

The Shares are currently listed on the SGX-ST and the Company intends to list its Shares on the Stock Exchange following the Share Offer. The Company sets out below a summary of the major differences between the Listing Rules and the Listing Manual, certain applicable laws and regulations of Singapore and Hong Kong, and the takeover rules under the Singapore Code, the Takeovers Code and certain relevant legislations concerning companies with listed securities. However, this summary is for general guidance only and is not and shall not be relied on as legal advice or any other advice to Shareholders. The summary is not meant to be a comprehensive or exhaustive description of all the relevant Singapore and Hong Kong laws, rules and regulations. In addition, Shareholders should also note that the laws, rules and regulations applicable to the Company and Shareholders may change, whether as a result of proposed legislative reforms to the Singapore or Hong Kong laws, rules or regulations or otherwise. Prospective investors and/or Shareholders should consult their own legal advisers for specific legal advice concerning their legal rights and obligations under Singapore laws and Hong Kong laws. In the event of any conflict between the Listing Rules and the Listing Manual, the Company shall comply with the more restrictive and stringent rule. The Sponsor and the Directors are not aware of any major conflicts between the Listing Rules and the Listing Manual, which may cause difficulties to the Company to comply with the rules under both regimes.

1. MAJOR DIFFERENCES BETWEEN THE LISTING RULES OF THE SGX-ST AND THE STOCK EXCHANGE AND CERTAIN APPLICABLE SINGAPORE AND HONG KONG LAWS AND REGULATIONS

Listing Rules and NO. Hong Kong Laws	Listing Manual and Singapore Laws
<p>Reporting requirements</p> <p>1. Issuers in Hong Kong are required to comply with disclosure obligations under the Listing Rules upon the occurrence of the events which are prescribed under such rules.</p> <p>Chapter 13 of the Listing Rules Rule 13.09(1)</p> <p>An issuer in Hong Kong is required to keep the Stock Exchange and members of the listed company and other holders of its listed securities informed as soon as reasonably practicable of any information relating to the group (including information on any major new developments in the group's sphere of activity which is not public knowledge) which:</p> <p>(1) is necessary to enable them and the public to appraise the position of the group; or</p>	<p>* As to the reporting obligations under the listing rules of the SGX-ST below, in the case that the Company makes a disclosure pursuant to Singapore laws, it will make the same disclosure in Hong Kong.</p> <p>Chapter 7 of the Listing Manual (Continuing Obligations) Rule 703, Listing Manual: Disclosure of Material Information</p> <p>(1) An issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which:-</p> <p>(a) is necessary to avoid the establishment of a false market in the issuer's securities; or</p>

Listing Rules and NO. Hong Kong Laws	Listing Manual and Singapore Laws
<p>(2) is necessary to avoid the establishment of false market in its securities; or</p> <p>(3) might be reasonably expected materially to affect market activity and the price of its securities.</p> <p>Rule 13.09(2)</p> <p>If securities of the issuer are also listed on other stock exchanges, the Stock Exchange must be simultaneously informed of any information released to any of such other exchanges and the issuer must ensure that such information is released to the market in Hong Kong at the time as it is released to the other markets.</p> <p>Rule 13.25A and Rule 13.25B</p> <p>An issuer shall submit to the Hong Kong Stock Exchange for publication:</p> <p>(1) a next day disclosure return by 9:00 a.m. on the next business day following an issue of shares reporting the changes resulting from a placing, consideration issue, open offer, rights issue or other capital reorganisation. The disclosure is subject to a 5% de minimis threshold and certain other criteria including aggregation requirements; and</p> <p>(2) a monthly return by 9:00 a.m. on the fifth business day after the end of each calendar month, updating share capital and other movements in securities, including future obligations and commitments to issue shares.</p>	<p>(b) would be likely to materially affect the price or value of its securities.</p> <p>(2) Rule 703(1) does not apply to information which it would be a breach of law to disclose.</p> <p>(3) Rule 703(1) does not apply to particular information while each of the following conditions applies.</p> <p>Condition 1: a reasonable person would not expect the information to be disclosed;</p> <p>Condition 2: the information is confidential; and</p> <p>Condition 3: one or more of the following applies:</p> <p>(i) the information concerns an incomplete proposal or negotiation;</p> <p>(ii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;</p> <p>(iii) the information is generated for the internal management purposes of the entity;</p> <p>(iv) the information is a trade secret.</p>

