Rule 806(1), Catalyst Rules

Subject to Rule 803, approval by an issuer's shareholders under Rule 805(1) is not required if shareholders had, by resolution in a general meeting, given a general mandate to the directors of the issuer, either unconditionally or on such conditions to issue:

- (a) shares; or
- (b) convertible securities; or
- (c) 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
- (d) 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.

Rule 806(2), Catalyst Rules

A general mandate must limit the aggregate number of shares and convertible securities that may be issued according to the limits in Rules 806(2)(a) and (b) below. Unless prior shareholder approval is required under the Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the following limits.

- (a) If shareholders approve the mandate by ordinary resolution, the limit must be not more than 100% of the total number of issued shares excluding treasury shares and subsidiary holdings, 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 50% of the total number of issued shares excluding treasury shares and subsidiary holdings; or

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repurchase mandate), 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.

A general mandate given to directors to issue and allot shares under Rule 13.36(2) of HK Listing Rules shall only continue in force until (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 (b) revoked or varied by ordinary resolution of the shareholders at general meeting, whichever occurs first.

(b) If shareholders approve the mandate by special resolution, the limit on the aggregate number of shares and convertible securities issued, whether on a pro rata or non pro rata basis, may be up to 100% of the total number of issued shares excluding treasury shares and subsidiary holdings. Shareholder approval under Rule 806(2)(b) must not be deemed by way of subscription for shares.

Rule 806(3), Catalyst Rules

For the purpose of Rule 806(2), the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings is based on the issuer's total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of the resolution approving the mandate after adjusting for:

- (a) new shares arising from the conversion or exercise of convertible securities;
- (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares.

Rule 806(5), Catalyst Rules

An issuer cannot rely on the general mandate for an issue of convertible securities if the maximum number of shares to be issued upon conversion cannot be determined at the time of issue of the convertible securities.

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Rule 806(6), Catalist Rules

A general mandate may remain in force until the earlier of the following:

- (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution. By a resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or
- (b) it is revoked or varied by ordinary resolution of the shareholders in general meeting.

2. Rule 13.36(5), HK Listing Rules: Placing of Securities for Cash

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) of HK Listing Rules if the relevant price represents a discount of 20% or more to the benchmarked price of the securities, such benchmarked price being the higher of:

- (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
- (b) the average closing price in the five trading days immediately prior to the earlier of:
 - (i) the date of the announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;

Issue of Shares, Company Warrants and Convertible Securities for Cash (Other than Rights Issue)

Rule 810(1), Catalist Rules

An issuer which intends to issue shares, company warrants or other convertible securities for cash must announce the issue promptly.

Rule 811(1), Catalist Rules

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.

Rule 811(2), Catalist Rules

An issue of company warrants or other convertible securities is subject to the following requirements:

- (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.

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- (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
- (iii) the date on which the placing or subscription price is fixed,
- (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.

unless the issuer can satisfy the SEHK 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 the SEHK with detailed information on the allottees to be issued with securities under the general mandate.

Rule 15.02, HK Listing Rules: Options, Warrants and Similar Rights

All warrants must, prior to the issue or grant thereof, be approved by the SEHK and in addition, where they are warrants to subscribe equity securities, by the shareholders in general meeting (unless they are issued by the directors under the authority of a general mandate granted to them by shareholders in accordance with Rule 13.36(2) of HK Listing Rules). In the absence of exceptional circumstances which would include, by way of example, a rescue reorganisation, the SEHK will only grant approval to the issue or grant of warrants to subscribe securities if the following requirements are complied with:

- (1) the securities to be issued on exercise of the warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such

Rule 811(3), Catalyst Rules

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.

Rule 811(4), Catalyst Rules

Where specific shareholders' approval is sought, the circular must include the following:

- (a) information required under Rule 810; and
- (b) the basis upon which the discount was determined.

Issue of Company Warrants and Other Convertible Securities

Rule 824, Catalyst Rules

Every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting.

Rule 825, Catalyst Rules

In procuring the approval of shareholders in a general meeting, the circular to the shareholders must include the recommendation(s) of the board of directors of the issuer on such an issue of company warrants or convertible securities and the basis for such recommendation(s).

Rule 826, Catalyst Rules

When listing company warrants or other convertible securities, the issuer should ensure a sufficient spread of holdings to

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rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the number of issued shares of the issuer at the time such warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of HK Listing Rules are excluded for the purpose of this limit; and

- (2) such warrants must expire not less than one and not more than five years from the date of issue or grant and must not be convertible into further rights to subscribe securities which expire less than one year or more than five years after the date of issue or grant of the original warrants.

Rule 15.03, HK Listing Rules

The circular or notice to be sent to shareholders convening the requisite meeting under Rule 15.02 of HK Listing Rules must include, at least, (1) the maximum number of securities which could be issued on exercise of the warrants, (2) the period during which the warrants may be exercised and the date when this right commences, (3) the amount payable on the exercise of the warrants, (4) the arrangements for transfer or transmission of the warrants, (5) the rights of the holders on the liquidation of the issuer, (6) the arrangements for the variation in the subscription or purchase price or number of securities to take account of alterations to the share capital of the issuer, (7) the rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer, and (8) a summary of any other material terms of the warrants.

provide for an orderly market in the securities. As a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants.

Rule 827, Catalyst Rules

Company warrants or other convertible securities may be listed only if the underlying securities are (or will become at the same time) one of the following:

- (1) A class of equity securities listed on the SGX-ST.
- (2) A class of equity securities listed or dealt in on a stock market approved by the SGX-ST.

Rule 828, Catalyst Rules

Each company warrant must:

- (1) give the registered holder the right to subscribe for or buy one share of the issuer; and
- (2) not be expressed in terms of dollar value.

Rule 829, Catalyst Rules

The terms of the issue must provide for:

- (1) adjustment to the exercise or conversion price and, where appropriate, the number of company warrants or other convertible securities, in the event of rights, bonus or other capitalisation issues;
- (2) the expiry of the company warrants or other convertible securities to be announced, and notice of expiry to be sent to all holders of the company warrants or other convertible securities at least 1 month before the expiration date; and

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- (3) Any material alteration to the terms of company warrants or other convertible securities after issue to the advantage of the holders of such securities to be approved by shareholders, except where the alterations are made pursuant to the terms of the issue.

Rule 830, Catalist Rules

An issuer must announce any adjustment made pursuant to Rule 829(1).

Rule 831, Catalist Rules

An issuer must not:

- (a) extend the exercise period of an existing company warrant;
- (b) issue a new company warrant to replace an existing company warrant;
- (c) change the exercise price of an existing company warrant except where the alterations are made pursuant to the terms of an issue pursuant to Rule 829(1); or
- (d) change the exercise ratio of an existing company warrant.

Rule 832, Catalist Rules

A circular or notice to be sent to shareholders in connection with a general meeting to approve the issue of company warrants or other convertible securities must include at least the following information:

- (1) The maximum number of the underlying securities which would be issued or transferred on exercise or conversion of the company warrants or other convertible securities.
- (2) The period during which the company warrants or other convertible securities may be exercised and the dates when this right commences and expires.
- (3) The amount payable on the exercise of the company warrants or other convertible securities.

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- (4) The arrangements for transfer or transmission of the company warrants or other convertible securities.
- (5) The rights of the holders on the liquidation of the issuer.
- (6) The arrangements for the variation in the subscription or purchase price and in the number of company warrants or other convertible securities in the event of alterations to the share capital of the issuer.
- (7) The rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer.
- (8) A summary of any other material terms of the company warrants or other convertible securities.
- (9) The purpose for and use of proceeds of the issue, including the use of future proceeds arising from the conversion/exercise of the company warrants or other convertible securities.
- (10) The financial effects of the issue to the issuer.

3. Rule 7.19(6), HK Listing Rules: Chapter 8 Part V: Rights Issues Rights Issue

If the proposed rights issue would increase either the number of issued shares or the market capitalisation of the issuer by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion)

Rule 814, Catalyst Rules

- (1) An issuer which intends to make a rights issue must announce (having regard to Rule 704(24)) the issue promptly. The announcement must include the following:
 - (a) price, terms and purpose of the issue;
 - (b) the amount of proceeds proposed to be raised;
 - (c) breakdown of the proposed use of proceeds;

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granted or to be granted to shareholders as part of such rights issues or open offers):

- (a) the rights issue must be made conditional on approval by shareholders in general meeting by a resolution on which 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. The issuer must disclose the information required under Rule 2.17 of HK Listing Rules in the circular to shareholders;
 - (b) the issuer shall set out in the circular to shareholders the purpose of the proposed rights issue, together with the total funds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds. The issuer shall also include the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities in the 12 months immediately preceding the announcement of the proposed rights issue, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount; and
 - (c) the SEHK reserves the right to require the rights issue to be fully underwritten.
- (d) where the issue is proposed to be used mainly for general working capital purposes, the issuer must provide reasons for such use taking into account its working capital position;
 - (e) whether the issuer's directors are of the opinion that, after taking into consideration:
 - (i) the present bank facilities, the working capital available to the group is sufficient to meet its present requirements and if so, the directors must provide reasons for the issue; and
 - (ii) the present bank facilities and net proceeds of the issue, the working capital available to the group is sufficient to meet its present requirements;
 - (f) whether the issue will be underwritten;
 - (g) the financial circumstances which call for the issue; and
 - (h) whether it has obtained a listing and quotation notice from the SGX-ST or will be seeking the listing and quotation of the new shares arising from the rights issue.

In addition, an issuer must observe the disclosure requirements in Appendix 8A to the Catalist Rules.

- (2) If a rights issue involves an issue of convertible securities, the issuer must also comply with Part VI of Chapter 8 of the Catalist Rules.

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- (3) In the allotment of any excess rights shares, a confirmation to the sponsor that preference will be given to the rounding of odd lots. Directors and substantial shareholders who have control or influence over the issuer in connection with the day-to-day affairs of the issuer or the terms of the rights issue, or have representation (direct or through a nominee) on the board of the issuer will rank last in priority for the rounding of odd lots and allotment of excess rights shares.

Rule 815, Catalist Rules

An issuer must announce any significant disbursement of the proceeds raised from the rights issue.

Rule 816, Catalist Rules

- (1) Subject to Rule 816(2), a rights issue must provide for the rights to subscribe for securities to be renounceable in part or in whole in favour of a third party at the option of the entitled shareholders.
- (2) (a) An issuer can undertake non-renounceable rights issues:
- (i) subject to specific shareholders' approval; or
 - (ii) in reliance on the general mandate to issue rights shares in a non-renounceable rights issue if the rights shares are priced at not more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the rights issue is announced. 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 rights issue is announced.

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- (b) The non-renounceable rights issue must comply with Part V of Chapter 8 except Rule 816(1).

Rule 821, Catalist Rules

No date must be fixed for the closing of books until the SGX-ST has issued a listing and quotation notice.

Rule 823(2), Catalist Rules

An issuer making a rights issue must observe any time-table published by the SGX-ST.

Rule 833, Catalist Rules

The following additional requirements apply to an offer of company warrants or other convertible securities by way of a rights issue or bought deal:

- (1) The issuer's announcement of the rights issue or bought deal must include either:
 - (a) the exercise or conversion price of the company warrants or other convertible securities, or
 - (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.
- (2) Where a price-fixing formula is adopted:
 - (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
 - (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.

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- (3) An offer of company warrants or convertible securities by way of a bought deal must comply with Part V of Chapter 8 of the Catalyst Rules.

4. Rule 17.03, Listing Rules: Terms of Share Option Schemes

The terms and provisions of the scheme must provide, inter alia:

- (i) the total number of securities which may be issued upon exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10% of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the scheme – the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer (or the subsidiary) in issue from time to time. No options may be granted under any schemes of the listed issuer (or the subsidiary) if this will result in the limit being exceeded. The period within which the securities must be taken up under the option must not be more than 10 years from the date of grant of the option, and the life of the scheme must not be more than 10 years;
- (ii) the maximum entitlement of each participant under the scheme (including both exercised and outstanding options) in any 12 month period must not exceed 1% of the relevant class of securities of the issuer (or the subsidiary) in issue; and

Share Option Scheme or Share Schemes

Rule 843, Catalyst Rules

Participation in a scheme must be restricted to directors and employees of the issuer and its subsidiaries, except that:

- (1) directors and employees of an associated company of the issuer may participate in the scheme if the issuer has control over the associated company.
- (2) directors and employees of the issuer's parent company and its subsidiaries who have contributed to the success and development of the issuer may participate in the scheme.

Rule 844, Catalyst Rules

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.

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(iii) the basis of determination of the exercise price – the exercise price of the scheme, which must be at least the higher of: (i) the closing price of the securities as stated in the SEHK’s daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the securities as stated in the SEHK’s daily quotations sheets for the five business days immediately preceding the date of grant. For the purpose of calculating the exercise price where an issuer has been listed for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing.

5. Section 270 of the SFO: Insider dealing

In general terms, subject to the specified exempted circumstances, Section 270 of the SFO prohibits persons from dealing in listed securities (or their derivatives) of a corporation, or otherwise counsels or procures another person to deal in such listed shares (or their derivatives) when such person is connected with the corporation and has information which he knows is relevant information in relation to the corporation.

Section 278 of the SFO: Stock Market Manipulation

Section 278 of the SFO prohibits persons in Hong Kong or elsewhere from:

- (a) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction increase, or are likely

Sections 218 and 219, SFA

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.

Such persons include:

- (1) officers of a corporation or a related corporation;
- (2) substantial shareholders of a corporation or a related corporation; and
- (3) a person who occupies a position reasonably expected to give him access to inside information by virtue of:
 - (a) any professional or business relationship existing between himself (or his employer or a corporation of which he is an

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to increase, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to purchase or subscribe for, or to refrain from selling, securities of the corporation or of a related corporation of the corporation;

- (b) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction reduce, or are likely to reduce, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to sell, or to refrain from purchasing, securities of the corporation or of a related corporation of the corporation; or

- (c) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction maintain or stabilise, or are likely to maintain or stabilise, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to sell, purchase or subscribe for, or to refrain from selling, purchasing or subscribing for, securities of the corporation or of a related corporation of the corporation.

officer) and that corporation or a related corporation; or

- (b) being an officer of a substantial shareholder in that corporation or in a related corporation.

Section 198(1), SFA: Securities Market Manipulation

No person shall effect, take part in, be concerned in or carry out, directly or indirectly, two (2) or more transactions in securities of a corporation, being transactions that have or likely to have the effect of raising, lowering, maintaining or stabilising the price of the securities with intent to induce other persons to subscribe for, purchase or sell securities of the corporation or of a related corporation.

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C. BOARD COMPOSITION

Rules 3.10, 3.10a and 8.12, HK Listing Rules

Every board of directors of an issuer must include at least three independent non-executive directors; and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. An issuer must appoint independent non-executive directors representing at least one-third of the board.

A new applicant applying for a primary listing on the SEHK must have sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

Rules 3.21, 3.22 and paragraph C.3.3 of Appendix 14, HK Listing Rules: Audit Committee

Every listed issuer must establish an audit committee comprising 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. The majority of the audit committee members must be independent non-executive directors of the listed issuer. The audit committee must be chaired by an independent non-executive director. The board of directors of the issuer must approve and provide written terms of reference as required under Rule 3.22 and paragraph C.3.3 of Appendix 14 to HK Listing Rules for the audit committee.

