

**LHN LIMITED**  
**賢能集團有限公司\***

*(Incorporated in the Republic of Singapore with limited liability)*  
**(Stock code: 1730)**

**COMPANY INFORMATION SHEET**

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Company Name (stock code): LHN Limited (1730)

Stock Short Name: LHN

This information sheet is provided for the purpose of giving information to the public about LHN Limited (the “**Company**”) as at the date hereof. It does not purport to be a complete summary of the information relevant to the Company and/or its securities.

Unless otherwise indicated, the capitalised terms have the same meanings as ascribed in the Company’s prospectus dated 15 December 2017 (the “**Prospectus**”).

**Responsibility statement**

The directors of the Company as at the date hereof hereby collectively and individually accepts full responsibility for the accuracy of the information contained in this information sheet and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief the information is accurate and complete in all material respects and not misleading or deceptive and that there are no other matters the omission of which would make any information inaccurate or misleading.

The directors of the Company also collectively and individually undertakes to publish this information sheet on a yearly basis, when the Company publishes its annual report, this information sheet reflecting, if applicable, the changes made to the last publication.

**Summary Content**

<u>Document Type</u>	<u>Upload Date</u>
<b>A. Summary of Waivers</b>	
Latest version . . . . .	28 December 2017
<b>B. Summary of Foreign Laws and Regulations</b>	
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<b>C. Constitution of the Company</b>	
Latest version . . . . .	28 December 2017

Date of this information sheet: 28 December 2017

\* For identification purpose only

## A. SUMMARY OF WAIVERS AND EXEMPTIONS

In preparation for the dual primary listing of our Company on the Hong Kong Stock Exchange, we have sought certain waivers from strict compliance with certain provisions of the Listing Rules and certain exemptions from compliance with certain provisions of the Companies (WUMP) Ordinance. Set out below is a summary of the waivers sought and granted by the Stock Exchange and the exemptions sought and granted by the SFC:

<u>Relevant Listing Rules and/or Companies (WUMP) Ordinance provisions</u>	<u>Subject matter</u>
Rule 8.12 of the Listing Rules	Sufficient management presence in Hong Kong
Rules 3.28 and 8.17 of the Listing Rules	Qualification of joint company secretaries
Rule 9.09 of the Listing Rules	Dealings in securities by core connected persons during a listing application process
Rule 10.04 and paragraph 5(2) of Appendix 6 of the Listing Rules	Allocation of International Offer Shares to existing Shareholders and their close associates
Rule 19.10(6) of the Listing Rules	Inspection of legislation and regulations
Rules 4.04(2) and 4.04(4) of the Listing Rules	Shareholdings in WeOffices acquired after the Track Record Period
Rule 4.04(1) of the Listing Rules, and Section 342(1) of and paragraphs 27 and 31 of the Third Schedule to the Companies (WUMP) Ordinance	Financial information included in this prospectus
Rule 13.49(1) of the Listing Rules	Publication of preliminary results

### **SUFFICIENT MANAGEMENT PRESENCE IN HONG KONG (RULE 8.12 OF THE LISTING RULES)**

Rule 8.12 of the Listing Rules requires that a new applicant applying for a primary listing on the Hong Kong Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. As the principal business operations, properties, offices and facilities of our Group are and will continue to be predominantly located, managed and conducted in Singapore, our executive Directors and senior management are and will continue to be based in Singapore.

As at the Latest Practicable Date, our executive Directors and all senior management are not Hong Kong resident or based in Hong Kong. We consider that it would be very difficult and unduly burdensome for us to relocate any of our executive Directors to Hong Kong and that the appointment of any additional executive Director who is ordinarily resident in Hong Kong will not be beneficial to our Group. Hence, our Directors consider it may not be practicable or in the best interest of our Company nor our Shareholders as a whole to appoint two executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying the requirements of Rule 8.12 of the Listing Rules.

Our Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 8.12 of the Listing Rules on the following conditions:

- (a) we have appointed two authorised representatives (the “**Authorised Representatives**”) pursuant to Rule 3.05 of the Listing Rules. The Authorised Representatives will act as our principal communication channel with the Hong Kong Stock Exchange. Our Company has appointed (i) Mr. Kelvin Lim, our executive Director and (ii) Ms. Jess Lim, our executive Director, as our Authorised Representatives. Mr. Kelvin Lim and Ms. Jess Lim are Singaporean citizens and may travel to Hong Kong without the need to apply for any special travel permits or visa. Each of the Authorised Representatives will be available to meet with any officers of the Hong Kong Stock Exchange within a reasonable period of time and will be readily contactable by telephone, facsimile or e-mail. Each of the Authorised Representatives is duly authorised to communicate on behalf of our Company with the Hong Kong Stock Exchange;
- (b) all of our executive Directors and independent non-executive Directors who are not ordinarily resident in Hong Kong have confirmed that they are holders of valid travel documents which allow them to visit Hong Kong and that they will also be able to meet with the officers of the Hong Kong Stock Exchange within a reasonable period of time;
- (c) our Company has appointed a compliance adviser, Fortune Financial Capital Limited (the “**Compliance Adviser**”), pursuant to Rule 3A.19 of the Listing Rules, who will act as an additional channel of communication with the Hong Kong Stock Exchange for a period commencing on the Listing Date and ending on the date on which our Company distributes the annual report for the first full financial year after the Listing Date in accordance with Rule 13.46 of the Listing Rules;
- (d) each of the Authorised Representatives and the Compliance Adviser has the means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors on any matters or to arrange meetings upon reasonable prior notice being given;

- (e) to enhance the communication between the Hong Kong Stock Exchange, the Authorised Representatives and our Directors, we will implement a policy whereby (i) each Director is required to provide his office phone number, mobile phone numbers, fax numbers and e-mail addresses to the Authorised Representatives and his respective alternate; (ii) each Director will endeavour to provide valid phone numbers or other means of communication of the place of his accommodation to the Authorised Representatives and his respective alternate prior to travelling outside; and (iii) each Director shall provide his mobile phone number, office phone numbers, fax numbers and e-mail addresses to the Hong Kong Stock Exchange; and
- (f) our Company shall inform the Hong Kong Stock Exchange promptly in the event of any changes to the Authorised Representatives or the Compliance Adviser in accordance with the Listing Rules.