Listing Rules and NO. Hong Kong Laws	Listing Manual and Singapore Laws
A suspension of trading may be required if an issuer is not able to file the relevant disclosure forms in time.	(4) In complying with the SGX-ST's disclosure requirements, an issuer must:
Rule 13.51	(a) observe the Corporate Disclosure Policy set out in Appendix 7.1 of the SGX-ST Listing Manual, and
An issuer shall publish an announcement as soon as practicable in respect of:	(b) ensure that its directors and executive officers are familiar with the SGX-ST's disclosure requirements and Corporate Disclosure Policy.
(1) any proposed alteration of the issuer's memorandum or articles of association or equivalent documents;	(5) The SGX-ST will not waive any requirements under this Rule.
(2) any changes in its directorate or supervisory committee, including any appointment or resignation or re-designation of director or supervisor or any important change in the holding of an executive office;	Rule 704, Listing Manual: Announcement of Specific Information
(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;	In addition to Rule 703, an issuer must immediately announce the following:-
(4) any change in its auditors or financial year end; and	General
(5) any change in its secretary 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.	(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.
Rules 13.73 and 13.39	(2) Any proposed alteration to the Memorandum of Association or Articles of Association or Constitution of the issuer.
An issuer is required to give notice of every general meeting of its shareholders which should contain details of the meeting including the proposed resolutions, and the date, time and place of the meeting. If voting at a general meeting is taken on a poll, the issuer shall announce the results of the poll.	(3) Any notice of substantial shareholders' and directors' interests in the issuer's securities or changes thereof received by the issuer.

**Listing Rules and
NO. Hong Kong Laws****Rule 13.23**

An issuer is required to disclose details of acquisitions and realisations of assets and other transactions as required by Chapters 14 and 14A of the Listing Rules, and where applicable shall circularise holders of its securities with details thereof and obtain their approval thereto.

Rules 13.09(1) and 13.25

An issuer is required to make an announcement in respect of the winding up or liquidation of the issuer, its holding company or its major subsidiary.

Rules 13.09(1), 13.45(1), (2)

An issuer is required to announce its decision on declaration, recommendation or payment of dividends.

Rule 13.66

An issuer is required to publish a notice of closure of its transfer books or register of members in respect of securities listed in Hong Kong at least 14 days before such closure. Where the dates of such closure are altered, the issuer is required to publish a further notice.

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- (4) Any call to be made on partly paid securities of the issuer or of any of its principal subsidiaries.
- (5) 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.
- (6) Any adjustment to the issuer's preliminary full year results made subsequently by auditors.

Appointment or resignation

- (7) Any appointment or resignation of any director, chief executive officer, general manager or other executive officer of equivalent rank, company secretary, registrar or auditors of the issuer.
- (8) Any appointment or reappointment of a director to the audit committee.
- (9) Any appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the issuer to a managerial position in the issuer or any of its principal subsidiaries.

**Listing Rules and
NO. Hong Kong Laws****Rule 17**

The adoption of share option scheme for employees is subject to the approval of the shareholders of the issuer, and the board shall be authorised by the shareholders to grant options to subscribe for the shares under the scheme and to allot and issue shares pursuant to the exercise of such option. The total number of securities which may be issued upon the exercise of the option to be granted under the scheme and any other schemes must not in aggregate exceed 10% of the relevant class of securities of the scheme of the issuer (or the subsidiary) in issue as at the date of approval of the scheme. The issuer may seek shareholders' approval to refresh the 10% limit under the scheme, in which event the shareholders will also authorise the board to grant option to subscribe for shares under the scheme and to allot and issue the same pursuant to the exercise of such option.