Chairman and Chief Executive Officer

Principle 3 of the Code of Corporate Governance (“COCG”)

Guideline 3.1, COCG

The Chairman of the board of directors (the “**Chairman**”) and the chief executive officer (or equivalent) (the “**CEO**”) should in principle be separate persons, to ensure an appropriate balance of power, increased accountability and greater capacity of the board of directors for independent decision making. The division of responsibilities between the Chairman and the CEO should be clearly established, set out in writing and agreed by the board of directors. In addition, the board of directors should disclose the relationship between the Chairman and the CEO if they are immediate family members.

Guideline 3.3, COCG

Every company should appoint an independent director to be the lead independent director where:

- (a) the Chairman and the CEO is the same person;
- (b) the Chairman and the CEO are immediate family members;
- (c) the Chairman is part of the management team; or
- (d) the Chairman is not an independent director.

The lead independent director (if appointed) should be available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the chief financial officer (or equivalent) has failed to resolve or is inappropriate.

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Audit Committee

Principle 12, COCG

The board of directors should establish an audit committee (“AC”) with written terms of reference which clearly set out its authority and duties.

Guideline 12.1, COCG

The AC should comprise at least three (3) directors, the majority of whom, including the AC chairman, should be independent. All of the members of the AC should be non-executive directors.

Guideline 12.2, COCG

The board of directors should ensure that the members of the AC are appropriately qualified to discharge their responsibilities. At least two (2) members of the AC, including the AC chairman, should have recent and relevant accounting or related financial management expertise or experience, as the board of directors interprets such qualification in its business judgment.

Section 201B, Companies Act

- (1) Every listed company shall have an audit committee.
- (2) An audit committee shall be appointed by the directors from among their number (pursuant to a resolution of the board of directors) and shall be composed of 3 or more 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

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

(3) 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.

(4) If a member of an audit committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below 3, the board of directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

Rules 3.25, 3.26 and paragraph B.1.2 of Appendix 14, HK Listing Rules: Remuneration Committee

An issuer must establish a remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors, with specific terms of reference that clearly establish its authority and duties, including the terms of references set out in paragraph B.1.2 of Appendix 14 to HK Listing Rules. The board of directors must approve and provide written terms of reference for the remuneration committee which clearly establish its authority and duties.

Paragraphs A.5.1 and A.5.2 of Appendix 14 of HK Listing Rules: Nomination Committee

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. The nomination committee should be established with specific written terms of reference which deal clearly with its authority and duties and should perform the duties as set out in paragraph A.5.2 of Appendix 14 to HK Listing Rules.

Remuneration Committee

Principle 7, COCG

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Guideline 7.1, COCG

The board of directors 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 (3) directors, the majority of whom, including the RC chairman, should be independent. All of the members of the RC should be non-executive directors.

Nominating Committee

Principle 4, COCG

There should be a formal and transparent process for the appointment and re-appointment of directors to the board of directors.

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Guideline 4.1, COCG

The board of directors should establish a nominating committee (“NC”) to make recommendations to the board of directors on all board appointments, with written terms of reference which clearly set out its authority and duties. The NC should comprise at least three (3) 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.

D. INTERESTED PERSON TRANSACTIONS OR CONNECTED TRANSACTIONS

Chapter 14A of HK Listing Rules (Connected Transactions)

Chapter 14A of HK Listing Rules specifies circumstances in which transactions between an issuer and certain specified persons (including connected persons) are, unless otherwise exempted, subject to the shareholders’ approval, annual review and disclosure requirements.

Rules 14A.07 and 14A.24, HK Listing Rules

“Connected person” is defined to include a director, chief executive or substantial shareholder of the listed issuer or any of its subsidiaries, any person who was a director of the listed issuer or any of its subsidiaries in the last 12 months, a supervisor of a PRC issuer or any of its subsidiaries, an associate of the respective persons as aforesaid, a connected subsidiary, or a person deemed to be connected by the SEHK.

“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:

- (a) the acquisition or disposal of assets by a listed issuer’s group including deemed disposals;

Chapter 9 of the Catalist Rules (Interested Person Transactions)

Chapter 9 of the Catalist Rules, which applies to the Company, prescribes situations in which transactions between entities at risk (as defined in the Catalist Rules) and interested persons (as defined in the Catalist Rules) are required to be disclosed or are subject to the prior approval of shareholders.

Rule 904, Catalist Rules

For the purposes of Chapter 9, the following definitions apply:

- (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 Chapter 9.
- (2) “entity at risk” means:
 - (a) the issuer;
 - (b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or

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- (b) any transaction involving a listed issuer's group granting, accepting, transferring, exercising or terminating an option to acquire or dispose of assets or to subscribe for securities; or the listed issuer's group deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;
 - (c) entering into or terminating finance leases or operating leases or sub-leases;
 - (d) 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;
 - (e) entering into an agreement or arrangement to set up a joint venture entity in any form, such as a partnership or a company, or any other form of joint arrangement;
 - (f) issuing new securities of the listed issuer or its subsidiaries;
 - (g) providing, receiving or sharing of services; or
 - (h) acquiring or providing raw materials, intermediate products and/or finished goods.
- (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.
- (3) "financial assistance" includes:
- (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
 - (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.
- (4) "interested person" means:
- (a) a director, chief executive officer, or controlling shareholder of the issuer; or
 - (b) an associate of any such director, chief executive officer, or controlling shareholder.
- (5) "interested person transaction" means a transaction between an entity at risk and an interested person.
- (6) "transaction" includes:
- (a) the provision or receipt of financial assistance;
 - (b) the acquisition, disposal or leasing of assets;
 - (c) the provision or receipt of services;
 - (d) the issuance or subscription of securities;

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- (e) the granting of or being granted options; and
- (f) the establishment of joint ventures or joint investments;

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).

(7) “defence funding” means:

- (a) The provision of a loan to a director or a chief executive officer of an entity at risk to meet expenditure incurred or to be incurred:
 - (i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by that person in relation to the entity at risk; or
 - (ii) in connection with an application for relief; or
 - (iii) defending himself in an investigation by a regulatory authority or against any action proposed to be taken by a regulatory authority, in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the entity at risk; or
- (b) any action to enable such director or chief executive officer to avoid incurring such expenditure.

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Rules 14A.35 to 37, 14A.49, 14A.71, 14A.76, HK Listing Rules: Reporting, Announcement and Independent Shareholders' Approval Requirements for Connected Transactions

Rules 14A.35, 14A.36 and 14A.47, HK Listing Rules

Where any connected transaction is proposed, the transaction must be announced as soon as practicable after its terms have been agreed and where shareholders' approval for the connected transaction is required, a circular must be sent to shareholders giving information about the transaction. Prior approval of the shareholders in general meeting will be required before the transaction can proceed, unless it is otherwise exempted under HK Listing Rules.

Rules 14A.37, 14A.73, 14A.76, HK Listing Rules

Certain categories of transactions are exempt from the general meeting requirements and the SEHK accepts a written shareholder's approval (subject to certain conditions as set out in Rule 14A.37 of HK Listing Rules), and certain transactions are subject only to annual review and disclosure requirements. Amongst other exemptions under HK Listing Rules, a connected transaction conducted on normal commercial terms or better will constitute a de minimis transaction under Rule 14A.76(1) of HK Listing Rules, which will be exempt from shareholders' approval, annual review and all disclosure requirements, where each of the percentage ratios (other than the profits ratio) is less than 0.1% or less than 1% (where the connected transaction only involves a connected person at the issuer's subsidiary's level), or each of the percentage ratios (other than the profits ratio) is less than 5% and the total consideration is less than HK\$3,000,000.

General Requirements

Rule 905, Catalyst Rules

- (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.
- (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.
- (3) Rule 905(1) and (2) does not apply to any transaction below S\$100,000.

Rule 906, Catalyst Rules

- (1) An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:
 - (a) 5% of the group's latest audited net tangible assets; or
 - (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 aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

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Rules 14A.49, 14A.71, HK Listing Rules: Reporting Requirements

The listed issuer's annual report must contain the following information on the connected transactions conducted in that financial year (including continuing connected transactions under agreements signed in previous years):

- (1) the transaction date;
- (2) the parties to the transaction and a description of their connected relationship;
- (3) a brief description of the transaction and its purpose;
- (4) the total consideration and terms;
- (5) the nature of the connected person's interest in the transaction; and
- (6) for continuing connected transactions,
 - (a) confirmation from the listed issuer's independent non-executive directors on the matters set out in Rule 14A.55 of HK Listing Rules; and
 - (b) statement from the listed issuer's board of directors whether the auditors have confirmed the matters set out in Rule 14A.56 of HK Listing Rules.

- (2) Rule 906(1) does not apply to any transaction below S\$100,000.

Rule 907, Catalyst Rules

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.

General Mandate

Rule 920(1), Catalyst Rules

An issuer may seek a general mandate from shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

- (a) An issuer must:
 - (i) disclose the general mandate in the annual report, giving details of the aggregate value of transactions conducted pursuant to the general mandate during the financial year. The disclosure must be in the form set out in Rule 907; and
 - (ii) announce the aggregate value of transactions conducted pursuant to the general mandate for the financial periods which it is required to report on pursuant to Rule 705 within the time required for the announcement of such report. The disclosure must be in the form set out in Rule 907.
- (b) A circular to shareholders seeking a general mandate must include:
 - (i) the class of interested persons with which the entity at risk will be transacting;
 - (ii) the nature of the transactions contemplated under the mandate;

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- (iii) the rationale for, and benefit to, the entity at risk;
 - (iv) the methods or procedures for determining transaction prices;
 - (v) the independent financial adviser's opinion on whether the methods or procedures in (iv) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders;
 - (vi) an opinion from the audit committee if it takes a different view to the independent financial adviser;
 - (vii) a statement from the issuer that it will obtain a fresh mandate from shareholders if the methods or procedures in (iv) become inappropriate; and
 - (viii) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.
- (c) An independent financial adviser's opinion is not required for the renewal of a general mandate provided that the audit committee confirms that:
- (i) the methods or procedures for determining the transaction prices have not changed since last shareholder approval; and
 - (ii) the methods or procedures in Rule 920(1)(c)(i) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders.
- (d) Transactions conducted under a general mandate are not separately subject to Rules 905 and 906.

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Rules 14A.81 to 14A.86 HK Listing Rules: Aggregation of Transactions

The SEHK will aggregate a series of connected transactions and treat them as if they were one transaction if they were all entered into or completed within a 12 month period or are otherwise related. The listed issuer must comply with the applicable connected transaction requirements based on the classification of the connected transactions when aggregated. The aggregation period will cover 24 months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover.

Factors that the SEHK will consider for aggregation of a series of connected transactions include whether:

- (1) they are entered into by the listed issuer's group with the same party, or parties who are connected with one another;
- (2) they involve the acquisition or disposal of parts of one asset, or securities or interests in a company or group of companies; or
- (3) they together lead to substantial involvement by the listed issuer's group in a new business activity.

The SEHK may aggregate all continuing connected transactions with a connected person.

The listed issuer must consult the SEHK before the listed issuer's group enters into any connected transaction if:

- (1) the transaction and any other connected transactions entered into or completed by the listed issuer's group in the last 12 months fall under any of the circumstances described in Rule 14A.82 of HK Listing Rules; or

Rule 908, Catalyst Rules

In interpreting the term "same interested person" for the purpose of aggregation in Rules 905 and 906, the following applies:

- (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.
- (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.

As an example, Entity-At-Risk A, Listed B and Listed C are all subsidiaries of Ultimate D. Listed B, Listed C and Ultimate D have boards, the majority of whose directors are different and are not accustomed to act on the instructions of Ultimate D and its associates and have audit committees whose members are completely different. Transactions between Entity-At-Risk A and Listed B need not be aggregated with transactions between Entity-At-Risk A and Listed C or with transactions between Entity-At-Risk A and Ultimate D.

Shareholder Approval

Rule 918, Catalyst Rules

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.

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- (2) the transaction and any other transactions entered into by the listed issuer's group involve the acquisition of assets from a person or group of persons or any of their associates within 24 months after the person(s) gain control (as defined in the HK Takeovers Code) of the listed issuer.

The listed issuer must provide information to the SEHK on whether it should aggregate the transactions.

The SEHK may aggregate a listed issuer's connected transactions even if the listed issuer has not consulted the SEHK.

Rules 14A.76, 14A.89, 14A.92 to 14A.95, 14A.97 to 14A.101, HK Listing Rules: Exemptions

The connected transactions which can be exempt from the connected transaction requirements include:

- (1) de minimis transactions;
- (2) financial assistance;
- (3) issue of new securities by the listed issuer or its subsidiary if (a) the connected person receives a pro rata entitlement to the issue as a shareholder; (b) the connected person subscribes for the securities in a rights issue or open offer; (c) the securities are issued to the connected person under a share option scheme; or (d) the securities are issued under a "top-up placing and subscription";
- (4) dealings in securities on the SEHK as prescribed under Rule 14A.93 of HK Listing Rules;
- (5) any repurchase of own securities by a listed issuer or its subsidiary from a connected person on SEHK or a recognised stock exchange or under a general offer made under the Code on Share Buy-backs;

Rule 919, Catalyst Rules

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.

Exceptions

Rule 915, Catalyst Rules

The following transactions are not required to comply with Rules 905, 906 and 907:

- (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.
- (2) The grant of options, and the issue of securities pursuant to the exercise of options, under an employees' share option scheme for which a listing and quotation notice has been issued by the SGX-ST.
- (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%.
- (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.

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- (6) the entering into of a service contract by a director of the listed issuer with the listed issuer or its subsidiary;
- (7) the acquisition as consumer or selling consumer goods or services to a connected person on normal commercial terms or better in its ordinary and usual course of business if such goods and services are (a) of a type ordinarily supplied for private use or consumption, (b) for the acquirer's own consumption or use, (c) consumed or used by the acquirer in the same state as when they were acquired, (d) on terms no more favorable to the connected person or no less favorable to the listed issuer's group than those available from independent third parties;
- (8) the sharing of administrative services between the listed issuer's group and a connected person on a cost basis;
- (9) transactions with associates of passive investors; and
- (10) transactions with connected persons at the subsidiary level.
- (5) A transaction between an entity at risk and an interested person for the provision of goods or services if:
- (a) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and
 - (b) the sale prices are applied consistently to all customers or class of customers.
- Such transactions include telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets.
- (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.
- (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.
- (8) Director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).
- (9) Insurance coverage and indemnities for directors and chief executive officers against liabilities attaching to them in relation to their duties as officers of the entity at risk, to the extent permitted under the Companies Act, and regardless of whether the entity at risk is subject to the Companies Act.
- (10) Defence funding for directors and chief executive officers of the entity at risk to the extent permitted under sections 163A and 163B of the Companies Act, regardless of whether the entity at risk

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is subject to the Companies Act, provided that in the case of defence funding permitted under section 163B of the Companies Act, such defence funding is to be repaid upon any action taken by a regulatory authority against him. For this purpose, references to “director” in sections 163A and 163B of the Companies Act shall be read as references to “director or chief executive officer”.

In the case of defence funding under section 163A of the Companies Act, defence funding shall be repaid in accordance with the timeline stipulated in section 163A(2)(b) of the Companies Act.