### **QUALIFICATION OF JOINT COMPANY SECRETARIES (RULES 3.28 AND 8.17 OF THE LISTING RULES)**

Rule 8.17 of the Listing Rules provides that the issuer must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules.

According to Rule 3.28 of the Listing Rules, the secretary of the issuer must be a person who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers that the following academic or professional qualifications to be acceptable: (i) a member of The Hong Kong Institute of Chartered Secretaries; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Note 2 to Rule 3.28 of the Listing Rules provides that in assessing “relevant experience”, the Hong Kong Stock Exchange will consider the individual’s (i) length of employment with the issuer and other listed companies and the roles he/she played, (ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies (WUMP) Ordinance and the Takeovers Code, (iii) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than 15 hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules, and (iv) professional qualifications in other jurisdictions.

Having considered the rationale of Rules 3.28 and 8.17 of the Listing Rules, our Directors acknowledge the important role of the company secretary in the corporate governance of a listed issuer, particularly in assisting the listed issuer as well as its directors in complying with the Listing Rules and other relevant laws and regulations.

Mr. Leong Chee Meng, Kenneth has been employed by Boardroom Corporate & Advisory Services Pte. Ltd since July 2014. Mr. Leong currently holds the position of corporate secretarial manager and is responsible for the provision of corporate secretarial services to both non-listed and listed companies in Singapore. Boardroom Corporate & Advisory Services Pte. Ltd. is a wholly-owned subsidiary of Boardroom Limited. Boardroom Limited is listed on the main board of the SGX-ST and primarily provides services in the areas of corporate secretarial, share registration, accounting and taxation services.

Mr. Leong holds a degree in Accountancy from the Nanyang Technological University, Singapore in 2003 and is a Chartered Accountant in Singapore. Mr. Leong currently acts as the company secretary of certain companies listed on the SGX-ST.

Our Board acknowledged that Mr. Leong does not possess the academic or professional qualifications as set out in Note 1 to Rule 3.28 of the Listing Rules. However, Mr. Leong is a Singapore resident and possesses the required qualifications to satisfy the requirements under section 171(1AA) of the Singapore Companies Act. Our Directors believe that Mr. Leong, by virtue of the length of acting as a company secretary of our Company and his experience in providing services to listed and non-listed companies, coupled with the implementation of the following arrangements by our Company, should be able to discharge his function as a company secretary of our Company and would satisfy the requirements of Rules 3.28 and 8.17 of the Listing Rules in relation to company secretary:

1. our Company has appointed Mr. Ng Chit Sing, who is an associate member of the Hong Kong Institute of Chartered Secretaries and meets the requirements under Note 1 to Rule 3.28 of the Listing Rules, as a joint company secretary in Hong Kong to work closely with Mr. Leong in the discharge of his duties as a company secretary for an initial period of three years commencing from the Listing Date. As part of the proposed arrangement, Mr. Ng will familiarise himself with the affairs of our Company and will communicate regularly with Mr. Leong on matters relating to corporate governance, the Listing Rules as well as the applicable laws and regulations and other affairs of our Company;
2. Mr. Leong will endeavour to attend relevant training courses to keep himself abreast with the applicable Hong Kong laws and regulations (including the Listing Rules) organised by accredited organisations and seminars organised by the Hong Kong Stock Exchange for listed issuers from time to time, in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
3. before the expiry of the three-year period commencing from the date of proposed listing of our Company, a further evaluation of the qualifications and experience of Mr. Leong and the need for on-going assistance would be made.

Accordingly, our Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules. This waiver is valid for a period of three years from the Listing Date and will be revoked immediately if Mr. Ng ceases to provide assistance to Mr. Leong as a joint company secretary of our Company during the three years after the Listing Date.

#### **DEALING IN SECURITIES BY CORE CONNECTED PERSONS DURING A LISTING APPLICATION PROCESS (RULE 9.09 OF THE LISTING RULES)**

Rule 9.09 of the Listing Rules provides that there must be no dealing in the securities for which listing is sought by any core connected person of the issuer from four clear Business Days before the expected hearing date until listing is granted (the “**Relevant Period**”). Our Company, being a company whose shares are widely held, publicly traded and listed on the Catalist board of the SGX-ST, is not in a position to control the investment decisions of our Shareholders (other than Fragrance Ltd or its close associates) or the investing public in Singapore. To the best knowledge of our Directors after making all reasonable enquiries, other than our Controlling Shareholders, there is no Shareholder who held more than 10% of the total issued share capital of our Company as at the Latest Practicable Date. Further, other than Mr. Kelvin Lim and Ms. Jess Lim, none of our Directors is interested directly or indirectly in any Shares at the Latest Practicable Date.

Our Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 9.09 of the Listing Rules subject to the following conditions:

- (a) the core connected person(s), other than those who are Directors of our Company:
  - (i) shall have no influence over the listing process; and
  - (ii) are not in possession of any non-public inside information;
- (b) we shall promptly release any inside information to the public on SGX-ST in accordance with the relevant laws and regulations in Singapore and Hong Kong;
- (c) we shall procure that none of our existing core connected persons deals in our Shares during the Relevant Period;
- (d) we will notify the Hong Kong Stock Exchange if there is any dealing or suspected dealing in our Shares by any of our core connected persons during the Relevant Period; and

- (e) for any person (other than our Controlling Shareholders) who, as a result of dealing in the securities of our Company during the Relevant Period, becomes a substantial shareholder of our Company (the “**Potential New Substantial Shareholder**”), we confirm that:
  - (i) such Potential New Substantial Shareholder is currently not a Director or a member of the senior management of our Company or any of its subsidiaries and would not become a Director or a member of the senior management of our Group after Listing; and
  - (ii) our Company and its management have not had control over the investment decisions of such Potential New Substantial Shareholder or its close associates.