General Meetings

According to paragraph E.1.3 in Appendix 14 to the Listing Rules, the issuers are required to provide:

- (1) at least 20 clear business days notice for annual general meetings; and
- (2) at least 10 clear business days notice for all other general meetings.

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- (10) Any promotion of an appointee referred to in Rule 704(9).
- (11) Within two months after each financial year, the issuer must make an announcement in the format in Appendix 7.4 of the Listing Manual Listing Manual 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. 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.

Appointment of Special Auditors

- (12) SGX-ST may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to SGX-ST or the issuer's audit committee or such other party as SGX-ST may direct. The issuer may be required by the SGX-ST to immediately announce the requirement, together with such other information as SGX-ST directors. The issuer may be required by SGX-ST to announce the findings of the special auditors.

General Meetings

- (13) The date, time and place of any general meeting.
- (14) All resolutions put to a general meeting of an issuer, and immediately after such meeting, whether or not the resolutions were passed.

**Listing Rules and
NO. Hong Kong Laws****Chapter 14 of the Listing Rules**

Under Chapter 14 of the Listing Rules, the transactions are classified as:

- (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 by a listed issuer where any percentage ratio is 5% or more, but less than 25%;
- (3) major transaction: a transaction or a series of transactions by a listed issuer where any percentage ratio is 25% or more, but less than 100% for an acquisition or 75% for a disposal;
- (4) very substantial disposal: a disposal or a series of disposals of assets by a listed issuer where any percentage ratio is 75% or more;
- (5) very substantial acquisition: an acquisition or a series of acquisitions of assets by a listed issuer where any percentage ratio is 100% or more;
- (6) reverse takeover: an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of the 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.

**Listing Manual and
Singapore Laws****Acquisitions and Realisations**

(15) Any acquisition of:-

- (a) Shares resulting in the issuer holding 10% or more of the total number of issued shares excluding treasury shares 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;
- (c) Shares resulting in a company becoming a subsidiary or an associated company of the issuer; and
- (d) Shares resulting in the issuer increasing its shareholding in a subsidiary or an associated company.

(16) Any sale of:

- (a) Shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares of a quoted company;

**Listing Rules and
NO. Hong Kong Laws**

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

- (1) Asset 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 Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the transaction; and
- (5) Equity ratio: the nominal value of the listed issuer's equity capital issued as consideration divided by the nominal value of the listed issuer's issued equity capital immediately before the transaction.

An announcement in respect of the above transactions shall be made by the listed issuer as soon as practicable after the terms of such transactions have been finalised.

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- (b) except for an issuer which is a bank, finance company, 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;
- (c) Shares resulting in a company ceasing to be a subsidiary or an associated company of the issuer; and
- (d) Shares resulting in the issuer reducing its shareholding in a subsidiary or an associated company.
- (17) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10 of the SGX-ST Listing Manual.

**Winding Up, Judicial Management,
etc**

- (18) 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.
- (19) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.