Rule 916, Catalyst Rules

The following transactions are not required to comply with Rule 906:

- (1) The entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation.
- (2) Investment in a joint venture with an interested person if:
 - (a) the risks and rewards are in proportion to the equity of each joint venture partner;
 - (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and

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- (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.
- (3) The provision of a loan to a joint venture with an interested person if:
- (a) the loan is extended by all joint venture partners in proportion to their equity and on the same terms;
 - (b) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture; and
 - (c) the issuer confirms by an announcement that its audit committee is of the view that:
 - 1. the provision of the loan is not prejudicial to the interests of the issuer and its minority shareholders; and
 - 2. the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders.
- (4) The award of a contract by way of public tender to an interested person if:
- (a) the awarder entity at risk announces following information:
 - (i) the prices of all bids submitted;
 - (ii) an explanation of the basis for selection of the winning bid; and

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- (b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awarder (or if the awarder is unlisted, its listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.
- (5) The receipt of a contract which was awarded by way of public tender, by an interested person if:
 - (a) the bidder entity at risk announces the prices of all bids submitted; and
 - (b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awarder (or if the awarder is unlisted, the listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

E. RESTRICTIONS ON DEALINGS OF DIRECTORS BEFORE PUBLICATION OF THE FINANCIAL RESULTS

Rules A3, B8, B9 and C14 of Appendix 10, HK Listing Rules Rule 1204(19)(c), Catalyst Rules

Rule A3, HK Listing Rules

A director must not deal in any securities of the listed issuer on any day on which its financial results are published and:

- (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

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's 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).

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- (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,

unless the circumstances are exceptional as described in Rule C14 below. In any event, the director must comply with the procedure in the Rules B.8 and B.9 of the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Directors Dealing Code**”).

The listed issuer must notify the SEHK in advance of the commencement of each period during which directors are not allowed to deal under Rule A.3 of the Directors Dealing Code. Such period will cover any period of delay in the publication of a results announcement.

Rule C14, HK Listing Rules

If a director proposes to sell or otherwise dispose of securities of the listed issuer under exceptional circumstances where the sale or disposal is otherwise prohibited under the Directors Dealing Code, the director must comply with the provisions of the Rule B.8 of the Directors Dealing Code regarding prior written notice and acknowledgement. The director must satisfy the chairman or the designated director that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the director before the director can sell or dispose of the securities. The listed issuer shall give written notice of such sale or disposal to the SEHK as soon as practicable stating why it considered the circumstances to be exceptional. The listed issuer shall publish an announcement in accordance with Rule 2.07C of HK Listing Rules immediately after any such sale or disposal and state that the chairman or the designated director is satisfied that there were exceptional circumstances for such sale or disposal of securities by the director.

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Rule B8, HK Listing Rules

Under the Directors Dealing Code, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement. In his own case, the chairman must first notify the board at a board meeting, or alternatively notify a director (otherwise than himself) designated by the board for the purpose and receive a dated written acknowledgement before any dealing. The designated director must not deal in any securities of the listed issuer without first notifying the chairman and receiving a dated written acknowledgement.

In each case, (a) a response to a request for clearance to deal must be given to the relevant director within five business days of the request being made; and (b) the clearance to deal in accordance with (a) above must be valid for no longer than five business days of clearance being received.

Rule B9, HK Listing Rules

The procedure established within the listed issuer must, as a minimum, provide for there to be a written record maintained by the listed issuer that the appropriate notification was given and acknowledged pursuant to Rule B.8 of the Directors Dealing Code, and for the director concerned to have received written confirmation to that effect.

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II. Takeover Obligations

1. The Singapore Takeovers Code

The Singapore Takeovers Code regulates the acquisition of ordinary shares of public companies and contains certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with persons acting in concert with him, in 30.0% or more of the Company's voting Shares, or, if such person holds, either on his own or together with persons acting in concert with him, between 30.0% and 50.0% (both inclusive) of the Company's voting Shares, and if he (or persons acting in concert with him) acquires additional voting Shares representing more than 1.0% of the Company's voting Shares in any six (6) month period, must, except with the consent of the Securities Industry Council in Singapore, extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Takeovers Code.

"Persons acting in concert" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Without prejudice to the general application of this definition, the following individuals and companies are presumed to be acting in concert with each other (unless the contrary is established). They are as follows:

- a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- a company and any of its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and any of its pension funds and employee share schemes;
- a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- a financial or other professional adviser and its clients in respect of shares held by the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;

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

A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or persons acting in concert with the offeror within the six (6) months preceding the acquisition of Shares that triggered the mandatory offer obligation. Under the Singapore Takeovers Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

Following the conclusion of an offer, pursuant to Section 215 of the Companies Act, if an offeror acquires 90.0% of the shares of the offeree company, it may, by notice to the dissenting shareholders, acquire their shares. In calculating the 90% threshold, shares held or acquired by the offeror, its related corporations and their respective nominees are excluded. The notice must be sent within two months of the satisfaction of the 90% threshold. The shareholder whose shares are thus to be acquired may apply to court for an order that the offeror is not entitled to acquire the shares, or specifying different acquisition. A minority shareholder may serve a notice requiring the offeror to acquire its shares within three (3) months from the date of giving of the notice by the offeror of the fact that the offeror has acquired 90% of the shares of the offeree company. The offeror is then obliged to acquire the shareholder's shares on the same terms as the other shares were acquired during the offer.

2. The HK Takeovers Code

Public companies with a primary listing of their equity securities in Hong Kong fall within the regulatory framework of the HK Takeovers Code. The HK Takeovers Code is not legally enforceable. Its purpose is to provide guidelines for companies and their advisers contemplating, or becoming involved in, takeovers and mergers affecting public companies in Hong Kong.

The aim of the HK Takeovers Code is to ensure fair treatment of shareholders who are affected by takeovers, mergers and share buy-backs. It requires the timely disclosure of adequate information to enable shareholders to make an informed decision as to the merits of any offer. It also provides an orderly framework within which takeovers, mergers and share buy-backs are to be conducted.

The HK Takeovers Code regulates acquisitions of shares (whether by way of takeovers, mergers and share buy-back) in an offeree company and a potential offeree company, or a company in which control may change or be consolidated would be relevant.

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Control is currently defined as a holding, or aggregate holdings, of 30.0% or more of the voting rights of a company, irrespective of whether that holding or holdings gives de facto control.

The HK Takeovers Code also applies not only to the offeror and the offeree company, but also to those persons “acting in concert” with the offeror. Under the HK Takeovers Code, “persons acting in concert” are persons who “pursuant to an agreement or understanding (whether formal or informal), actively cooperate to obtain or consolidate control of a company through the acquisition by any of them of voting rights of the company”. The HK Takeovers Code also describes classes of persons who are presumed to be acting in concert with others in the same class unless the contrary is established.

The HK Takeovers Code requires the making of a mandatory general offer to holders of each class of equity share capital of the offeree company, whether the class carries voting rights or not, and also to the holders of any class of voting non-equity share capital in which such person, or persons acting in concert with him, hold shares, unless a waiver has been granted by the executive of the Securities and Futures Commission, where a person or a group of persons acting in concert (a) acquires control of a company (meaning 30.0% or more of the voting rights), whether by a series of transactions over a period of time, or not; or (b) when already holding between 30.0% and 50.0% of the voting rights of a company, acquires more than 2.0% of the voting rights in the offeree company in a twelve month period ending on and inclusive of the date of the relevant acquisition.

In either of the above cases, an offer must be made to the shareholders. The offer must be in cash or accompanied by a cash alternative at not less than the highest price paid by the offeror (or any person acting in concert with it) for shares of that class of the offeree company during the offer period and within six months prior to its commencement.

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APPENDIX B – LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

LISTINGS

The Company currently has a primary listing of its Shares on the Catalist of the SGX-ST, which the Company intends to maintain alongside its proposed dual primary listing of its Shares on the Main Board of the SEHK. Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in (i) all of the Company's Shares in issue and listed on Catalist; (ii) the Offer Shares to be issued pursuant to the Global Offering; and (iii) the Shares which may be allotted and issued upon the exercise of any options which may be granted pursuant to the LHN Employee Share Option Scheme.

REGISTRATION

The Singapore Principal Share Register is maintained in Singapore by Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The Company has established a Hong Kong Branch Share Register in Hong Kong which is maintained by the Hong Kong Share Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Certificates in respect of Shares registered on the Hong Kong Branch Share Register will, as far as practicable, and unless otherwise requested, be issued in board lots of 1,000 Shares. The Singapore Principal Share Registrar will keep in Singapore duplicates of the Hong Kong Branch Share Register, which will be updated from time to time.

CERTIFICATES

Only certificates for Shares issued by the Hong Kong Share Registrar will be valid for delivery in respect of dealings effected on the SEHK. Certificates for Shares issued by the Singapore Principal Share Registrar will be valid for delivery in respect of dealings effected on the SGX-ST. For ease of identification, the certificates for Shares issued by the Hong Kong Share Registrar will be light pink in colour and the certificates for Shares currently issued by the Singapore Principal Share Registrar is brown in colour.

DEALINGS

Dealings in the Shares on the SEHK and the SGX-ST will be conducted in Hong Kong dollars and Singapore dollars, respectively. The Shares are traded on the Catalist of the SGX-ST in board lots of 100 Shares and will be traded on the SEHK in board lots of 1,000 Shares. The stock code of the Shares on the SEHK will be notified on a later date, and an appropriate announcement will be made.

The transaction costs of dealings in the Shares on the SEHK include a SEHK trading fee of 0.005%, a SFC transaction levy of 0.0027%, a transfer instrument stamp duty of HK\$5 on the seller per transfer instrument and ad valorem stamp duty on both the buyer and the seller charged at the rate of 0.1% each of the consideration or, if higher, the fair value of the Shares transferred. The brokerage commission in respect of trades of Shares on the SEHK is freely negotiable.

The brokerage commission in respect of trades of Shares on the SGX-ST is freely negotiable. A clearing fee in Singapore is payable at the rate of 0.0325% of the transaction value. The clearing fee is subject to goods and services tax in Singapore (currently at 7.0%).

APPENDIX B – LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

SETTLEMENT

Settlement of Dealings in Singapore

Shares listed and traded on the Catalist of the SGX-ST are trading under the book-entry settlement system of CDP and all dealings in and transactions of Shares through the SGX-ST are effected in accordance with the terms and conditions for the operation of securities accounts with CDP, as amended from time to time.

CDP, a wholly owned subsidiary of the SGX-ST, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the securities accounts maintained by such account holders with CDP.

Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. The Companies Act and the Constitution of the Company only recognise the registered owners or holders of Shares as members. Depositors and depository agents on whose behalf CDP holds Shares, may not be accorded the full rights of membership, such as voting rights, the right to appoint proxies, or the right to receive Shareholders' circulars, proxy forms, annual reports, prospectuses and takeover documents. Depositors and depository agents will be accorded only such rights as CDP may make available to them pursuant to CDP's terms and conditions to act as depository for foreign securities.

Persons holding Shares in a securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with the Constitution of the Company. A fee of S\$10 for each withdrawal of 1,000 Shares or less and a fee of S\$25 for each withdrawal of more than 1,000 Shares will be payable upon withdrawing of Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2 (or such other amounts as the Directors may decide) will be payable to the Singapore Principal Share Registrar for each share certificate issued, and stamp duty at the rate of 0.2% computed on the last-transacted price is payable where Shares are withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for the transfer of Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in Shares on the SGX-ST is payable at the rate of 0.0325% of the transaction value.

The clearing fees, instrument of transfer deposit fees and share withdrawal fees are subject to Singapore goods and services tax of 7.0%.

APPENDIX B – LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

Dealings in Shares will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal “ready” basis on the SGX-ST generally takes place on the third market day following the transaction date, and payment for the securities is generally settled on the following day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct securities account with CDP or a securities sub-account with a depository agent. A depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

Settlement of Dealings in Hong Kong

Investors in Hong Kong must settle their trades executed on the SEHK through their brokers directly or through custodians. For an investor in Hong Kong who has deposited his Shares in his stock account or in his designated CCASS participant’s stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the General Rules of CCASS (“**CCASS Rules**”) in effect from time to time. For an investor who holds the physical certificates, settlement certificates and the duly executed instruments of transfer must be delivered to his broker or custodian by the settlement date.

An investor may arrange with his broker as custodian on a settlement date in respect of his trades executed on the SEHK. Under the HK Listing Rules and the CCASS Rules, the date of settlement must be the second Business Day following the trading date on which the settlement services of CCASS are open for use by CCASS Participants (T+2). For trades settled under CCASS, the CCASS Rules provide that the defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards.

The CCASS stock settlement fee payable by each counterparty in respect of a SEHK trade is currently 0.002% of the gross transaction value subject to a minimum fee of HK\$2 and a maximum fee of HK\$100 per trade.

Dividends

Dividends are declared in Singapore dollars and will be converted to Hong Kong dollars before being paid to the Shareholders (whose Shares are traded on the SEHK).

Foreign Exchange Risk

Investors in Singapore who trade in Shares on the SGX-ST should note that their trades will be effected in Singapore dollars. Investors in Hong Kong who trade in Shares on the SEHK should note that their trades will be effected in Hong Kong dollars. Accordingly, investors should be aware of the foreign exchange risks associated with such trading.

APPENDIX B – LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

REMOVAL AND/OR TRANSFER OF SHARES

Transfer of Shares

All duties, fees and expenses specified herein are subject to changes from time to time. Special arrangements will be made to facilitate transfers of Shares, and to incentivise existing Shareholders to transfer their Shares to Hong Kong before the Global Offering by enabling them to do so at a reduced cost.

Currently, all of the Shares are registered on the Singapore Principal Share Register. For the purpose of trading on the SEHK following the Listing, Shares must be registered on the Hong Kong Branch Share Register. Shares may be transferred between the Singapore Principal Share Register and the Hong Kong Branch Share Register. An investor who wishes to trade on the SGX-ST must deposit the share certificates in respect of such Shares with CDP. An investor who wishes to trade on the SEHK must have his Shares registered on the Hong Kong Branch Share Register by submitting the request for withdrawal of securities form to CDP and a removal request form to the Singapore Principal Share Registrar. Withdrawal fees payable to CDP will be borne by the relevant Shareholders and CDP's existing charges will still apply, together with any other costs to be levied by such Shareholders' own brokers, nominees or custodians (where relevant). A resolution has been passed by the Directors authorising the removal of Shares between the Singapore Principal Share Register and the Hong Kong Branch Share Register as may from time to time be requested by the members of the Company.

From the SGX-ST to the SEHK

Following the Listing, if an investor whose Shares are traded on the SGX-ST wishes to trade his Shares on the SEHK, he must effect a removal of Shares from the Singapore Principal Share Register to the Hong Kong Branch Share Register.

A removal of Shares from the Singapore Principal Share Register to the Hong Kong Branch Share Register involves the following procedures:

- (1) If the investor's Shares have been deposited with CDP, the investor must first withdraw his Shares from CDP by completing a Request for Withdrawal of Securities Form and a transfer form, available from CDP and submitting the same to CDP together with a bank draft for the amount as prescribed by CDP from time to time.
- (2) The investor shall complete a removal request and delivery instruction form ("**SG Removal Request Form**") (in duplicate) obtained from the Singapore Principal Share Registrar and submit the SG Removal Request Form to the Singapore Principal Share Registrar, together with bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and the Hong Kong Share Registrar from time to time.
- (3) CDP will then send the duly completed transfer form, together with the relevant share certificate(s) registered under the name of CDP to the Singapore Principal Share Registrar directly.
- (4) Upon receipt of the duly completed transfer form and the share certificate(s) from CDP and the SG Removal Request Form together with bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and Hong Kong Share Registrar from time to time from the investor, the Singapore Principal Share Registrar shall take all actions necessary to

APPENDIX B – LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

effect the transfer and removal of shares on the Singapore Principal Share Register. On completion, the Singapore Principal Share Registrar shall then notify the Hong Kong Share Registrar of the removal.