As at the Latest Practicable Date, we were not aware of any core connected person who may not be able to comply with Rule 9.09 of the Listing Rules.

**ALLOCATION OF INTERNATIONAL OFFER SHARES TO EXISTING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES (RULE 10.04 AND PARAGRAPH 5(2) OF APPENDIX 6 OF THE LISTING RULES)**

Rules 10.04, 10.03(1) and 10.03(2) of the Listing Rules provide that a person who is an existing shareholder of the issuer may only subscribe for or purchase securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the following conditions are fulfilled: (i) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 5(2) of Appendix 6 to the Listing Rules provides, among other matters, that unless with the prior written consent of the Hong Kong Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

The International Underwriters will solicit from prospective professional, institutional and private investors indications of interest in acquiring the International Offer Shares in the International Offering. Prospective professional, institutional and private investors will be required to specify the number of International Offer Shares under the International Offering they would prepare to acquire either at different prices or at a particular price. It may be necessary for the International Underwriters to include existing Shareholders in such “book-building” process described above.

Our Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 10.04 of the Listing Rules, and its consent under paragraph 5(2) of Appendix 6 to the Listing Rules to permit our Company to allocate the International Offer Shares in the International Offering to existing Shareholders and their close associates, subject to the following conditions:

- (a) each existing Shareholder to whom International Offer Shares may be allocated in the International Offering must hold less than 5% of the issued Shares in our Company prior to Listing;
- (b) such existing Shareholders and their close associates are not, and will not be, core connected persons (as defined under the Listing Rules) of our Company or any close associate (as defined under the Listing Rules) of any such core connected person immediately prior to or following the Global Offering;
- (c) such existing Shareholders have no right to appoint directors of our Company and do not have other special rights in our Company;
- (d) allocation to such existing Shareholders and their close associates will not affect our Company's ability to satisfy the public float requirement under Rule 8.08 of the Listing Rules;
- (e) each of our Company, the Joint Bookrunners, the Joint Lead Managers and the Sole Sponsor (based on the discussion with and confirmation from the Company and the Joint Bookrunners) confirms to the Hong Kong Stock Exchange in writing that no preferential treatment has been, nor will be, given to our existing Shareholders and their close associates by virtue of their relationship with our Company in any allocation in the International Offering; and
- (f) the relevant information in respect of the allocation to our existing Shareholders and/or their close associates will be disclosed in the allotment results announcement.

#### **INSPECTION OF LEGISLATION AND REGULATIONS (RULE 19.10(6) OF THE LISTING RULES)**

Rule 19.10(6) of the Listing Rules provides that an overseas issuer must offer for inspection a copy of any statutes or regulations which are relevant to the summary of the regulatory provisions of the jurisdiction in which the overseas issuer is incorporated. In the case of our Company, these include the Singapore Companies Act, the Singapore Securities and Futures Act, the Singapore Takeovers Code and the Catalist Listing Manual. These copies of legislation are lengthy and it would be difficult to deliver copies to Hong Kong in physical format. In addition, these copies of legislation can be readily accessed via the internet. For further details about how to access these copies of legislation via the internet, see "Appendix VII — Documents Delivered to the Registrar



of Companies in Hong Kong and Available for Inspection — Documents Available for Inspection”. Our Company has sought, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 19.10(6) of the Listing Rules.

#### **SHAREHOLDINGS IN WEOFFICES ACQUIRED AFTER THE TRACK RECORD PERIOD (RULES 4.04(2) AND 4.04(4) OF THE LISTING RULES)**

Rules 4.04(2) and 4.04(4) of the Listing Rules require a new listing applicant to include in its prospectus the results and statement of financial position of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date of the latest audited balance sheet of the listing applicant included in its prospectus. Under Paragraph 4.1A(i) of the Guidance Letter HKEx32-12 issued by the Hong Kong Stock Exchange entitled “Guidance on the accounting and disclosure requirements for (A) acquisitions of subsidiaries and businesses conducted during or after the trading record period; and (B) stub period comparatives”, “acquisition of business” include acquisition of any equity interest in another company.

On 21 July 2017, one of our wholly-owned subsidiaries, GH Suited Offices, entered into the WeOffices Investment Agreement with M. VAD HOLDING ApS, Lodberg IVS, Bo Frausing Holding ApS and WeOffices, pursuant to which WeOffices agreed to allot and issue, and GH Suited Offices agreed to subscribe for, a total of 13,461,538 shares in WeOffices in two tranches. See “History and Corporate Structure — Our Investment in WeOffices after the Track Record Period” in this prospectus for details.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in relation to the preparation of financial statements in respect of our subscription of shares in WeOffices on the following grounds:

##### **(i) Immateriality**

Under Rule 14.04(9) of the Listing Rules, all the applicable ratios in relation to our subscription of shares in WeOffices are substantially below 5%. For indicative purpose, based on (i) the unaudited management accounts of WeOffices provided by WeOffices as at 31 May 2017; (ii) assuming the maximum consideration to be paid for the second tranche subscription, based on discussions during our negotiation process, to be approximately DKK0.5 million (equivalent to approximately S\$0.1 million), and the total consideration to be paid by us for our investment in WeOffices (including both first and second tranches) as provided under the WeOffices Investment Agreement to be approximately DKK2.0 million (equivalent to approximately S\$0.4 million); and (iii) the expected minimum total market capitalisation of our Company upon the Listing of approximately HK\$857.0 million assuming the Offer Price will be determined at the low-end of the Offer Price range, the asset ratio, profits ratio, revenue ratio and consideration ratio of our subscription in the shares of WeOffices by reference to, for the asset ratio, the six months ended 31 March 2017, and for the profits ratio and revenue ratio, the year ended 30 September 2016, are approximately 0.03%, 0.01%, 0.06% and 0.28%, respectively. Furthermore, our subscription of shares in WeOffices is not

significant enough to require us to prepare pro forma financial information under Rule 4.28 of the Listing Rules. Accordingly, we consider our investment in WeOffices to be immaterial to the scale of our operations as a whole and do not expect it to have any material effect on our business, financial conditions or operations. As such, an exemption from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules will not affect our investors and our potential investors to assess our business and future prospects when considering an investment in our Group.