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<p>Further, major transaction, very substantial disposal, very substantial acquisition and reverse takeover requires prior shareholders' approval.</p> <p>Rule 17.06A</p> <p>According to Rule 17.06A, as soon as possible upon the granting by the issuer of an option under its share option scheme, the issuer must publish an announcement setting out the following details:</p> <p>(a) date of grant;</p> <p>(b) exercise price of the options grant;</p> <p>(c) number of options granted;</p> <p>(d) market price of its securities on the date of grant;</p> <p>(e) where any of the grantees is a director, chief executive or substantial shareholder of the issuer, or an associate of any of them, the names of such grantees and the number of options granted to each of them; and</p> <p>(f) validity period of the options.</p>	<p>(20) Any breach of any loan covenants or any notice received from principal bankers or from the trustee of any debenture holders to demand repayment of loans granted to the issuer or any of its subsidiaries which, in the opinion of the issuer's directors, would result in the issuer facing a cash flow problem.</p> <p>(21) Where Rule 704(18), (19) or (20) applies, a monthly update regarding the issuer's financial situation. If any material development occurs between the monthly updates, it must be announced immediately.</p> <p>Announcement of Results, Dividends, etc</p> <p>(22) 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.</p> <p>(23) After the end of each of the first three quarters of its financial year, half year or financial year, as the case may be, an issuer must not announce any:–</p> <p>(a) dividend;</p> <p>(b) capitalisation or rights issue;</p> <p>(c) closing of the books;</p> <p>(d) capital return;</p> <p>(e) passing of a dividend; or</p>

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- (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.

Books Closure

- (24) 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 10 market days of notice (excluding the date of announcement and the books closure date) must be given for any books closure date. 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 basis falls at least 1 day after the general meeting, if a general meeting is required to be held.
- (25) 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.

Treasury Shares

- (26) Any sale, transfer, cancellation and/or use of treasury shares, stating the following:–

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- (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.

Employee share option scheme

- (27) Any grant of options. 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 granted;

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- (d) Market price of its securities on the date of grant;
- (e) Number of options granted to directors and controlling shareholder (and their associates), if any; and
- (f) Validity period of the options.

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

Under Chapter 10, transactions are classified as:

- (a) Non-Discloseable Transactions,
- (b) Discloseable Transactions;
- (c) Major Transactions; and
- (d) Very Substantial Acquisitions or Reverse Takeovers.

Rule 1006, 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.

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- (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.

Transactions are categorised as follows:-

- Non-Discloseable Transaction: Where any of the relative figures in Rule 1006 is 5% or less
- Discloseable Transaction: Where any of the relative figures in Rule 1006 exceeds 5% but does not exceed 20%
- Major Transaction: Where any of the relative figures in Rule 1006 exceeds 20%
- Very Substantial Acquisition or Reverse Takeover: Where any of the relative figures in Rule 1006 is 100% or more, or where there is a change in control of the issuer

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Where a transaction is classified as a Discloseable Transaction, Major Transaction or Very Substantial Acquisition/Reverse Takeover, the Company must make an immediate announcement, which includes the details prescribed in Rule 1010 of the Listing Manual (as set out below):-

- (1) Particulars of the assets acquired or disposed of, including the name of any company or business, where applicable;
- (2) A description of the trade carried on, if any;
- (3) The aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment;
- (4) Whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof;
- (5) The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation;

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- (6) In the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds. In the case of an acquisition, the source(s) of funds for the acquisition;
- (7) The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal;
- (8) The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year;
- (9) The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year;
- (10) The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction;
- (11) Whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests;
- (12) Details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction; and

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- (13) The relative figures that were computed on the bases set out in Rule 1006.

For very Substantial Acquisitions/Reverse Takeovers, the issuer must also immediately announce the latest three years of proforma financial information of the assets to be acquired.

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 the approval of 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 Listing Manual.

Listing Rules and NO. Hong Kong Laws	Listing Manual and Singapore Laws
<p>2. Chapter 13 of the Listing Rules</p> <p>An issuer is required to:</p> <p>(1) publish its annual report within 4 months after its financial year end;</p> <p>(2) publish its interim report within 3 months after the end of the first half year period in its financial year;</p> <p>(3) announce its preliminary results for each financial year within 4 months after its financial year end; and</p> <p>(4) announce its preliminary results for the first half of each of its financial year period within 3 months after the end of such half year period.</p> <p>Rule 4.03</p> <p>All accountant's reports must be prepared by professional accountants who are qualified under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) for appointment as auditors of a company and who are independent of both of the issuer and of any other company concerned to the same extent as that required of an auditor under the Companies Ordinance of the Laws of Hong Kong and in accordance with the requirements on independence issued by the Hong Kong Society of Accountants.</p>	<p>Announcement of financial results and annual reports</p> <p>Rule 705, Listing Manual: Financial Statements</p> <p>(1) An issuer must announce the financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.</p> <p>(2) An issuer must announce the financial statements for each of the first three quarters of its financial year immediately after the figures are available, but in any event not later than 45 days after the quarter end if:–</p> <p>(a) its market capitalisation exceeded S\$75 million as at 31 March 2003; or</p> <p>(b) it was listed after 31 March 2003 and its market capitalisation exceeded S\$75 million at the time of listing (based on the IPO issue price); or</p> <p>(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 whose obligation falls within this sub-section (c) will have a grace period of a year to prepare for quarterly reporting. As an illustration,</p>