- (5) The Hong Kong Share Registrar shall update the Hong Kong Branch Share Register and issue share certificate(s) in the name of the investor and send such share certificate(s) to the address specified by the investor. Despatch of share certificate(s) will be made at the risk and expense of the investor as specified in the SG Removal Request Form.
- (6) If the investor's Shares upon being registered in Hong Kong are to be deposited with CCASS, the investor must deposit the Shares into CCASS for credit to his CCASS Investor Participant stock account or his designated CCASS Participant's stock account. For deposit of Shares to CCASS or to effect sale of Shares in Hong Kong, the investor should execute a transfer form which is in use in Hong Kong and which can be obtained from CCASS Participant(s) and deliver it together with his share certificate(s) issued by the Hong Kong Share Registrar to HKSCC directly if he intends to deposit Shares into CCASS for credit to his CCASS Investor Participant stock account or via a CCASS Participant if he wants Shares to be credited to his designated CCASS Participant's stock account.

Note: Under normal circumstances, steps (1) to (5) generally require 15 Business Days to complete.

From the SEHK to the SGX-ST

If an investor whose Shares are traded on the SEHK wishes to trade his Shares on the SGX-ST, he must effect a removal of the Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register. Such removal and deposit of Shares with CDP would involve the following procedures:

- (1) If the investor's Shares are registered in the investor's own name, the investor shall complete the Combined Share Removal and Transfer and Delivery Instruction Form ("**HK Removal Request Form**") available from the Hong Kong Share Registrar and submit the same together with the share certificate(s) in his name and bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and the Hong Kong Share Registrar from time to time to the Hong Kong Share Registrar. If the investor's Shares have been deposited with CCASS, the investor must first withdraw such Shares from his CCASS Investor Participant stock account with CCASS or from the stock account of his designated CCASS Participant and submit the relevant Share transfer form(s) executed by HKSCC Nominees Limited and the investor, the relevant share certificate(s) and a duly completed HK Removal Request Form together with bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and the Hong Kong Share Registrar from time to time to the Hong Kong Share Registrar.
- (2) If the investor would like to have Shares credited directly into his securities account or sub-account with a CDP depository agent, he must indicate it on the HK Removal Request Form. He should submit the HK Removal Request Form with a bank draft for the amount as prescribed by CDP from time to time at the same time he submits the relevant documents to the Hong Kong Share Registrar (as contemplated in paragraph (1) above). The investor should ensure that he has a securities account or sub-account with a CDP depository agent before he can complete and sign off on delivery instruction set out in the HK Removal Request Form.

APPENDIX B – LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

- (3) Upon receipt of the HK Removal Request Form, the relevant share certificate(s) and bank drafts for the amounts as prescribed by the Singapore Principal Share Registrar and Hong Kong Share Registrar and CDP, if applicable and where appropriate, the completed share transfer form(s) executed by HKSCC Nominees Limited and the investor, the Hong Kong Share Registrar shall take all actions necessary to effect the transfer and the removal of the Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register.
- (4) The Hong Kong Share Registrar shall then notify the Singapore Principal Share Registrar of the removal whereupon the Singapore Principal Share Registrar shall update the Singapore Principal Share Register. Upon completion, the Singapore Principal Share Registrar shall issue the relevant share certificate(s) in the name of the investor or CDP, where the case may be, and deliver the share certificate(s) to the investor or CDP.
- (5) Upon receipt of the relevant documents and prescribed payment from the Singapore Principal Share Registrar, CDP shall credit the specified number of Shares into the investor's securities account or sub-account with a CDP depository agent. The investor should ensure that the shares are credited to his securities account or sub-account with a CDP depository agent before dealing in the Shares.

Note: Under normal circumstances, steps (1) to (4) generally require 15 Business Days to complete.

For those Shares which are registered on the Hong Kong Branch Share Register, any transfer thereof or dealings therein will be subject to Hong Kong stamp duty. For those Shares which are registered on the Singapore Principal Share Register, any transfer thereof or dealings therein will be subject to Singapore stamp duty.

All costs attributable to the removal of Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register and any removal from the Singapore Principal Share Register to the Hong Kong Branch Share Register shall be borne by the Shareholder requesting the removal. In particular, Shareholders should note that the Hong Kong Share Registrar will charge HK\$300 for each removal of Shares and a fee of HK\$2.50 (or such higher fee as may from time to time be permitted under the HK Listing Rules) for each Share certificate cancelled or issued by it and any applicable fee as stated in the removal request forms used in Hong Kong or Singapore. In addition, the Singapore Principal Share Registrar will charge S\$30 (or such other amount as may be prescribed from time to time) for each removal of Shares, a fee of S\$2 (plus applicable stamp duties) for each transfer form in respect of transfer of Shares and a fee of S\$2 for each share certificate cancelled or issued by it and any applicable fee as stated in the removal request forms used in Hong Kong or Singapore. The fees charged by the Singapore Principal Share Registrar are subject to Singapore goods and services tax of 7.0%.

SPECIAL ARRANGEMENTS TO FACILITATE TRANSFERS BEFORE THE LISTING

Special arrangements have been made to facilitate transfers of Shares before the Listing. In connection with the Proposed SEHK Listing, the Singapore Principal Share Registrar and the Hong Kong Share Registrar will provide three batch-transfers of the Singapore-listed Shares for Shareholders seeking to transfer their Shares to the Hong Kong Branch Share Register before the Proposed SEHK Listing.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

THE COMPANIES ACT, CAP. 50
SINGAPORE

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION¹

OF

LHN LIMITED

NAME

1. The name of the Company is “**LHN LIMITED**”.

INTERPRETATION

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.

“Act”	The Companies Act (Chapter 50) of Singapore.
“book-entry securities”	Listed securities: (a) documents evidencing 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 nominees; and (b) which are transferable by way of book-entry in the Depository Register and not by way of an instrument of transfer.
“CDP”	The Central Depository (Pte) Limited or any other corporation approved by the Monetary Authority of Singapore as a depository company or corporation for the purposes of the Securities and Futures Act (Chapter 289) of Singapore, which operates the Central Depository System for the holding and transfer of book-entry securities.

¹ Adopted by a Special Resolution passed on 25 September 2017

APPENDIX C – THE PROPOSED NEW CONSTITUTION

“Chief Executive Officer”	<p>any one or more persons, by whatever name described, who–</p> <p>(a) is in direct employment of, or acting for, or by arrangement with, the Company; and</p> <p>(b) is principally responsible for the management and conduct of the business of the Company, or part of the business of the Company, as the case may be.</p>
“clearing house”	<p>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.</p>
“Company”	<p>The abovenamed Company by whatever name from time to time called.</p>
“Depositor”	<p>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.</p>
“Depository Agent”	<p>A member of the Singapore Exchange Securities Trading Limited, a trust company (licensed under the Trust Companies Act (Chapter 336) of Singapore), a bank licensed under the Banking Act (Chapter 19) of Singapore, any merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Chapter 186) of Singapore, or any other person or body approved by CDP who or which:</p> <p>(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 and the Depository Agent;</p> <p>(b) deposits book-entry securities with CDP on behalf of the sub-account holders; and</p> <p>(c) establishes an account in its name with CDP.</p>
“Depository Register”	<p>A register maintained by CDP or a clearing house (as the case may be) in respect of book-entry securities.</p>

APPENDIX C – THE PROPOSED NEW CONSTITUTION

“Designated Stock Exchange”	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 and traded 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.
“Direct Account Holder”	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.
“Director”	Includes any person occupying the position of director of the Company by whatever name called and includes a person in accordance with whose directions or instructions the directors or the majority of the directors of the Company are accustomed to act and an alternate or substitute director.
“Directors”	The directors of the Company for the time being, as a body or as a quorum present at a meeting of directors.
“General Meeting”	A general meeting of the Company.
“in writing”	Written or produced by any substitute for writing or partly one and partly the other and shall include (except where otherwise expressly specified in these presents or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
“market day”	A day on which the Singapore Exchange Securities Limited is open for trading in securities.
“Member”	A member of the Company, save that references in these presents to “Member(s)” shall where the Act requires, exclude the Company where it is a member by reason of its holding of its shares as treasury shares.
“month”	Calendar month.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

“Office”	The registered office of the Company for the time being.
“Ordinary Resolution”	Shall have the meaning ascribed to it in the Act.
“paid”	Paid or credited as paid.
“These presents”	This Constitution as from time to time amended.
“Register of Members”	The Company’s register of Members and where applicable, any branch register of Members to be maintained at such place within or outside Singapore as the Directors shall determine from time to time.
“registered address” or “address”	Means, in relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in these presents.
“Registration Office”	In respect of any class of share capital, such place as the Directors may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Directors otherwise direct) the transfers or other documents or titles for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	The common seal of the Company.
“Secretary”	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.
“Securities Account”	The securities account maintained by a Depositor with CDP or a clearing house (as the case may be).
“SFA”	The Securities and Futures Act (Chapter 289) of Singapore.
“shares”	Shares in the capital of the Company.
“Special Resolution”	Shall have the meaning ascribed to it in the Act.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

“Statutes”	The Act, the SFA and every other written law for the time being in force concerning companies and affecting the Company, including but not limited to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as applicable).
“year”	Calendar year.

The expressions “current address”, “electronic communication”, “relevant intermediary” and “treasury shares” shall have the meanings ascribed to them respectively in the Act.

The expressions “close associate” and “corporate communication” shall have the meanings ascribed to them respectively in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time.

References in these presents to “holder(s)” of shares or a class of shares shall:

- (a) exclude CDP or a clearing house or their respective nominees, 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 expressly provided in these presents, exclude the Company in relation to shares held by it as treasury shares.

All such of the provisions of these presents as are applicable to paid-up shares shall apply to stock, 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.

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

References in these presents to any enactment is a reference to that enactment and any subsidiary legislation made in pursuance thereof as for the time being amended or re-enacted.

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

APPENDIX C – THE PROPOSED NEW CONSTITUTION

REGISTERED OFFICE

3. The registered office of the Company will be situated in the Republic of Singapore.

BUSINESS OR ACTIVITY

4. Subject to the provisions of the Act and any other written law and these presents, the Company has:

(A) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

(B) for these purposes, full rights, powers and privileges.

LIABILITY OF MEMBERS

5. The liability of the Members is limited.

ISSUE OF SHARES

6. (A) The rights attaching to shares of a class other than ordinary shares shall be expressed in these presents.

(B) The Company may issue shares for which no consideration is payable to the Company.

7. (A) Subject to the Statutes and to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting, but subject thereto and the terms of such approval, and to Regulation 9, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares 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 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, 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 (i) no options shall be granted over unissued shares except in accordance with the Act and the Designated Stock Exchange's listing rules and (ii) the total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time.

(B) 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.

(C) 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.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

(D) If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.

7A. Subject to the Statutes, the listing rules of the Designated Stock Exchange and these presents, the Board may 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.

8. 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 and the listing rules of the Designated Stock Exchange.

9. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except 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 Regulation.

(B) Notwithstanding Regulation 9(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:–

- (a)
 - (i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while the Ordinary Resolution was in force,

APPENDIX C – THE PROPOSED NEW CONSTITUTION

Provided that:–

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;
- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and these presents; and
- (3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

(C) The Company may, notwithstanding Regulations 9(A) and 9(B) 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.

10. The Company may pay commissions or brokerage on any issue of shares at such rate or amount 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.

11. 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 (except treasury shares) 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.

12. (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by any Designated Stock Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports, balance sheets and financial statements and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any General 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 General Meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months (or such period which may be prescribed or waived by any applicable law or any Designated Stock Exchange) in arrears.

(B) The Company has the power to issue further preference capital ranking equally with, or in priority to, preference shares already issued, subject to the provisions of these presents.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

12A. No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interest to the Company.

VARIATION OF RIGHTS

13. (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 total number 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 total number 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(4) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number 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 Regulation 13(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 creation or 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

14. (A) The Company may by Ordinary Resolution:–

- (a) consolidate and divide all or any of its share capital;
- (b) sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes and these presents), Provided Always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived;
- (c) subject to the provisions of the Statutes and these presents, convert its share capital or any class of shares from one currency to another currency; and/or

APPENDIX C – THE PROPOSED NEW CONSTITUTION

(d) cancel the number of shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled.

(B) Subject to the Statutes and the listing rules of the Designated Stock Exchange, the Company may by Special Resolution, subject to and in accordance with the Statutes, convert one class of shares into another class of shares.

15. (A) The Company may by Special Resolution reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorized, and consent or confirmation required, by law.

(B) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the Statutes and the listing rules of the Designated Stock Exchange, on such terms and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Statutes and the listing rules of the Designated Stock Exchange. In the case of purchases of redeemable shares, purchases not made through the market or by tender shall, subject to the provisions of the Act and the listing rules of the Designated Stock Exchange, be limited to a maximum price and if purchases are by tender, tenders shall be available to all Members holding redeemable shares in the Company alike. If required by the Statutes and the listing rules of the Designated Stock Exchange, any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any 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, and in accordance with the Statutes and the listing rules of the Designated Stock Exchange. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these presents and the Statutes, the number of issued shares of the Company shall be diminished by the number of 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

16. (A) Every share certificate shall be issued under the Seal and shall bear the facsimile signatures or the autographic signatures at least of any two Directors or one of the Directors 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, whether the shares are fully or partly paid up and the 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 auditors of the Company. No certificate shall be issued representing shares of more than one class.

(B) The provisions in this Regulation and in Regulations 17 to 20 (so far as they are applicable) shall not apply to transfer of book-entry securities.

17. (A) The Company shall not be bound to register more than four persons as the joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased Member.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

(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.

18. 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 for 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.

19. (A) Where a Member transfers only part 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 the lower of S\$2.00 or the relevant maximum amount as the Designated Stock Exchange may from time to time determine or such other fees as the Directors may from time to time determine. 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.

(C) In the case of shares registered jointly in the names of several persons any such request may be made by any one of the registered joint holders.

20. 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 letter of 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 a maximum fee of the lower of S\$2.00 or the relevant maximum amount as the Designated Stock Exchange may from time to time determine or such other fees as the Directors may from time to time determine.. 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.

20A. Where any shares under the power in these presents are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

CALLS ON SHARES

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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 *pro tanto* 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. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in respect of a dividend and any other distribution subsequently declared.

FORFEITURE AND LIEN

27. 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.

28. 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.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

29. 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.

30. 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.

31. 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.

32. 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 Regulation.

33. 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.

34. 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 (including the satisfaction of the unpaid calls and accrued interests and expenses) 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.

35. 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

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purchaser is a Depositor, the Depository Register) 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, 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

36. 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. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed or, if the transferor or transferee is the CDP or a clearing house or their respective nominee(s), signed by hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time, Provided Always that an instrument of transfer in respect of which the transferee is the CDP or a clearing house shall be effective although not signed or witnessed by or on behalf of the CDP or a clearing house, or if the transferor or transferee is a clearing house or its nominee(s), 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.

37. The Company shall provide a book to be called "Register of Transfers", which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer or transmission of shares (other than a transfer or transmission of shares by means of book-entry in the Depository Register).

38. 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.

39. (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) 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 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 decline to register any instrument of transfer unless:–

- (a) a maximum fee of the lower of S\$2.00 or the relevant maximum amount as the Designated Stock Exchange may from time to time determine or such other fees as the Directors may from time to time determine is paid to the Company in respect thereof;

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- (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 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 stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it 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.

(C) No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered but nothing herein contained shall be construed as imposing on the company any liability in respect of the registration of such transfer if the company has no actual knowledge of the same.