**(ii) Acquisition of a minority interest in WeOffices**

As we will only acquire a total of 17.5% of the total issued share capital of WeOffices, which represents our voting rights in WeOffices, we are neither able to exercise any control, nor have any significant influence, over WeOffices and its underlying business. As such, WeOffices will not be treated as our subsidiary or our associate upon completion of the subscription of shares in WeOffices. As WeOffices will not be a subsidiary, its financial information will not be consolidated into our financial information. Our shares in WeOffices will be recognised as available-for-sale equity securities in our financial statements, and any subsequent change in the fair value of our shares in WeOffices is expected to be recognised as other comprehensive income and be recorded as fair value reserve in our financial statements.

**(iii) Impracticality and undue burden**

As our investment in WeOffices amounts to a total of 17.5% of the total issued share capital of WeOffices, and based on our discussion with the management of WeOffices, we will not have any day-to-day management role other than a director whose involvement will be non-executive in nature to be appointed onto the board of directors of WeOffices. Furthermore, as WeOffices will not be consolidated into our financial information and we only have a minority interest in WeOffices, we will unlikely be able to have our reporting accountant to gain full access to WeOffices' financials in order to fully familiarize with the accounting policies of WeOffices and to gather and compile the necessary financial information and supporting documents for disclosure in this prospectus. As such, it would be impracticable and unlikely within the tight timeframe between the completion of the first tranche of subscription of shares in WeOffices and the Listing for us to disclose the financial information of WeOffices since its incorporation.

**(iv) Alternative disclosure**

With a view of allowing the potential investors in our Shares for the Listing to understand our investment in WeOffices in greater details, we have provided in this prospectus information in relation to our investment in WeOffices which is comparable to the information that is required for a discloseable transaction under Chapter 14 of the Listing Rules, including, (a) general description of the scope of principal business activities of WeOffices and other counterparties of the WeOffices Investment Agreement, and financial information on WeOffices available to us; (b) the consideration of the transaction; (c) the basis on which the consideration is determined; (d) how the consideration will be satisfied and the payment terms;

(e) reasons for and benefits of the transactions; and (f) any other material terms in relation to the our investment in WeOffices. See “History and Corporate Structure — Our Investment in WeOffices after the Track Record Period” in this prospectus for details.

**FINANCIAL INFORMATION INCLUDED IN THIS PROSPECTUS (RULE 4.04(1) OF THE LISTING RULES, AND SECTION 342(1) OF AND PARAGRAPHS 27 AND 31 OF THE THIRD SCHEDULE TO THE COMPANIES (WUMP) ORDINANCE)**

According to Rule 4.04(1) of the Listing Rules, the Accountant’s Report contained in this prospectus must include, *inter alia*, the results of our Company in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Hong Kong Stock Exchange.

Section 342(1) of the Companies (WUMP) Ordinance requires all prospectuses to include an accountants’ report which contains the matters specified in the Third Schedule to the Companies (WUMP) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (WUMP) Ordinance, our Company is required to include in this prospectus a statement as to the gross trading income or sales turnover (as the case may be) of our Company during each of the three financial years immediately preceding the issue of this prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance, our Company is required to include in this prospectus a report by our auditor with respect to profits and losses and assets and liabilities of our Company in respect of each of the three financial years immediately preceding the issue of this prospectus.

Pursuant to section 342A(1) of the Companies (WUMP) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (WUMP) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Pursuant to the relevant requirements set forth above, our Company is required to produce three full years of audited accounts for the years ended 30 September 2015, 2016 and 2017. However, an application was made to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver was granted by the Hong Kong Stock Exchange on the conditions that:

- (i) this prospectus must include the financial information for the latest financial year ended 30 September 2017 and a commentary on the results for the year. The financial information to be included in this prospectus must (a) follow the same content

requirements as for a preliminary results announcements under Rule 13.49 of the Listing Rules; and (b) be agreed with the reporting accountant following their review under Practice Note 730 “Guidance for Auditors Regarding Preliminary Announcements of Annual Results” issued by the Hong Kong Institute of Certified Public Accountants;

- (ii) our Company be listed on the Hong Kong Stock Exchange by 31 December 2017; and
- (iii) our Company must obtain a certificate of exemption from the SFC on compliance with the relevant Companies (WUMP) Ordinance requirements.

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraphs 27 and 31 of the Third Schedule to the Companies (WUMP) Ordinance and a certificate of exemption has been granted by the SFC under section 342A of the Companies (WUMP) Ordinance on the conditions that:

- (i) the particulars of the exemption be set forth in this prospectus;
- (ii) this prospectus be issued by 15 December 2017; and
- (iii) our Company be listed on the Hong Kong Stock Exchange by 31 December 2017.

The applications to Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraphs 27 and 31 of the Third Schedule to the Companies (WUMP) Ordinance were made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and the exemption would not prejudice the interest of the investing public given the followings:

- (i) there would not be sufficient time for our Company and its reporting accountant to complete the audit work on the full financial information for the year ended 30 September 2017 for inclusion in this prospectus. If the financial information is required to be audited up to 30 September 2017, our Company and our reporting accountant would have to undertake a considerable amount of work to prepare the financial information to be included in this prospectus and to update the relevant disclosures in this prospectus to cover such additional period;
- (ii) our Company has included in this prospectus the Accountant’s Report covering the three years ended 30 September 2014, 2015 and 2016 and the nine months ended 30 June 2017 as set out in Appendix I to this prospectus, together with the unaudited financial information for the latest financial year ended 30 September 2017, which has been agreed with the reporting accountant, PricewaterhouseCoopers, following their review under Practice Note 730 “Guidance for Auditors Regarding Preliminary Announcements

of Annual Results” issued by the Hong Kong Institute of Certified Public Accountants, and the commentary on the results for the year as set out in Appendix IA to this prospectus; and

- (iii) the financial information for the latest financial year ended 30 September 2017 and commentary on the results for the year as set out in Appendix IA to this prospectus are no less than the content requirements for a preliminary results announcement under Rule 13.49 of the Listing Rules. As such, our Company is of the view that all material information that is necessary for the Shareholders and the potential investors to make an informed assessment of the prospects, financial position and management of our Company has been disclosed in this prospectus.