(D) Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

40. All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

41. 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 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;

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- (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 Regulation; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

41A. Subject to, and in accordance with, the Statutes and any applicable rules of the Designated Stock Exchange and unless the Directors otherwise agrees (which agreement may be on such terms and subject to such conditions as the Directors in its absolute discretion may from time to time determine, and which agreement the Directors shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register of Members shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register of Members or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register of Members, at the Office or such other place at which the Register of Members is kept in accordance with the Statutes.

TRANSMISSION OF SHARES

42. (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) recognized 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.

43. (A) 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. The Directors shall have, in respect of a transfer so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission.

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(B) The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within sixty (60) days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

44. 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 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 General Meetings of the Company until he shall have been registered as a Member in respect of the share.

45. 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 a maximum fee of the lower of S\$2.00 or the relevant maximum amount as the Designated Stock Exchange may from time to time determine or such other fees as the Directors may from time to time determine.

CENTRAL DEPOSITORY SYSTEM

46. 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, the Depositors on behalf of whom CDP or a clearing house holds the shares, Provided that:

- (a) except as required by the Statutes or law, 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 72 hours before the General Meeting as a Depositor on whose behalf CDP or a clearing house 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 a clearing house as supplied by CDP or a clearing house 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;

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- (b) the payment by the Company to CDP or a clearing house 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 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 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).

EXCLUSION OF EQUITIES

47. 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 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

48. 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 of any denomination.

49. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same presents 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.

50. The holders of stock shall, according to the amount of stock 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 an amount of stock 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.

50A. All provisions of these Regulations applicable to paid up shares shall apply to stock and the words **share** and **shareholder** or similar expression herein shall include **stock** or **stockholder**.

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GENERAL MEETINGS

51. Save as otherwise permitted by the Act, 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. All other General Meetings shall be called Extraordinary General Meetings. The interval between the close of a financial year of the Company and the date of the Company's annual general meeting shall not exceed such period as may be prescribed by the Designated Stock Exchange from time to time. If required by the listing rules of the Designated Stock Exchange, all general meetings shall be in Singapore, unless such requirement is waived by the Designated Stock Exchange.

52. The Directors may whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened by such requisition or, in default may be convened by such requisitionists, in accordance with the provision of the Statutes.

NOTICE OF GENERAL MEETINGS

53. Any Annual General Meeting and 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 General 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 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:—

- (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 thereat;

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. 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 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 and by advertisement in the daily press.

54. (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 a proxy to attend and vote instead of him and that a proxy need not be a Member of the Company.

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(B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

55. 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 financial statements, the Directors' report (or statement), Auditor's report and other documents required to be attached or annexed to the financial statements;
- (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 Directors' fees.

56. 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, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

PROCEEDINGS AT GENERAL MEETINGS

57. 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 General 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 General Meeting.

58. 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, provided that (i) a proxy representing more than one Member shall only count as one Member for purpose of determining if the quorum aforesaid is present; and (ii) where a Member is represented by more than one proxy, such proxies of such Member shall only count as one Member for purposes of determining if the quorum aforesaid is present. In addition, for the purposes of a quorum, joint holders of any share shall be treated as one Member.

59. 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

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business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting any two or more Members present in person or by proxy shall be a quorum.

60. 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 General Meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a General 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.

61. 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 General Meeting.

62. 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 General 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.

63. (A) If required by the listing rules of the Designated Stock Exchange, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Designated Stock Exchange). If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the chairman be of sufficient magnitude.

(B) Subject to Regulation 63(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:–

- (a) the chairman of the meeting; or
- (b) not less than five Members present in person or by proxy and entitled to vote; or
- (c) any Member present in person or by proxy, or where such a Member has appointed two proxies any one of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than five per centum of the total voting rights of all the Members having the right to vote at the General Meeting; or
- (d) any Member present in person or by proxy, or where such a Member has appointed two proxies any one of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, of which an aggregate sum has been paid up equal to not less than five per centum of the total sum paid on all the share conferring that right,

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Provided Always that no poll shall be demanded on the choice of the chairman of the meeting or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.

64. Unless a poll is required, a declaration by the chairman of the General Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if required by the listing rules of the Designated Stock Exchange or if so directed by the General Meeting shall) appoint scrutineers (and (i) at least one scrutineer shall be appointed for each general meeting and the appointed scrutineer(s) shall be independent of the persons undertaking the polling process; and (ii) the appointed scrutineer(s) shall (a) ensure that satisfactory procedures of the voting process are in place before the general meeting and (b) direct and supervise the count of the votes cast through proxy and in person) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

65. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands or poll takes place shall be entitled to a casting vote.

66. 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 General Meeting for the transaction of any business other than the question on which the poll has been demanded.

66A. Subject to the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an Ordinary Resolution of the Company passed at a general meeting duly convened, held and constituted, and may consist of several documents in like form, each signed by one (1) or more of such Members.

VOTES OF MEMBERS

67. Subject to Regulation 8, each Member entitled to vote may vote in person or by proxy.

(A) On a show of hands every Member who is present in person or by proxy shall have one vote (provided that):–

- (a) in the case of a Member who is not a relevant intermediary or a clearing house (or its nominee(s)) and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the chairman of the General Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands;
- (b) in the case of a Member who is a relevant intermediary or a clearing house (or its nominee(s)) and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

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(B) On a poll every Member who is present in person or by proxy shall have one vote for every share which he holds or represents.

For the purposes of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the references to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by CDP or a clearing house to the Company. 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 General Meeting.

68. (A) 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.

(B) If a Member be a lunatic, idiot or non-compos mentis, he may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office or Registration Office not less than 72 hours before the time appointed for holding the meeting.

69. 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 General Meetings.

70. (A) 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 General Meetings if any call or other sum payable by him to the Company in respect of such shares remains unpaid.

(B) 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.

71. No objection shall be raised as to the admissibility of any vote except at the General Meeting or adjourned General 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 General Meeting whose decision shall be final and conclusive.

72. 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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73. (A) Save as otherwise provided in the Statutes:
- (a) A Member who is not a relevant intermediary or a clearing house (or its nominee(s)) shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting; and
 - (b) A Member who is a relevant intermediary or a clearing house (or its nominee(s)) is entitled and may appoint more than two proxies to attend, speak and vote at the same General Meeting.
- (B) In any case where a Member is a Depositor, the Company shall be entitled and bound:
- (a) to reject any instrument of proxy lodged if the Depositor, is not shown, to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by CDP or a clearing house to the Company; and
 - (b) to accept 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 a number which is the number of shares entered into against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by CDP or a clearing house to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (C) Where a Member who is not a relevant intermediary or a clearing house (or its nominee(s)) appoints more than one proxy, the Member shall specify the proportion of his shares to be represented by each such proxy in the form of proxy, failing which the nomination shall be deemed to be alternative.
- (D) Where a Member who is a relevant intermediary or a clearing house (or its nominee(s)) appoints more than two proxies, each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (E) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by the notes (if any) set out in the instrument of proxy.
- (F) A proxy need not be a Member of the Company.

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74. (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, (i) shall be signed by the Member or his attorney duly authorised in writing if the instrument of proxy is delivered personally or sent by post, or (ii) authorised by that Member through such method and in such manner as may be approved by the Directors, if the instrument is submitted via electronic communication; and
- (b) in the case of a Member which is a corporation shall be (i) either given under the Member's common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorized officer of the corporation if the instrument of proxy is delivered personally or sent by post, or (ii) authorised by the Member through such method and in such manner as may be approved by the Directors, if the instrument is submitted via electronic communication.

The Directors may for the purposes of Regulations 69(A)(a)(ii) and 69(A)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

(B) The signatures on, or authorisation of, 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 Regulation, failing which the instrument of proxy may be treated as invalid.

(C) The Directors may, in their absolute discretion:

- (a) approve the method and manner of an instrument appointing a proxy to be authorised; and
- (b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in the Regulations 69(A)(a)(ii) and 69(A)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 69(A)(a)(i) and/or (as the case may be) Regulation 69(A)(b)(i) shall apply.

75. (A) An instrument appointing a proxy

- (a) if sent personally or by post, 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 General Meeting (or, if no place is so specified, at the Office or Registration Office); or
- (b) subject always to Regulation 152, if submitted by electronic communications, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,

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and in either case not less than 72 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 deposit of an instrument appointing a proxy does not preclude the Member concerned from attending and voting in person at the General Meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy or proxies is deemed to be revoked by the Member concerned at the point when the Member attends the General Meeting.

(B) The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the General 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.

76. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the General Meeting.

77. A vote cast by proxy shall not be invalidated by the previous death or mental disorder 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, mental disorder or revocation shall have been received by the Company at the Office or Registration Office at least one hour before the commencement of the General Meeting or adjourned General 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.

78. 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.

78A. 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 always 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 Regulation 78A 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)).

78B. (A) 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;

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- (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.

(B) The Company may keep an overseas or local or other branch register of Members resident in any place, and the Directors 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 in connection therewith.

78C. 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 S\$1 (or its Hong Kong dollar equivalent based on the prevailing exchange rate as determined by the Directors) or such lesser sum specified by the Directors, at the Office or such other place at which the Register is kept in accordance with the Statutes or, if appropriate, upon a maximum payment of S\$1 (or its Hong Kong dollar equivalent based on the prevailing exchange rate as determined by the Directors) or such lesser sum specified by the Directors 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 Directors may determine and either generally or in respect of any class of shares.

78D. Notwithstanding any other provision of these Regulations, 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;
- (B) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

CORPORATIONS ACTING BY REPRESENTATIVES

79. 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 General Meeting. 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 (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorized is present thereat.

DIRECTORS

80. Subject as hereinafter provided, the Directors, all of whom shall be natural persons, shall not be less than two.

81. 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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82. 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.

83. 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, Provided that such extra remuneration (in case of an executive Director) shall not be by way of commission on or a percentage of turnover.

84. 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.

85. 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.

86. A Director may be party to or be in any way interested in any 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.

87. (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 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 or Deputy or Assistant Chief Executive Officer 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.

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(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.

88. 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.

89. Subject to Regulation 92, a Director or Chief Executive Officer (or person(s) holding an equivalent position) who is in any way whether directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors or send a written notice to the Company containing details on the nature, character and extent of his interest in the transaction or proposed transaction in accordance with the Statutes and the listing rules of the Designated Stock Exchange.

90. Subject to Regulation 92, a Director or Chief Executive Officer (or person(s) holding an equivalent position) who holds any office or possesses any property whereby directly or indirectly duties or interests might be created in conflict with his duties or interests as Director or Chief Executive Officer (or persons(s) holding an equivalent position), shall declare the fact and the nature, character and extent of the conflict at a meeting of the Directors of the Company or send a written notice to the Company setting out the fact and the nature, character and extent of the conflict in accordance with the Statutes and the listing rules of the Designated Stock Exchange.

91. A Director may hold any office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as a vendor, purchaser or otherwise. No such contract and no such arrangement entered into by or on behalf of the Company in which any Director is in any way interested shall be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

92. Every Director and Chief Executive Officer (or person(s) holding an equivalent position) shall observe the provisions of the Statutes and the listing rules of the Designated Stock Exchange relating to the disclosure of the interests of the Directors and Chief Executive Officers (or person(s) holding an equivalent position) in transactions or proposed transactions with the Company or of any office or property held by a Director or a Chief Executive Officer (or person(s) holding an equivalent position) which might create duties or interests in conflict with his duties or interests as a Director or a Chief Executive Officer (or an equivalent position), as the case may be.

93. A Director of the Company may become or continue to be a Director or other officer of (other than as Auditor) or otherwise be interested in any company whether or not the Company is interested as a shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of or from his interests in such other company.

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CHIEF EXECUTIVE OFFICERS

94. The Directors may from time to time appoint one or more of their body to be Chief Executive Officer or Chief Executive Officers 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.

95. A Chief Executive Officer (or person holding an equivalent position) who is a Director shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company.

96. The remuneration of a Chief Executive Officer shall from time to time be fixed by the Directors 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.

97. A Chief Executive Officer 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 Chief Executive Officer 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

98. 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 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.

99. 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, Provided that all Directors shall retire from office at least once every three years. If an independent non-executive Director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders of the Company at a General Meeting.

100. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director 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.

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101. The Company at a General 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 Statutes from holding office as Director or where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or
- (d) where the default is due to the moving of a resolution in contravention of the next following Regulation;

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.

102. 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.

103. No person other than a Director retiring at a General Meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless after the day of despatch of the notice of the meeting but 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) before the date appointed for the meeting there shall have been lodged at the Office, a 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 a notice in writing signed by the person to be proposed giving his consent to the nomination and signifying his candidature for the office, 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) lodged no earlier than the day after the despatch of the notice of the meeting shall be necessary and notice of each and every such person proposed shall be served on the Members at least seven days prior to the meeting at which the election is to take place.

104. The office of a Director shall be vacated in any of the following events, namely:–

- (a) if he shall become prohibited or disqualified by law from acting as a Director; or
- (b) if he shall become disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or

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- (c) 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
- (d) if he shall become bankrupt or have a receiving order made against him or shall make arrangement or composition with his creditors generally; or
- (e) if he becomes mentally disordered and incapable of managing himself or his affairs, 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
- (f) is absent, for more than six months and without leave of the Directors, from meetings of the Directors held during that period; or
- (g) if he is removed by the Company in General Meeting pursuant to these presents.

105. 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. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

106. A Director shall immediately resign from the Board if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.

ALTERNATE DIRECTORS

107. (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) All removal of alternate Directors shall be by writing under the hand of the Director terminating such appointment and come into effect when deposited at the Office or delivered at a meeting of the Directors.

(C) 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.

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(D) 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.

(E) 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

108. 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.. Any Director may waive notice of any meeting and any such waiver may be retroactive. Directors may participate in a meeting of the Board of 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 presence of another Director or Directors, and participation in a 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 physically present for the purpose of the meeting is assembled or, if there is no such group, where the chairman of the meeting is physically present.

109. 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.

110. (a) For the purposes of these presents the contemporaneous linking together by telephone or other means of communication of a number of the Directors not less than the quorum, whether in or outside of Singapore, shall be deemed to constitute a meeting of the Directors and all the provisions in these presents as to the meeting of the Directors shall apply to such meetings so long as the following conditions are met:

- (i) All the Directors for the time being entitled to receive notice of a meeting of the Directors (including any alternate for any Director) shall be entitled to notice of a meeting by telephone or other means of communication and to be linked by

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telephone or such other means for the purposes of such meeting. Notice of any such meeting shall be given on the telephone or other means of communication;

- (ii) Each of the Directors taking part in the meeting by telephone or other means of communication must be able to hear each of the other Directors taking part at all times during the meeting;
- (iii) At the commencement of the meeting each Director must acknowledge his presence for the purpose of a meeting of the Directors of the Company to all the other Directors taking part.

(b) A Director may not leave the meeting by disconnecting his telephone or other means of communication unless he has previously obtained the express consent of the chairman of the meeting and a Director is conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting by telephone or other means of communication unless he has previously obtained the express consent of the chairman of the meeting to leave the meeting as aforesaid.

(c) A minute of the proceedings at such meeting by telephone or other means of communication shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the chairman of the meeting and by any one of the Directors who participated in the meeting.

111. 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.

112. (A) Every Director shall observe the provisions of the Statutes and the listing rules of the Designated Stock Exchange relating to the disclosure of interests of the Directors in transactions or proposed transactions with the Company or of any office or property possessed by a Director which might create duties or interests in conflict with his duties or interests as a Director. 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 a material 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.

(B) Subject to the Statutes and the listing rules of the Designated Stock Exchange, the provisions of this Regulation may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction by the Company in general meeting, and any particular contract, arrangement or transaction carried out in contravention of this Regulation may be ratified by Ordinary Resolution of the Company, subject to the Act and any applicable laws, provided that a Director whose action is being ratified by this Ordinary Resolution shall refrain from voting on this Ordinary Resolution as a shareholder at that general meeting.

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113. 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.

114. (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.

115. A resolution in writing signed by the majority of the Directors or their alternates (who are not prohibited by these presents from voting on such resolutions), 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.

116. 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.

117. 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 Regulation.

118. 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.

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AUDIT COMMITTEE

119. An audit committee shall be appointed by the Directors in accordance with Section 201B of the Act and also subject to the requirements under the listing rules of the Designated Stock Exchange.

BORROWING POWERS

120. Subject as hereinafter provided and to the provisions of the Statutes, 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

121. The business and affairs of the Company shall be managed by or under the direction or supervision 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 Regulation shall not be limited or restricted by any special authority or power given to the Directors by any other Regulation.

122. 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 save in accordance with the Act.

123. 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.

124. 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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125. 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.

126. 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.

127. 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.

SECRETARY

128. 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 Statutes (in particular Section 171 of the Act) and the listing rules of the Designated Stock Exchange.

THE SEAL

129. (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.

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

130. 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.

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130A For the avoidance of doubt, notwithstanding anything in these presents, any instrument or document that is required to be under or executed under the Seal shall be deemed to have satisfied that requirement of execution under the Seal if it is so executed in a manner as authorized by the Act, and in particular, Section 41B of the Act.

131. (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

132. Any register, index, minute book, accounting record, minute or other document required to be kept by the Company under the Statutes may be kept either in hard copy form or electronic form, and arranged in the manner the Directors of the Company deem fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy form, and shall provide for the manner in which the records are to be authenticated and verified. In any case where such records are kept otherwise than in hard copy form, the Directors shall take reasonable precautions for ensuring the proper maintenance and authenticity of such records, guarding against the falsification and facilitating the discovery of any falsifications. The Company shall cause true English translations of all registers, indexes, minute books, accounting records, minutes or other documents 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.

132A. (A) The Directors shall cause minutes to be made in books to be provided for the purpose of recording:

- (i) all appointments of officers made by the Directors;
- (ii) the names of the Directors present at each meeting of Directors and of any committee of Directors; and
- (iii) all resolutions and proceedings at all meetings of the Company and of any class of Members, of the Directors and of committees of Directors.

(B) Any such minutes of any meeting, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be conclusive evidence without any further proof of the facts stated therein.

132B. The Directors shall duly comply with the provisions of the Act and in particular the provisions with regard to the registration of charges created by or affecting property of the Company, keeping a Register of Directors and Secretaries, a Register of Members, a Register of Transfers, a Register of Mortgages and Charges and a Register of Directors' Share and Debenture Holdings and the production and furnishing of copies of such Registers and of any Register of Holders of Debentures of the Company.

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AUTHENTICATION OF DOCUMENTS

133. 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, accounts and financial statements 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, accounts or financial statements 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 this Regulation 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

134. 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 of the Statutes.

DIVIDENDS

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

136. 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.

137. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Statutes:

- (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

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- (b) all dividends must 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 Regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored.

138. (A) No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends remaining unclaimed after one year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any dividend or any such moneys unclaimed after six (6) years from having been first payable shall be forfeited and shall revert to the Company Provided Always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If CDP or a clearing house returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable.

(B) A payment by the Company to CDP or a clearing house 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.

139. No dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

140. (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.

141. 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.

142. 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. 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.

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142A. (A) 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 procedure for making such election 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 Regulation;
 - (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;
 - (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 and notwithstanding the provisions of Regulation 146, 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.
- (B) (i) The ordinary shares allotted pursuant to the provisions of this Regulation 142A 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

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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 this Regulation 142A, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these Regulations, provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned).

(C) The Directors may, on any occasion when they resolve as provided in this Regulation 142A, 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 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 Regulation shall be read and construed subject to such determination.

(D) The Directors may, on any occasion when they resolve as provided in this Regulation 142A, 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 are 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 entitlement of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.

(E) Notwithstanding the foregoing provisions of this Regulation, if at any time after the Directors' resolution to apply the provisions this Regulation 142A 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 circumstance (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 without assigning any reason therefor, cancel the proposed application of this Regulation 142A.

143. Any dividend or other moneys 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.

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144. 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.

145. 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 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.

BONUS ISSUES AND CAPITALIZATION OF PROFITS AND RESERVES

146. (A) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Regulation 9(B)):

(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) 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 Regulation 9(B)) such other date as may be determined by the Directors,

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

(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum 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 Regulation 9(B)) 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 unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued) unissued 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.

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(B) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under this Regulation 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 authorize 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.

(C) In addition and without prejudice to the powers provided for by this Regulation, 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 Members in General Meeting and on such terms as the Directors shall think fit.

FINANCIAL STATEMENTS

147. 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 (other than a Director) 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.

148. The Directors shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before the Company in General Meeting such financial statements, balance-sheets, group accounts (if any) and any reports and documents as may be prescribed by the Statutes. The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months (or such other period as may be permitted by the Statutes).

149. A copy of (i) the Directors' report (or statement), and (ii) the financial statements and, if required, the balance sheet (including every document required by law to be comprised therein or attached or annexed thereto) which is duly audited, which are to be laid before a General Meeting of the Company (accompanied by a copy of the Auditor's report thereon), shall not less than twenty-one days before the date of the meeting be delivered or sent by post to the registered address of every Member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of General Meetings' under the provisions of the Statutes or of these presents, Provided that

- (a) these documents may, subject to the listing rules of the Designated Stock Exchange, be sent less than 14 days before the date of the meeting if all persons entitled to receive notices of meetings from the Company so agree;
- (b) this Regulation 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.

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149A. Such number of each document as is referred to in Regulation 149 or such other number as may be required by the Designated Stock Exchange shall be forwarded to the Designated Stock Exchange at the same time as such documents are sent to the Members.

AUDITORS

150. (A) Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act. Every auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his report as required by the Act.

(B) 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.

151. 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

152. (A) Any notice or document (including a share certificate and any corporate communication) 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 (if he has no registered address within Singapore) to the address, if any, whether within Singapore or outside Singapore, supplied by him to the Company as his address for the service of notices, or by delivering it to such address as aforesaid Provided always that the service or delivery of such notice or document to any such address shall not, in the opinion of the Directors, be unlawful or impracticable. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected on the date following that on which 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.

(B) Without prejudice to the provisions of Regulations 152(A), but subject otherwise to the Act, the listing rules of the Designated Stock Exchange and to any regulations made thereunder relating to electronic communications, any notice of meeting or other document required to be given, sent or served under the Act or under these presents, may be given, sent or served by the Company using electronic communications:

- (a) to the current address of the relevant person; or
- (b) by making it available on a website prescribed by the Company from time to time,

in accordance with these presents, the Act, and/or other applicable regulations or procedures.

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(C) For the purposes of Regulation 152(B), a Member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document. Further, where a notice or document is published on a website, the Company shall notify the Members in accordance with these presents that such notice or document has been so published, specifying the address of the website on which it has been published, the place on the website where the notice or document may be accessed, and how it may be accessed.

(D) Notwithstanding the above, prior to giving, sending or serving any notice or document by way of electronic communications to a Member, the Company may give Members an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and subject to Regulation 152(E) below, a Member shall be deemed to have consented to receiving such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such any event be entitled to receive a physical copy of such notice or document.

(E) Any election or deemed election by a Member pursuant to Regulation 152(D) above is a standing election but the Member may make a fresh election at any time, provided that until the Member makes a fresh election, the election or deemed election that is conveyed to the Company last in time prevails over all previous elections as that Member's valid and subsisting election in relation to all documents and notices to be sent pursuant to Regulation 152(D) above.

(F) Unless otherwise provided under these presents, the Act and/or any other applicable regulations or procedures (including the listing rules of the Designated Stock Exchange), where a notice or document is given, sent or served by electronic communications, (i) to the current address of a person pursuant to Regulation 152(B)(a), it shall be deemed to have been duly given, sent or served at the time of transmission by the email server or facility operated by the Company, its service provider or agent, to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communications was delayed or not successfully sent) and (ii) where made available on a website pursuant to Regulation 152(B)(b), it shall be deemed to have been duly given, sent or served at the time at which the notice or document is first made available on the website.

(G) Where a notice or document is given, sent or served to a Member by making it available on a website pursuant to Regulation 152(C), the Company shall give separate notice to the Member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by one or more of the following means:–

- (a) by sending such separate notice to the Member personally or through the post pursuant to Regulation 152(A);
- (b) by sending such separate notice to the Member using electronic communications to his current address pursuant to Regulation 152(B);
- (c) by way of advertisement in an English daily newspaper in circulation in Singapore and a daily newspaper, in English and/or Chinese, in circulation in Hong Kong; and/or
- (d) by way of announcement on the Designated Stock Exchange.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

153. 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 (i) not having supplied an address within Singapore for the service of notices or (ii) having supplied an address, whether within Singapore or outside Singapore, for the service of notices where the service or delivery of such notice to any such address shall, in the opinion of the Directors, be unlawful or impracticable, shall be disregarded.

154. 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 an address, whether within Singapore or outside Singapore, for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document (including any corporate communication) to which the Member but for his death or bankruptcy would have been entitled Provided always that the service or delivery of such notice or document to any such address shall not, in the opinion of the Directors, be unlawful or impracticable. 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 of any Member or given, sent or served to any Member using electronic communications in pursuance of these presents shall, notwithstanding that such Member be then dead or bankrupt or in liquidation, and whether or not the Company shall 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 as sole or first-named joint holder.

155. (A) Notice of every General Meeting shall be given in the manner hereinbefore authorised to:

- (a) every Member;
- (b) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the Meeting; and
- (c) the Auditor,

Provided always that a Member who (having no registered address within Singapore):

- (i) has not supplied to the Company an address for the service of notices; or
- (ii) has supplied to the Company an address, whether within Singapore or outside Singapore, for the service of notices where the service or delivery of such notices or other documents to any such address shall, in the opinion of the Directors, be unlawful or impracticable,

shall not be entitled to receive notices or other documents from the Company.

(B) No other person shall be entitled to receive notices of General Meetings.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

155A. Any notice or document (including any corporate communication) may be given to a Member either in the English language or the Chinese language, subject to due compliance with the Statutes and the listing rules of the Designated Stock Exchange.

UNTRACEABLE MEMBERS

156. (A) Without prejudice to the rights of the Company under Regulation 156(B), the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on 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.

(B) The Company shall have the power to sell, in such manner as the Directors think fit and in accordance with the requirements of any applicable law, 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 presents 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 listing rules of the Designated Stock Exchange, has given notice to the Designated Stock Exchange, and caused advertisement to be made in newspapers in accordance with the requirements of the Designated Stock Exchange, of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three 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 12 years before the date of publication of the advertisement referred to in this Regulation 156(B)(c) and ending at the expiry of the period referred to in Regulation 156(B)(c).

(C) To give effect to any such sale the Directors 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 Regulation shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

WINDING UP

157. 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.

158. 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 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.

159. In the event of a winding up of the Company every Member of the Company who is not for the time being in Singapore shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder, whether within Singapore or outside Singapore, upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served Provided always that such householder shall be a person to whom service of such summonses, notices, processes, orders and judgments shall not, in the opinion of the Directors, be unlawful or impracticable. In default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such Member for all purposes, and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such Member by advertisement in any leading daily newspaper in the English language in circulation in Singapore and Hong Kong, as the case may be, or by a registered letter sent through the post and addressed to such Member at his address as appearing in the Register of Members, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

159A. On the voluntary liquidation of the Company, no commission or fee shall be paid to a liquidator unless it shall have been ratified by the Members. The amount of such payment shall be notified to all Members at least seven days prior to the meeting at which it is to be considered.

INDEMNITY

160. 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 or to be 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, Chief Executive Officer, Secretary or other officer of the Company shall be

APPENDIX C – THE PROPOSED NEW CONSTITUTION

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.

PERSONAL DATA

161. (A) A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:

- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
- (b) internal analysis and/or market research by the Company (or its agents or service providers);
- (c) investor relations communications by the Company (or its agents or its service providers);
- (d) administration by the Company (or its agents or its service providers) of that Member's holding of shares in the Company;
- (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
- (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
- (g) implementation and administration of, and compliance with, any provision of these presents;
- (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
- (i) purposes which are reasonably related to any of the above purpose.

APPENDIX C – THE PROPOSED NEW CONSTITUTION

(B) Any Member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in Regulations 161(A)(f) and 161(A)(h), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such Member's breach of warranty

SECRECY

162. No Member shall be entitled to require discovery of or any information relating to any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members of the Company to communicate to the public save as may be authorised by law or required by the listing rules of the Designated Stock Exchange.

ALTERATION OF REGULATIONS

163. No Regulation shall be rescinded, altered or amended and no new Regulation 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 Regulation, or to change the name of the Company and as permitted in the circumstances provided under the Statutes.

164. There should not be any alteration in the Regulation to increase an existing Member's liability to the Company unless such increase is agreed by such Member in writing.

CONFLICT OF LAWS

165. 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.

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APPENDIX D – THE PROPOSED SCHEME

LHN LIMITED

(incorporated in Singapore with limited liability)

LHN EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

This employee share option scheme shall be called the LHN Employee Share Option Scheme.