In particular, our Directors confirmed that all information necessary for the public to make an informed assessment of the prospects, financial position and management of our Company has been disclosed in this prospectus, and that, as such, the granting of the certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraphs 27 and 31 of the Third Schedule to the Companies (WUMP) Ordinance will not prejudice the interest of the investing public. Furthermore, our Directors and the Sole Sponsor, after conducted due diligence, confirmed that there had not been any material adverse change in the financial or trading positions or prospects of our Group since 30 June 2017 and up to the date of this prospectus, and that there is no event since 30 June 2017 and up to the date of this prospectus which will materially affect the information shown in the Accountant’s Report set out in Appendix I to this prospectus, the section headed “Financial Information” in this prospectus and other parts of this prospectus.

#### **PUBLICATION OF PRELIMINARY RESULTS (RULE 13.49(1))**

Pursuant to Rule 13.49(1) of the Listing Rules, an issuer is required to 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 trading session or any pre-opening session on the next business day after approval by or on behalf of the board.

Based on the requirements of the Catalist Listing Manual, our Company is required to publish our preliminary annual results announcement for the year ended 30 September 2017 in Singapore in accordance with the Catalist Listing Manual on or before 29 November 2017. As such, the Board meeting to approve such preliminary annual results announcement would be held on or before 29 November 2017. In order to comply with the Catalist Listing Manual, preliminary annual results announcement of our Company for the year ended 30 September 2017 has been approved by the Board on 27 November 2017 and the same has been published on the same day. As such, even if our Company will publish the preliminary results announcement for the year ended 30 September 2017 on the Listing Date, we will still not comply with the requirements under Rule 13.49(1) of the Listing Rules as the Board meeting approving the announcement has been held on 27 November 2017.

Furthermore, the disclosures contained in Appendix IA to this prospectus are no less than the content requirements for a preliminary results announcement under Rule 13.49 of the Listing Rules. As such, our Shareholders will have the equivalent information in this prospectus.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 13.49(1) of the Listing Rules in respect of the publication of the preliminary results announcement for the year ended 30 September 2017, subject to the following conditions:

- (i) this prospectus must include the financial information for the latest financial year ended 30 September 2017 and a commentary on the results for the year; and
- (ii) our Directors will ensure that our Company is not in breach of our Constitution or laws and regulations of Singapore or other regulatory requirements regarding its obligation to publish annual results announcements and distribute annual reports and accounts.

## **B. SUMMARY OF FOREIGN LAWS AND REGULATIONS**

We set out below a summary of the major differences between the Listing Rules and the Catalist Listing Manual, certain applicable laws and regulations of Singapore and Hong Kong, the takeover rules under the Singapore Takeovers Code, the Takeovers Code and certain relevant legislations concerning companies with listed securities.

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

#### **The Listing Rules and Hong Kong Laws**

#### **Catalist Listing Manual and Singapore Laws**

##### **REPORTING REQUIREMENTS**

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

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

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

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

**1. Chapter 13 of the Listing Rules (Continuing Obligations)**

**Rule 13.09, Listing Rules: General Obligation of Disclosure**

- (1) Without prejudice to Rule 13.10 of the Listing Rules, where in the view of the Hong Kong Stock Exchange 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 Hong Kong Stock Exchange, announce the information necessary to avoid a false market in its securities.

*Notes:*

- (1) This obligation exists whether or not the Hong Kong Stock Exchange makes enquiries under Rule 13.10 of the Listing Rules.
- (2) If an issuer believes that there is likely to be a false market in its listed securities, it must contact the Hong Kong Stock Exchange as soon as reasonably practicable.
- (2) (a) Where an issuer is required to disclose inside information under the Inside Information Provisions (as defined in the Listing Rules), it must also simultaneously announce the information.
- (b) An issuer must simultaneously copy to the Hong Kong Stock Exchange 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 Hong Kong Stock Exchange with the SFC's decision.

**Chapter 7 of the Catalist Listing Manual (Continuing Obligations)**

**Rule 703, Catalist Listing Manual: Disclosure of Material Information**

- (1) An issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which:
- (a) is necessary to avoid the establishment of a false market in the issuer's securities; or
- (b) would be likely to materially affect the price or value of its securities.
- (2) Rule 703(1) does not apply to information which would be a breach of law to disclose.
- (3) Rule 703(1) does not apply to particular information which satisfies the following conditions:

Condition 1: a reasonable person would not expect the information to be disclosed;

Condition 2: the information is confidential; and

Condition 3: one or more of the following applies:

- (a) the information concerns an incomplete proposal or negotiation;
- (b) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- (c) the information is generated for the internal management purposes of the entity;
- (d) the information is a trade secret.



**Rule 13.10B, 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 Catalyst Listing Manual, 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, 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 Hong Kong Stock Exchange 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 the 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 the Listing Rules of any newly appointed or re-designated director, supervisor or chief executive in the announcement;
- (3) any change in the rights attaching to any class of listed securities and any change in the rights attaching to any shares into which any listed debt securities are convertible or exchangeable;
- (4) any change in its auditors or financial year end, the reason(s) for the change and any other matters that need to be brought to the attention

**Rule 704, Catalyst Listing Manual: 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.
- (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.

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.

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

- (1) In addition and without prejudice to specific requirements contained elsewhere in the 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 the Listing Rules, submit for publication on the Hong Kong Stock Exchange's website a return in such form and containing such information as the Hong Kong Stock Exchange 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 preopening session on the business day next following the relevant event.
- (2) The events referred to in Rule 13.25A(1) of the Listing Rules are as follows:
  - (a) any of the following:
    - (i) placing;
    - (ii) consideration issue;
    - (iii) open offer;
    - (iv) rights issue;

**Appointment or Cessation of Service**

- (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 Listing Manual, 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.
- (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 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

- (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 the Listing Rules; and
- (b) subject to Rule 13.25A(3) of the 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.
- 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. 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.
  - (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.