2. DEFINITIONS

2.1 In this Scheme, unless the context otherwise requires, the following expressions have the following meanings:–

“Acceptance Date”	the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date not later than 28 days after the Offer Date;
“Adoption Date”	25 September 2017, being the date of conditional adoption of the Scheme by the Shareholders subject to the conditions set out in Paragraph 4.1 being fulfilled;
“Allotment Date”	the date on which Shares are allotted to a Grantee (or his legal personal representatives) pursuant to the Option granted and exercised hereunder;
“associate(s)”	shall have the same meaning ascribed to it under the HK Listing Rules and/or the Catalist Rules;
“Auditors”	the auditors appointed by the Company;
“Bankruptcy Act”	the Bankruptcy Act (Chapter 20) of Singapore as amended from time to time;
“Bankruptcy Ordinance”	the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) as amended from time to time;
“Board”	the board of Directors of the Company;
“Business Day”	any day on which the Stock Exchange and the SGX-ST are open for the business of dealing in securities;
“Catalist Rules”	the SGX-ST Listing Manual Section B: Rules of Catalist as amended, modified or supplemented from time to time;
“close associate(s)”	shall have the same meaning ascribed to it under the HK Listing Rules;

APPENDIX D – THE PROPOSED SCHEME

“Commencement Date”	in respect of any particular Option, the Business Day on which the Option is deemed to be granted and accepted in accordance with Paragraph 6.6 of the Scheme;
“Committee”	the remuneration committee of the Company;
“Companies Act”	the Companies Act (Chapter 50) of Singapore as amended from time to time;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time;
“Company”	LHN Limited, a limited liability company incorporated in Singapore;
“Constitution”	the constitution of the Company as amended from time to time;
“connected person(s)”	shall have the same meaning ascribed to it under the HK Listing Rules;
“core connected person(s)”	shall have the same meaning ascribed to it under the HK Listing Rules;
“Culpable Termination”	termination of the employment of an Employee on the grounds that he has been guilty of serious misconduct, or there exists grounds allowing his summary dismissal under his employment contract or under common law, or he is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance or any other applicable law, or he has become otherwise insolvent or has made any arrangement or composition with his creditors generally, or he has been convicted of any criminal offence involving his integrity or honesty;
“Directors”	directors of the Company;
“Eligible Person”	Means any of the following persons: (a) Employees; and (b) Group Non-Executive Directors;
“Employee”	any full-time employee of any member of the Group;

APPENDIX D – THE PROPOSED SCHEME

“Expiry Date”	in respect of an Option, such date of the expiry of the Option as the Committee may in its absolute discretion determine and which shall not exceed 10 years from the Commencement Date but subject to the provisions for early termination thereof contained herein;
“financial year”	a year or other period for which the Company’s accounts are made up;
“Grantee”	any Eligible Person who accepts the offer of the grant of an Option in accordance with the terms of the Scheme or (in the case of an Eligible Person being an individual and where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death or permanent disability of the Eligible Person;
“Group”	the Company and its Subsidiaries;
“Group Executive Director”	a director of the Company and/or any of its Subsidiaries, as the case may be, who performs an executive function;
“Group Non-Executive Director”	A director of the Company and/or any of its Subsidiaries, as the case may be, other than an Executive Director;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or supplemented from time to time;
“Non-Executive Director Retirement”	the retirement of a non-executive Director of the Company who retires pursuant to the Company’s Constitution and who notifies the Company that he is not offering himself for re-election at the Company’s annual general meeting;
“Offer Date”	the date of the Committee resolution approving the grant of Options, which must be a Business Day;
“Option”	an option to subscribe for Shares granted pursuant to the Scheme and for the time being subsisting;
“Option Period”	in respect of an Option, the period commencing after the first anniversary of the Commencement Date and expiring on the Expiry Date for such Option;

APPENDIX D – THE PROPOSED SCHEME

“Option Shares”	Shares to which any particular Option relates;
“PRC”	the People’s Republic of China;
“Scheme”	this LHN Employee Share Option Scheme, the rules of which are set out in this document in its present or any amended form;
“SGX-ST”	the Singapore Exchange Securities Trading Limited;
“Shareholders”	shareholders of the Company;
“Shares”	ordinary shares of the Company, or, if there has been a sub-division, consolidation, reclassification of or reconstruction of the share capital of the Company, shares forming part of the ordinary share capital of the Company;
“Singapore”	the Republic of Singapore;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the Scheme;
“Subsidiary”	a subsidiary (within the meaning of both the Companies Ordinance and the Companies Act) of the Company from time to time;
“substantial shareholder”	shall have the same meaning ascribed to it under the HK Listing Rules;
“Underwriting Agreement(s)”	the underwriting agreement(s) to be entered into, among others, the Company and the underwriters relating to the proposed initial public offering of the Company;
“HK\$”	Hong Kong dollars;
“S\$”	Singapore dollars.

2.2 Paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of the Scheme. References to Paragraphs are to paragraphs of the Scheme. Unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include bodies corporate or unincorporated.

APPENDIX D – THE PROPOSED SCHEME

3. PURPOSE OF THE SCHEME AND ELIGIBILITY

- 3.1 The purpose of the Scheme is to give the Eligible Persons an opportunity to have a personal stake in the Company and help motivate Eligible Persons to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.
- 3.2 Subject to the terms of the Scheme, the Committee shall be entitled at any time during the life of the Scheme to offer the grant of any Option to any Eligible Person as the Committee may in its absolute discretion select.
- 3.3 Eligible Persons who are controlling shareholders (as defined in the Catalist Rules) and their associates (as defined in the Catalist Rules) shall be eligible to participate in the Scheme provided that:
- (a) their participation; and
 - (b) the actual number and terms of any Options to be granted to them,
- have been approved in separate resolutions by independent Shareholders in a general meeting in respect of each such person, provided always that it shall not be necessary to obtain the approval of independent Shareholders for the participation in the Scheme of a controlling shareholder (as defined in the Catalist Rules) or his associate (as defined in the Catalist Rules) who is, at the relevant time, already a participant.
- 3.4 Subject to the Companies Act, the Catalist Rules and the HK Listing Rules, the basis of eligibility shall be determined by the Committee from time to time.

4. CONDITIONS PRECEDENT

- 4.1 The Scheme shall come into effect on the date on which the following conditions are fulfilled:
- (a) the approval of Shareholders for the adoption of the Scheme;
 - (b) the approval of the Stock Exchange and the SGX-ST for the listing of and permission to deal in, the Shares (representing the initial Scheme Mandate Limit (as defined in Paragraph 9.1)) to be allotted and issued pursuant to the exercise of the Options in accordance with the terms and conditions of the Scheme;
 - (c) the commencement of dealing in the Shares on the Stock Exchange; and
 - (d) the obligations of the underwriters under the Underwriting Agreement(s) becoming unconditional and not being terminated in accordance with the terms thereof or otherwise.
- 4.2 If the permission referred to in Paragraph 4.1(b) is not granted within two calendar months after the Adoption Date:
- (i) the Scheme will forthwith terminate;

APPENDIX D – THE PROPOSED SCHEME

- (ii) any Option granted or agreed to be granted pursuant to the Scheme and any offer of such a grant shall be of no effect;
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Scheme or any Option; and
- (iv) the Board may further discuss and devise another employee share option scheme for adoption by the Company.

5. DURATION AND ADMINISTRATION

- 5.1 Subject to the fulfilment of the conditions to Paragraph 4 and the termination provisions to Paragraph 14, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, provided always that the Scheme may continue for a further period of 10 years with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. Upon the expiry of the Scheme as aforesaid, no further Options will be offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme.
- 5.2 The Scheme shall be subject to the administration of the Committee whose decision on all matters arising in relation to the Scheme or its interpretation or effect shall (save as otherwise provided in the Scheme) be final and binding on all parties. The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 5.3 An Eligible Person who is a member of the Committee shall not be involved in its deliberations in respect of any Option to be granted to him.
- 5.4 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee (or any of its members) any liability whatsoever in connection with:
 - (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.

6. GRANT OF OPTIONS

- 6.1 Subject to the terms of the Scheme, the Committee shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Committee may in its absolute discretion select to subscribe at the Subscription Price for such number of Shares as the Committee may (subject to Paragraph 9) determine (provided the same shall be an integral multiple of the respective board lot sizes for dealing in the Shares on the Stock Exchange and the SGX-ST) provided that:
 - (a) no Options shall be granted under this Scheme after the termination of the Scheme in accordance with Paragraph 14;

APPENDIX D – THE PROPOSED SCHEME

- (b) no Options shall be granted if the Company would be required to issue a prospectus or offer document in respect of such grant under relevant laws or regulations applicable to the Company;
 - (c) no Options shall be granted if the grant would result in a breach by the Company or its Directors of relevant laws or regulations (including those relating to securities); and
 - (d) any Option, once issued, shall not be reissued under the Scheme.
- 6.2 Subject to the provisions of the HK Listing Rules and the Catalyst Rules, the Committee may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Scheme as the Committee may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the Eligible Person, the satisfactory performance or maintenance by the Eligible Person of certain conditions or obligations or the time or period when the right to exercise the Option in respect of all or some of the Option Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of this Scheme. For the avoidance of doubt, subject to such terms and conditions as the Committee may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise), there is no performance target which need to be achieved by the Eligible Person before the Option can be exercised.
- 6.3 Subject to Paragraph 9 below, but only insofar as and for so long as the HK Listing Rules require, where any offer of an Option is proposed to be made to a Director, chief executive or a substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of the Company (excluding the independent non-executive Director who or whose associates is the grantee of an Option).

Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by Shareholders. The Company shall send a circular to the Shareholders. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

APPENDIX D – THE PROPOSED SCHEME

Approval from the Shareholders is required for any change in the terms of Options granted to a participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

6.4 The Committee shall not offer the grant of an Option to any Eligible Person:

- (a) after inside information has come to its knowledge until such inside information has been announced pursuant to the requirements of the HK Listing Rules and the Catalyst Rules; or
- (b) during the period commencing one month immediately preceding the earlier of:
 - (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the HK Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the HK Listing Rules);
 - (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the HK Listing Rules, or quarterly or any other interim period (whether or not required under the HK Listing Rules); and
 - (iii) the deadline for the Company to publish an announcement of its results for any interim or full year period under the Catalyst Rules or any other interim period (whether or not required under the Catalyst Rules);

and ending on the date of the latest results announcement published on either the website of the Stock Exchange or the SGXNET in respect of the relevant financial period.

6.5 If in accordance with Paragraph 6.1 the Committee determines to offer the grant of an Option to an Eligible Person, the Committee shall forward to the relevant Eligible Person an offer letter specifying:

- (i) the Eligible Person's name, address and occupation;
- (ii) the Offer Date;
- (iii) the Acceptance Date;
- (iv) the number of Shares in respect of which the Option is offered;
- (v) the Subscription Price and the manner of payment of the Subscription Price of the Shares on and in consequence of the exercise of the Option;
- (vi) how the Expiry Date in relation to that Option is ascertained;
- (vii) the method of acceptance of the Option which shall, unless the Committee otherwise determines, be as set out in Paragraph 6.6;

APPENDIX D – THE PROPOSED SCHEME

(viii) the method of exercise of the Option which shall, unless the Committee otherwise determines, be as set out in Paragraph 8.1; and

(ix) such other terms and conditions relating to the offer of the Option which in the opinion of the Committee are fair and reasonable but not inconsistent with the rules and procedures applicable to the Scheme,

and requiring the Eligible Person to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme.

6.6 An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the Offer Date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Scheme stated in Paragraph 5.1. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 or S\$1.00 (as the case may be) by way of consideration for the grant thereof is received by the Company on or before the Acceptance Date. Such remittance shall in no circumstances be refundable.

6.7 Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange and the SGX-ST respectively or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option in the manner as set out in Paragraph 6.6 above. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

6.8 In the event that the grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null, void and of no effect and the relevant Grantee shall have no claim whatsoever against the Company.

7. SUBSCRIPTION PRICE

7.1 The Subscription Price in respect of any particular Option shall be such price as the Committee may in its absolute discretion determine at the time of offer of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the Subscription Price shall not be less than whichever is the highest of:

(a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet or as published by the SGX-ST on the Offer Date (whichever is higher); and

(b) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets or as published by the SGX-ST for the five Business Days immediately preceding the Offer Date (whichever is higher).

8. EXERCISE OF OPTIONS

8.1 An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot for dealing in the Shares on the Stock Exchange or the SGX-ST, as the case may be, or any integral multiple thereof) within the Option Period in the manner as set out in Paragraphs 8.3 and 8.4 by the Grantee (or his legal personal representative(s)) by giving notice in

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writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of the Auditors' certificate pursuant to Paragraph 13, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or his legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the Grantee (or his legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.

- 8.2 The exercise of any Option may be subject to a vesting schedule to be determined by the Committee in its absolute discretion, which shall be specified in the offer letter as mentioned in Paragraph 6.5.
- 8.3 Subject as hereinafter provided and subject to the terms and conditions upon which the Option was granted, an Option may be exercised by the Grantee at any time during the Option Period, provided that:
- (a) in the event that the Grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement under Paragraph 8.3(e) exists with respect to such Grantee, he (or his legal personal representative(s)) may exercise the Option up to the Grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his death or permanent disability or such longer period as the Committee may determine;
 - (b) in the event that the Grantee ceases to be an Employee by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time and none of the events for termination of employment or engagement under Paragraph 8.3(e) exists with respect to such Grantee, his Option (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his retirement until the expiry of the relevant Option Period;
 - (c) in the event that the Grantee ceases to be an Employee by reason of his transfer of employment to a member of the Group, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Committee in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee has determined;
 - (d) in the event that the Grantee ceases to be an Employee for any reason (including his employing company ceasing to be a member of the Group) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his employment to a member of the Group or the termination of his employment with the relevant member of the Group by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee may in its absolute discretion determine following the date of such cessation;

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- (e) in the event that the Grantee ceases to be an Employee by reason of the termination of his employment by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the Grantee is notified of the termination of his employment (in the case of Culpable Termination) and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee may in its absolute discretion determine following the date of such service or notification. A resolution of the Committee resolving that the Employee's Option has lapsed pursuant to this Paragraph 8.3(e) shall be final and conclusive;
- (f) if a Grantee being:
 - (i) a Group Executive Director ceases to be an Employee but remains a Group Non-Executive Director, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option Period unless the Committee in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee has determined; or
 - (ii) a Group Non-Executive Director ceases to be a director:
 - (1) by reason of Non-Executive Director Retirement, his Option (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his retirement until the expiry of the relevant Option Period unless the Committee in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee has determined; or
 - (2) for reasons other than Non-Executive Director Retirement, his Option (to the extent not already exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Committee may in its absolute discretion determine following the date of such cessation;
- (g) if:
 - (i) the Committee in its absolute discretion at any time determines that a Grantee has ceased to be an Eligible Person; or
 - (ii) a Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions that may be attached to the grant of the Option or which were the basis on which the Option was granted,

the Option (to the extent not already exercised) shall lapse on the date on which the Grantee is notified thereof (in the case of (i)) or on the date on which the Grantee has failed to or no longer satisfies or complies with such criteria or terms and conditions as aforesaid (in the case of (ii)) and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the determination of the Committee (in the case of (i)) or the failure of the Grantee to satisfy or comply

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with the criteria or terms and conditions attached to the grant of the Option or which were the basis on which the Option was granted (in the case of (ii)) within such period as the Committee may in its absolute discretion determine following the date of such notification or the date of such failure, non-satisfaction or non-compliance. In the case of (i), a resolution of the Committee resolving that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(g) shall be final and conclusive;

- (h) if a Grantee (being an individual):
 - (i) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance, the Bankruptcy Act or any other applicable law or has otherwise become insolvent; or
 - (ii) has made any arrangement or composition with his creditors generally; or
 - (iii) has been convicted of any criminal offence involving his integrity or honesty; or
 - (iv) commits, or his associate commits, a breach of any contract entered into between the Grantee or his associate and any member of the Group,

the Option (to the extent not already exercised) shall lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid or on the date on which a petition for bankruptcy has been presented in any jurisdiction or on the date on which he enters into the said arrangement or composition with his creditors or on the date of his conviction or on the date of the said breach of contract (as the case may be) and not be exercisable unless the Committee otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable up to the Grantee's entitlement immediately prior to the occurrence of any of the event(s) mentioned in paragraphs (i) to (iv) of the Paragraph within such period as the Committee may in its absolute discretion determine following the date of such occurrence. A resolution of the Committee resolving that the Grantee's Option has lapsed pursuant to this Paragraph 8.3(i) for breach of contract as aforesaid shall be final and conclusive;

- (i) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of Shareholders (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by the Company;
- (j) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the Grantees who have Options unexercised at the same time as it despatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement and thereupon each Grantee (or his legal personal representatives or receiver) may until the expiry of the earlier of:
 - (i) the Option Period;

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- (ii) the period of two months from the date of such notice; or
- (iii) the date on which such compromise or arrangement is sanctioned by the court,

exercise in whole or in part his Option. Except insofar as exercised in accordance with this Paragraph 8.3(k), all Options outstanding at the expiry of the relevant period referred to in this Paragraph 8.3(k) shall lapse. The Company may thereafter require each Grantee to transfer or otherwise deal with the Shares issued on exercise of the Option to place the Grantee in the same position as would have been the case had such Shares been the subject of such compromise or arrangement; and

- (k) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than five Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

- 8.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and the laws of Singapore from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue commencing from (i) the Allotment Date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members.

Accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the Allotment Date or, (ii) if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date.

- 8.5 A Share issued upon the exercise of an Option shall not carry rights until the registration of the Grantee (or any other person) as the holder thereof.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1 The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other schemes of the Group shall not in aggregate exceed 10 per cent. of the Shares in issue as at the date of listing of the Shares on the Main Board of the Stock Exchange (the “**Scheme Mandate Limit**”) provided that:

- (a) the Company may at any time as the Board may think fit seek approval from Shareholders to refresh the Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all Options to be granted under the

APPENDIX D – THE PROPOSED SCHEME

Scheme and any other schemes of the Company shall not exceed 10 per cent. of the Shares in issue as at the date of approval by the Shareholders in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Scheme or any other schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. The Company shall send to Shareholders a circular containing the details and information required under the HK Listing Rules and/or the Catalist Rules; and

- (b) the Company may seek separate approval from its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by the Company before such approval is obtained. The Company shall issue a circular to its Shareholders containing the details and information required under the HK Listing Rules and/or the Catalist Rules.
- 9.2 Notwithstanding Paragraph 9.1(a), the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other schemes of the Group shall not exceed 30 per cent. of the Shares in issue from time to time. No Options may be granted under the Scheme and any other share option scheme of the Company if this will result in such limit being exceeded.
- 9.3 The maximum number of Shares issued and to be issued upon exercise of the Options granted to any one Eligible Person (including exercised and outstanding Options) in any 12-month period shall not exceed 1 per cent. of the Shares in issue from time to time. Where any further grant of Options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting. The Company shall send a circular to its Shareholders disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Person, and containing the details and information required under the HK Listing Rules and/or Catalist Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Eligible Person must be fixed before the approval of the Shareholders and the date of the Committee meeting or resolution proposing such grant shall be taken as the Offer Date for the purpose of calculating the Subscription Price of those Options.
- 9.4 The maximum numbers set out in Paragraphs 9.1 to 9.3 above shall be adjusted, in such manner as the Auditors shall certify in writing to the Board to be fair and reasonable in the event of any alteration to the capital structure of the Company in accordance with Paragraph 13 below whether by way of capitalisation of profits or reserves, open offer, rights issue, consolidation, reclassification, reconstruction, subdivision or reduction of the share capital of the Company but shall not in any event exceed the limits imposed by the HK Listing Rules or the Catalist Rules. Any such adjustment shall give the Eligible Persons the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Board in writing that the adjustments satisfy this requirement.

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10. TRANSFERABILITY OF OPTIONS

- 10.1 An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

11. LAPSE OF OPTION

- 11.1 An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:
- (a) the expiry of the Option Period;
 - (b) the expiry of any of the period referred to Paragraph 8.3;
 - (c) subject to Paragraph 8.3(l), the date of the commencement of the winding-up of the Company;
 - (d) there is an unsatisfied judgement, order or award outstanding against the Grantee or the Committee has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts; or
 - (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in Paragraphs 8.3(h) or 11.1(d).

No compensation shall be payable upon the lapse of any Option, provided that the Committee shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

12. CANCELLATION OF OPTIONS

- 12.1 The Committee shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the Grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):
- (a) the Grantee commits or permits or attempts to commit or permit a breach of Paragraph 10.1 or any terms or conditions attached to the grant of the Option;
 - (b) the Grantee makes a written request to the Committee for the Option to be cancelled; or
 - (c) if the Grantee has, in the opinion of the Committee, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a Subsidiary.
- 12.2 The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation

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Date. No compensation shall be payable upon any such cancellation, provided that the Committee shall be entitled in its discretion to pay such compensation to the Grantee in such manner as it may consider appropriate in any particular case.

13. REORGANISATION OF CAPITAL STRUCTURE

13.1 In the event of any alteration to the capital structure of the Company while any Option remains outstanding, whether by way of capitalisation of profits or reserves, open offer, rights issue, consolidation, distribution, reclassification, reconstruction, sub-division or reduction of the share capital of the Company, the Committee may, if it considers the same to be appropriate, direct that adjustments be made to:

- (a) the maximum number of shares subject to the Scheme;
- (b) the class and/or aggregate number of shares subject to the Option so far as unexercised;
- (c) the Subscription Price of each outstanding Option; and/or
- (d) the class and/or number of shares in respect of which additional Options may be granted,

provided that:

- (a) any such adjustments shall give the Eligible Persons the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a capitalisation issue, the Auditors shall confirm to the Committee in writing that the adjustments satisfy this requirement;
- (b) any such adjustments shall be made on the basis that the aggregate Subscription Price payable by the Grantee on the full exercise of any Option shall remain as nearly as practicable the same as (but shall not be greater than) it was before such event;
- (c) no such adjustments shall be made if as a result, a participant receives a benefit that a Shareholder does not receive; and
- (d) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the HK Listing Rules and any applicable Catalist Rules and supplementary guidance on the interpretation of the HK Listing Rules and Catalist Rules issued by the Stock Exchange and SGX-ST from time to time.

Any adjustment (other than an adjustment arising from a capitalisation issue) must be certified in writing by the Auditors to the Committee to be in their opinion fair and reasonable. The capacity of the Auditors in Paragraph 13.1 is that of experts and not arbitrators and their certification shall be final and binding on the Company and the Grantees in the absence of manifest error. The costs of the Auditors shall be borne by the Company.

13.2 The following (whether singly or in combination) shall not be regarded as events requiring adjustments unless the Committee considers an adjustment to be appropriate pursuant to Paragraph 13.1 above:

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- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the issue of Shares upon the exercise of any options or conversion of any convertible securities issued by the Company; or
- (c) the cancellation of issued Shares purchased by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST or the Stock Exchange during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force.

13.3 If there has been any alteration in the capital structure of the Company as referred to in Paragraph 13, the Company shall, upon receipt of a notice from the Grantee in accordance with Paragraph 8.1, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made pursuant to the certificate of the Auditors obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors to issue a certificate in that regard in accordance with Paragraph 13.

14. TERMINATION

14.1 The Scheme may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required. Upon termination of the Scheme as aforesaid, no further Options shall be offered but the provisions of the Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Scheme.

15. ALTERATION OF THE SCHEME

15.1 Subject to Paragraph 15.2, the Scheme may be altered in any respect by a resolution of the Committee.

15.2 The following shall not be carried out except with the prior sanction of an ordinary resolution of the Shareholders in general meeting:

- (a) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the Scheme);
- (b) any alteration to the provisions of the Scheme in relation to the matters set out in (i) Rule 17.03 of the HK Listing Rules, or (ii) Rules 843 to 848 and Rules 852 to 853 of the Catalist Rules, to the advantage of participants;
- (c) any change to the authority of the Committee to administer the day-to-day running of the Scheme; and
- (d) any alteration to Paragraph 15,

provided always that the amended terms of the Scheme shall comply with the applicable requirements of the HK Listing Rules and the Catalist Rules.

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16. REQUIRED DISCLOSURES

The Company shall, for so long as the Scheme continues in operation, make disclosures as required under the HK Listing Rules, the Catalist Rules and all other applicable laws and requirements.

17. DISPUTES

- 17.1 Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and conclusive and binding on all persons who may be affected thereby.

18. MISCELLANEOUS

- 18.1 The Company shall bear the costs of establishing and administering the Scheme (including the costs of the Auditors).
- 18.2 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to its members at the same time or within a reasonable time of such notices or documents being sent, which shall be made available to him during normal office hours at the principal office of the Company in Singapore and Hong Kong.
- 18.3 Any notices, documents or other communication between the Company and a Grantee shall be in writing and may be sent by prepaid post or by personal delivery to, in the case of the Company, its principal office in Singapore and, in the case of the Grantee, his address in Singapore as notified to the Company from time to time.
- 18.4 Any notice or other communication served:
- (a) by the Company shall be deemed to have been served 24 hours after the same was put in the post or if delivered by hand, when delivered; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 18.5 All allotments and issues of Shares pursuant to the Scheme shall be subject to any necessary consents or approval under the relevant laws, enactments or regulations for the time being in force in Singapore or elsewhere and a Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of his Option. By accepting an Offer or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. A Grantee shall indemnify the Company fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which the Company may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or to pay tax or other liabilities referred therein. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme.

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- 18.6 A Grantee shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his participation in the Scheme or the exercise of any Option.
- 18.7 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 18.8 The Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any participant and the rights and obligations of any participant under the terms of his office or employment shall not be affected by his participation in it and the Scheme shall afford such a participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

19. GOVERNING LAW

- 19.1 The Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

LHN LIMITED

(Company Registration Number 201420225D)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of LHN Limited (the “**Company**”) will be held at 10 a.m. on 25 September 2017 at 10 Raeburn Park #02-18, Singapore 088702 for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions (“**Resolutions**”), of which Resolutions 1, 3, 4 and 5 will be proposed as ordinary resolutions and Resolution 2 will be proposed as a special resolution:

*All capitalised terms in this Notice of Extraordinary General Meeting which are not defined herein shall have the meanings ascribed to them in the circular dated 2 September 2017 (the “**Circular**”) issued by the Company to its Shareholders.*

RESOLUTION 1

ORDINARY RESOLUTION

THE PROPOSED GLOBAL OFFERING OF 42,000,000 NEW SHARES FOR SUBSCRIPTION AT THE OFFER PRICE, TO BE CARRIED OUT IN CONJUNCTION WITH THE PROPOSED SEHK LISTING

THAT subject to and contingent upon the passing of Resolution 2:

- (a) approval be and is hereby given for the Company to carry out and implement the Proposed Global Offering and Proposed SEHK Listing, as well as any other transactions contemplated thereunder;
- (b) the issue of up to 42,000,000 new Shares (the “**Offer Shares**”) at an offer price, which shall not be at a discount of more than 10% to the SGX-ST Market Price (as defined below), pursuant to such structure, in such manner, on such terms and at such time as the board of directors of the Company (the “**Board**”) may determine, and all matters relating thereto, be approved and authorised, and notwithstanding that the authority conferred by this Resolution may have ceased to be in force, any of the directors of the Company (the “**Directors**”) be authorised to issue the Offer Shares in pursuance of any offer or agreement made or option granted by the Directors while this Resolution was in force;
- (c) the listing of the Shares, the Offer Shares and the new shares that may be allotted and issued pursuant to the exercise of the Options which may be granted in accordance with the terms of the Scheme, on the Main Board of the SEHK, and all matters relating thereto be approved and authorised; and
- (d) the Directors and/or any of them be and are hereby authorised to complete and do all acts and things and sign all such documents and deeds (including approving any matters in relation to the Proposed Global Offering and Proposed SEHK Listing) as they and/or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this Resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The “**SGX-ST Market Price**” means either (i) the weighted average price for trades of the Shares done on the SGX-ST for the full Market Day on which the offer price is determined; or (ii) if trading in the Shares is not available for a full Market Day as at the time the offer price is determined, the weighted average price for trades of the Shares done on the SGX-ST on the immediately preceding Market Day and up to the time the offer price is determined.

RESOLUTION 2

SPECIAL RESOLUTION

THE PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

THAT subject to and contingent upon the passing of Resolution 1:

- (a) with effect from the date of listing of the Company on the SEHK, the New Constitution, the regulations of which are set out in Appendix C to the Circular, be approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the Existing Constitution; and
- (b) the Directors and/or any of them be and are hereby authorised to complete and do all acts and things (including, without limitation, executing all such documents as may be required) as they and/or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this Resolution.

RESOLUTION 3

ORDINARY RESOLUTION

THE PROPOSED ADOPTION OF THE SCHEME

THAT subject to and contingent upon the passing of Resolutions 1 and 2:

- (a) the share option scheme to be named the “LHN Employee Share Option Scheme” (the “**Scheme**”), the rules of which are set out in Appendix D to the Circular, be and is hereby approved and adopted; and
- (b) the Directors be and are hereby authorised:
 - (i) to establish and administer the Scheme;
 - (ii) to modify and/or amend the Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the rules of the Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme; and
 - (iii) to grant options (the “**Options**”) in accordance with the rules of the Scheme and to allot and issue from time to time such number of new Shares required pursuant to the exercise of the Options under the Scheme; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Directors and/or any of them be and are hereby authorised to complete and do all acts and things (including, without limitation, executing all such documents as may be required) as they and/or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this Resolution.

RESOLUTION 4

ORDINARY RESOLUTION

PROPOSED PARTICIPATION BY KELVIN LIM, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE LHN EMPLOYEE SHARE OPTION SCHEME

THAT subject to and contingent upon the passing of Resolution 3, approval be and is hereby given for the participation by Kelvin Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme.

RESOLUTION 5

ORDINARY RESOLUTION

PROPOSED PARTICIPATION BY JESS LIM, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE LHN EMPLOYEE SHARE OPTION SCHEME

THAT subject to and contingent upon the passing of Resolution 3, approval be and is hereby given for the participation by Jess Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme.

By Order of the Board

Kelvin Lim
Executive Chairman and Group Managing Director
2 September 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 not less than 48 hours before the time appointed for holding the Extraordinary General Meeting.
4. Completion and return of the instrument appointing a proxy or proxies by a member shall not preclude him from attending and voting at the Extraordinary General Meeting if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Extraordinary General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Extraordinary General Meeting.
5. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

LHN LIMITED

(Company Registration Number 201420225D)
(Incorporated in the Republic of Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We*, _____ (Name) _____ (NRIC/Passport/Co. Reg. No.)

of _____ (Address)

being a member/members of LHN Limited (the "Company"), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/them*, the Chairman of the Extraordinary General Meeting ("EGM") of the Company, as my/our proxy/proxies* to attend, speak and vote for me/us* on my/our* behalf at the EGM to be held at 10 a.m. on 25 September 2017 at 10 Raeburn Park #02-18, Singapore 088702, and at any adjournment thereof.

I/We* direct my/our proxy/proxies* to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. In the absence of specific directions, the proxy/proxies* may vote or abstain from voting at his/their* discretion, as he/they* may on any other matter arising at the EGM.

Please tick here if more than two proxies will be appointed. This is only applicable for relevant intermediaries (please refer to Note 2).

No.	Resolutions	For [#]	Against [#]
1.	To approve the Proposed Global Offering and Proposed SEHK Listing (Ordinary Resolution)		
2.	To approve the proposed adoption of the New Constitution (Special Resolution)		
3.	To approve the proposed adoption of the Scheme (Ordinary Resolution)		
4.	To approve the proposed participation by Kelvin Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme (Ordinary Resolution)		
5.	To approve the proposed participation by Jess Lim, a controlling shareholder of the Company, in the LHN Employee Share Option Scheme (Ordinary Resolution)		

[#] Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the resolution, please tick (✓) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

* Delete where applicable

Dated this _____ day of _____ 2017

Total Number of Shares Held	
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s)/
Common Seal of Corporate Shareholder*

All capitalised terms in this proxy form which are not defined herein shall have the meanings ascribed to them in the circular dated 2 September 2017 issued by the Company to its Shareholders.

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, such member shall submit a list of its proxies together with the information required in this proxy form to the Company.

"relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. Where a member appoints more than one proxy, the member must specify the proportion of shareholdings to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Raeburn Park, #02-18, Singapore 088702 not less than 48 hours before the time appointed for holding the EGM.
6. Completion and return of the instrument appointing a proxy or proxies by a member shall not preclude him from attending and voting at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
7. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM.
8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

GENERAL:

The Company shall be entitled to reject an instrument of proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 2 September 2017.

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