- (3) The disclosure obligation for an event in Rule 13.25A(2)(b) of the 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 the 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 the Listing Rules has occurred and the event in Rule 13.25A(2)(b) of the Listing Rules has not yet been disclosed in either a monthly return published under Rule 13.25B of the Listing Rules or a return published under this Rule 13.25A.
- (4) For the purposes of Rule 13.25A(3) of the 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 the Listing Rules or a return published under this Rule 13.25A.

**Rule 13.25B, 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 Hong Kong Stock Exchange'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 Hong Kong Stock Exchange 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

**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.

**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.

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, 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 Rule 2.07C of the 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 the 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), 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

(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 Listing Manual: 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 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 Listing Manual: 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.

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, 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.

**3. Rule 13.23(1), 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 the 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 the 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 the Listing Rules) by a listed issuer where any percentage ratio is 5% or more, but less than 25%;

(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).

(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.

**Rule 704, Catalist Listing Manual: 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

- (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; amounts as a percentage of the latest audited consolidated net tangible assets of the issuer;
- (4) very substantial disposal: a disposal or a series of disposals (aggregated under Rules 14.22 and 14.23 of the Listing Rules) of assets (including deemed disposals referred to in Rule 14.29 of the Listing Rules) by a listed issuer where any percentage ratio is 75% or more;
  - (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;
- (5) very substantial acquisition: an acquisition or a series of acquisitions (aggregated under Rules 14.22 and 14.23 of the Listing Rules) of assets by a listed issuer where any percentage ratio is 100% or more;
  - (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)).
- (6) reverse takeover: an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of the Hong Kong Stock Exchange, 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 the Listing Rules.

(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;
- (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 Hong Kong Stock Exchange'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 Listing Manual.

**Rule 14.34, 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 Hong Kong Stock Exchange and publish an announcement as soon as possible.

**Chapter 10 of the Catalist Listing Manual (Acquisitions and Realisations)**

**Part IV Classification of Transactions**

**Rule 1004, Catalist Listing Manual**

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.

**Rule 1005, Catalist Listing Manual**

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, 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 Hong Kong Stock Exchange are required for reverse takeover.

**Rule 1006, Catalist Listing Manual**

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.

**Rules 1008, 1010, 1014 and 1015, Catalist Listing Manual**

Transactions are categorised as follows in the Catalist Listing Manual:

- **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).

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 Catalist Listing Manual.

**4. Rule 13.25, Listing Rules: Winding-up and Liquidation**

- (1) An issuer shall inform the Hong Kong Stock Exchange 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 the 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 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 the Listing Rules;
  - (c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the 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;

**Rule 704, Catalist Listing Manual: Announcement of Specific Information**

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
  - (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.

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

**5. Rules 13.45, 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;

**Rule 704, Catalist Listing Manual: 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

- (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.
- 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;
    - (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, 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 Hong Kong Stock Exchange 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

**Rule 704, Catalist Listing Manual: 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 Singapore 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

shareholders in the general meeting or are contingent on a transaction that is subject to the approval of shareholders in the general meeting.

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.

**7. There are no corresponding or similar provisions in the Listing Rules dealing with treasury shares and subsidiary holdings.**

**Treasury Shares and Subsidiary Holdings**

**Rule 704, Catalyst Listing Manual: 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;
- (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 the Listing Rules (Share Option Schemes)**

**Rule 17.02, Listing Rules: Adoption of a new scheme**

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.

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

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.

**Chapter 8 of the Catalist Listing Manual (Changes in Capital)**

**Part VIII Share Option Schemes or Share Schemes**

**Rule 842(3), Catalist Listing Manual**

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 Listing Manual**

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.

**Terms of Schemes**

**Rule 843, Catalist Listing Manual**

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.

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 the Listing Rules and the disclaimer required under Rule 17.02(4) of the 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 the Listing Rules and the note to Rule 17.03(4) of the 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

(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, Catalist Listing Manual**

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, Catalist Listing Manual**

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, Catalist Listing Manual**

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, Catalist Listing Manual**

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.



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 Hong Kong Stock Exchange), 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, 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 Listing Manual**

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 Listing Manual: 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.

**9. Material change in use of proceeds**

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.

**Rule 704, Catalist Listing Manual: Announcement of Specific Information**

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, Listing Rules: Disclosure of Financial Information**

**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.

**Rule 705, Catalist Listing Manual: Financial Statements**

- (1) An issuer must announce the financial statements for the full financial year (as set out in Appendix 7C) 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) 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

- (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) 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.

- (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), Catalist Listing Manual: 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, Catalist Listing Manual**

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, Catalist Listing Manual**

- (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;
  - (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, 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, Catalist Listing Manual**

- (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;
  - (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 Listing Manual**

(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.

**11. Public Float Requirement Chapter 8 of the Listing Rules (Qualifications for Listing)**

**Rule 8.08(1), Listing Rules: Qualifications for listing**

Save and except for the circumstances specified under Chapter 8 of the Listing Rules, an issuer must maintain at least 25% of its total number of issued shares at all times be held by the public.

**Free Float**

**Rule 723, Catalist Listing Manual**

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, Catalist Listing Manual**

(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

### Part XV of the SFO: Disclosure of Interests by Substantial Shareholders

The 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 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.

### Obligation to notify the Company and SGX-ST of substantial shareholding and change in substantial shareholding

#### Substantial shareholder

Under the Singapore 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 Singapore Companies Act) of the substantial shareholder's interest, or when he ceases to be a substantial shareholder, give notice in writing to the company.

Under the Singapore Securities and Futures Act, 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, Singapore 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, Singapore 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, Singapore 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, Singapore Securities and Futures Act**

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

### **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 Singapore 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 Singapore 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.

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

**Sections 133 and 134 of the Singapore Securities and Futures Act**

Section 133 of the Singapore Securities and Futures Act 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 Singapore Securities and Futures Act, require any member of the corporation within such reasonable time as is specified in the notice (which shall comply 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.

#### **Duty of corporation to make disclosure**

#### **Section 137G of the Singapore Securities and Futures Act**

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, 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 Hong Kong Stock Exchange or on another stock exchange recognised for this purpose by the SFC and the Hong Kong Stock Exchange. All such purchases must be made in accordance with Rule 10.06 of the 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 the

#### **Chapter 8 of the Catalist Listing Manual (Changes in Capital)**

##### **Part XI Share Buy-Back**

##### **Rule 866, Catalist Listing Manual: 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 Listing Manual**

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

Listing Rules and the Hong Kong Stock Exchange may in its absolute discretion 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, Listing Rules**

An issuer with primary listing on the Hong Kong Stock Exchange can purchase its shares on the Hong Kong Stock Exchange, 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 the 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), 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 Singapore 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 Listing Manual**

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

- (1) The information required under the Singapore 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.

#### **Rule 869, Catalyst Listing Manual: Dealing Restriction**

In the case of a market acquisition, the purchase price must not exceed 105.0% of the Average Closing Price.

(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;

“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.

**Rule 870, Catalist Listing Manual: Off-market Acquisition On An Equal Access Scheme**

(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;

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 Listing Manual: Announcement of Share Buy-Back**

An issuer must announce any share buy-back as follows:

(6) a statement that the directors have undertaken to the Hong Kong Stock Exchange to exercise the power of the issuer to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;

- (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.

(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;

**Rule 871(2), Catalist Listing Manual**

The announcement must be in the form of Appendix 8D to the Catalist Listing Manual. 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.

(8) a statement giving details of any purchases by the issuer of shares made in the previous six months (whether on the Hong Kong Stock Exchange 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 Hong Kong Stock Exchange during each of the previous 12 months; and
- (11) the disclaimer of the Hong Kong Stock Exchange in the form set out under the Listing Rules.

**15. Rule 10.06(2), 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 Hong Kong Stock Exchange 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 Stock Exchange.

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

- (a) An issuer shall submit for publication to Stock Exchange 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 Hong Kong Stock Exchange 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 Hong Kong Stock Exchange were made in accordance with the Listing Rules and if the issuer's primary listing is on the Hong Kong Stock Exchange, 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 Hong Kong Stock Exchange 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 Hong Kong Stock Exchange. 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 Hong Kong Stock Exchange.

- (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 Hong Kong Stock Exchange 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 Stock Exchange 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

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

investors as corporate representatives or proxies of HKSCC Nominees (or any successor thereto) in respect of such shareholding of the investors in the listed companies.

general meeting in person need not take any further action and can attend and vote at the extraordinary general meeting.

## ISSUANCE OF NEW SHARES, CONVERTIBLE BONDS OR BONDS WITH WARRANTS

### 1. Sections 140 and 141, Companies Ordinance: Power of Directors to Allot and Issue Shares Allotment and Issues of 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), Listing Rules: Preemptive rights

Except in the circumstances, mentioned in Rule 13.36(2) of the 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 the 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 necessary or expedient on account either of the legal restrictions

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 Listing Manual

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

#### Rule 805, Catalyst Listing Manual

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%.



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 the 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 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 the Listing Rules shall only continue in force until

#### **Rule 806(1), Catalyst Listing Manual**

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 Listing Manual**

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
- (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

(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.

subsidiary holdings. Shareholder approval under Rule 806(2)(b) must not be deemed by way of subscription for shares.

**Rule 806(3), Catalist Listing Manual**

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), Catalist Listing Manual**

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.

**Rule 806(6), Catalist Listing Manual**

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), 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 the 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;
  - (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,

unless the issuer can satisfy the Hong Kong Stock Exchange 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 Hong Kong Stock Exchange with detailed information on the allottees to be issued with securities under the general mandate.

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

**Rule 810(1), Catalist Listing Manual**

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

**Rule 811(1), Catalist Listing Manual**

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 Listing Manual**

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.
- (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.

**Rule 811(3), Catalist Listing Manual**

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 15.02, Listing Rules: Options, Warrants and Similar Rights**

All warrants must, prior to the issue or grant thereof, be approved by the Hong Kong Stock Exchange 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 the Listing Rules). In the absence of exceptional circumstances which would include, by way of example, a rescue reorganisation, the Hong Kong Stock Exchange 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 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 the 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, Listing Rules**

The circular or notice to be sent to shareholders convening the requisite meeting under Rule 15.02 of the Listing Rules must include, at least, (1) the maximum number of securities which could be issued on exercise of the

**Rule 811(4), Catalyst Listing Manual**

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 Listing Manual**

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 Listing Manual**

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 Listing Manual**

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

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.

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.

#### **Rule 828, Catalist Listing Manual**

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, Catalist Listing Manual**

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
- (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 Listing Manual**

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

#### **Rule 831, Catalist Listing Manual**

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, Catalyst Listing Manual**

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.
- (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. Rules 7.19(6), Listing Rules: 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) 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 the 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

### Chapter 8 Part V: Rights Issues

#### Rule 814, Catalyst Listing Manual

- (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;
  - (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;

- 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 Hong Kong Stock Exchange reserves the right to require the rights issue to be fully 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.

- (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 Listing Manual.
- (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 Listing Manual**

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

#### **Rule 816, Catalist Listing Manual**

- (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.

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

**Rule 821, Catalist Listing Manual**

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 Listing Manual**

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

**Rule 833, Catalist Listing Manual**

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.

(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 Catalist Listing Manual.

**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

**Terms of Schemes**

**Rule 843, Catalist Listing Manual**

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, Catalist Listing Manual**

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.

- (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 Hong Kong Stock Exchange’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 Hong Kong Stock Exchange’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 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;

**Sections 218 and 219, Singapore Securities and Futures Act**

Sections 218 and 219 of the Singapore Securities and Futures Act 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 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.

- (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.

**Section 198(1), Singapore Securities and Futures Act: 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.

**BOARD COMPOSITION**

**Rules 3.10, 3.10a and 8.12**

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 Hong Kong Stock Exchange 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.

**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.

**Rules 3.21, 3.22 and paragraph C.3.3 of Appendix 14, 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 the Listing Rules for the audit committee.

**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.

**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, Singapore 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
  - (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, 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 the 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 the 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 the 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.

**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.

**INTERESTED PERSON TRANSACTIONS OR CONNECTED TRANSACTIONS**

**Chapter 14A of the Listing Rules (Connected Transactions)**

Chapter 14A of the 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.

**Chapter 9 of the Catalist Listing Manual (Interested Person Transactions)**

Chapter 9 of the Catalist Listing Manual, which applies to the Company, prescribes situations in which transactions between entities at risk (as defined in the Catalist Listing Manual) and interested

persons (as defined in the Catalist Listing Manual) are required to be disclosed or are subject to the prior approval of shareholders.

#### **Rules 14A.07 and 14A.24, 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 Hong Kong Stock Exchange.

“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;
- (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;

#### **Rule 904, Catalist Listing Manual**

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
  - (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.



- (g) providing, receiving or sharing of services; or
  - (h) acquiring or providing raw materials, intermediate products and/or finished goods.
- (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;
- (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.

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

**Rules 14A.35, 14A.36 and 14A.47**

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 the Listing Rules.

**Rules 14A.37, 14A.73, 14A.76**

Certain categories of transactions are exempt from the general meeting requirements and the Hong Kong Stock Exchange accepts a written shareholder's approval (subject to certain conditions as set out in Rule 14A.37 of the Listing Rules), and certain transactions are subject only to annual review and disclosure requirements. Amongst other exemptions under the Listing Rules, a connected transaction conducted on normal commercial terms or better will constitute a de minimis transaction under Rule 14A.76(1) of the 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, Catalist Listing Manual**

- (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, Catalist Listing Manual**

- (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.

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

**Rules 14A.49, 14A.71, 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 the 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 the Listing Rules.

**Rule 907, Catalist Listing Manual**

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), Catalist Listing Manual**

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;
  - (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.

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

The Hong Kong Stock Exchange 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 Hong Kong Stock Exchange 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 Hong Kong Stock Exchange may aggregate all continuing connected transactions with a connected person.

The listed issuer must consult the Hong Kong Stock Exchange 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 the Listing Rules; or

### **Rule 908, Catalyst Listing Manual**

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 Listing Manual**

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.

- (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 Takeovers Code) of the listed issuer.

The listed issuer must provide information to the Hong Kong Stock Exchange on whether it should aggregate the transactions.

The Hong Kong Stock Exchange may aggregate a listed issuer's connected transactions even if the listed issuer has not consulted the Hong Kong Stock Exchange.

**Rules 14A.76, 14A.89, 14A.92 to 14A.95, 14A.97 to 14A.101, 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 Hong Kong Stock Exchange as prescribed under Rule 14A.93 of the Listing Rules;
- (5) any repurchase of own securities by a listed issuer or its subsidiary from a connected person on Stock Exchange or a recognised stock exchange or under a general offer made under the Code on Share Buy-backs;
- (6) the entering into of a service contract by a director of the listed issuer with the listed issuer or its subsidiary;

**Rule 919, Catalist Listing Manual**

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, Catalist Listing Manual**

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.

- (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 Authority, 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 Singapore Companies Act, and regardless of whether the entity at risk is subject to the Singapore 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 Singapore Companies Act, regardless of whether the entity at risk is subject to the Singapore Companies Act, provided that in the case of defence funding permitted under section 163B of the Singapore 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 Singapore Companies Act shall be read as references to “director or chief executive officer”.

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

#### **Rule 916, Catalyst Listing Manual**

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
  - (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
  - (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 awardee (or if the awardee 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.

## **RESTRICTIONS ON DEALINGS OF DIRECTORS BEFORE PUBLICATION OF THE FINANCIAL RESULTS**

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

#### **Rule A3**

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
- (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”).

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).

The listed issuer must notify the Hong Kong Stock Exchange 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**

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 Hong Kong Stock Exchange 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 the 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.

#### **Rule B8**

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**

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.

## **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;
- 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 Singapore 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 Takeovers Code*

Public companies with a primary listing of their equity securities in Hong Kong fall within the regulatory framework of the Takeovers Code. The 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 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 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. 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 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 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 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 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.

**C. CONSTITUTION OF THE COMPANY**

**Company Registration No. 201420225D**

**THE COMPANIES ACT (CAP. 50)**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**CONSTITUTION**

**OF**

**LHN LIMITED**

**Incorporated on the 10th day of July 2014**

**(Adopted by a Special Resolution passed on 25 September 2017)**





“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.
“Chief Executive Officer”	any one or more persons, by whatever name described, who <ul style="list-style-type: none"> <li>(a) is in direct employment of, or acting for, or by arrangement with, the Company; and</li> <li>(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.</li> </ul>
“clearing house”	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.
“Company”	The abovenamed Company by whatever name from time to time called.
“Depositor”	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.
“Depository Agent”	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: <ul style="list-style-type: none"> <li>(a) performs services as a depository agent for sub-account holders in accordance with the terms of a depository agent agreement entered into between CDP and the Depository Agent;</li> <li>(b) deposits book-entry securities with CDP on behalf of the sub-account holders; and</li> </ul>

	(c) establishes an account in its name with CDP.
“Depository Register”	A register maintained by CDP or a clearing house (as the case may be) in respect of book-entry securities.
“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.
“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.
“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.

#### **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.
  - (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,

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.
- 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
  - (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.

- (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.

### **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.
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 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;
  - (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;
- (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.

- (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;

- (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*.

### **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 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.
  - (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 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,

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.
  - (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.

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.

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,

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;
  - (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.

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.  
  
(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.

#### **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.
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
- (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.
- (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 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.
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.

#### **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.

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.
- 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.

### **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
  - (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.
- 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 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.



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.

- (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.

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.
- (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.

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.

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.

## 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 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.
- (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.