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an issuer whose market capitalisation is S\$75 million or higher as at the end of the calendar year 31 December 2006 must announce its quarterly financial statements for any quarter of its financial year commencing in 2008.

Notwithstanding the grace period, all issuers whose obligation falls under this sub-section (c) are strongly encouraged to adopt quarterly reporting as soon as possible.

- (3) (a) An issuer who falls within the sub-sections in Rule 705(2) above must comply with Rule 705(2) even if its market capitalisation subsequently decreases below S\$75 million.
- (b) An issuer who does not fall within the sub-sections in Rule 705(2) above must announce its first half financial statements immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.
- (4) 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

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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.

Rule 707, 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.

**Rule 712 and 713, Listing Manual:
Appointment of Auditors Rule 712:**

- (1) An issuer must appoint a suitable accounting firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the accounting firm and the persons assigned to the audit, the firm's 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.

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- (2) A change in auditors must be specifically approved by shareholders in a general meeting.

Rule 713

- (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.

**Listing Rules and
NO. Hong Kong Laws****Listing Manual and
Singapore Laws****Share Dispersion Requirement****3. Rule 8.08**

Save and except for the circumstances specified under Chapter 8 of the Listing Rules, an issuer must maintain at least 25% of its total issued share capital at all times be held by the public. Under Rule 723 of the Listing Manual, an issuer must ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

Under Rule 724 of the Listing Manual, if the percentage of securities in public hands falls below 10%, the issuer must make an announcement and the SGX-ST may suspend trading of the shares.

Under Rule 725 of the Listing Manual, 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 public percentage to at least 10%, failing which the issuer may be delisted.

Shareholders' reporting obligations**4. Part XV of the SFO**

Substantial shareholders, being individuals and corporations who are interested in 5% or more of any class of voting shares in an issuer must disclose their interests and short positions in voting shares of such issuer upon the occurrence of the relevant events as prescribed under the SFO.

For relevant events falling under the category of "initial notification" as provided for under section 2.7 of the "Outline of Part XV of the SFO – Disclosure of Interests" issued by the SFC (the "Outline"), the time allowed for filing a notice is 10 business days after the occurrence of the relevant event. As for other relevant events, the time allowed for filing a notice is 3 business days after the occurrence of the relevant event.

Obligation to notify Company and SGX of substantial shareholding and change in substantial shareholding.

Substantial shareholder

Under the Singapore Companies Act (Cap 50) ("Singapore Companies Act"), a substantial shareholder (i.e. shareholder having not less than 5 per cent of the total votes attached to all the voting shares in the company) of a company shall within 2 business days after becoming a substantial shareholder, or when there is a change in the percentage level (as defined in the 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 Securities and Futures Act (Cap 289) ("Singapore SFA"), a substantial shareholder shall within 2 business days after becoming a substantial shareholder, or when there is a change in the percentage level of the substantial shareholder's interest, or when he ceases to be a substantial shareholder give notice in writing to the SGX-ST.

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Section 81 of the Singapore Companies Act

A person has a substantial shareholding in a company if he has an “interest” in voting shares in the company, and the total votes attached to those shares is not less than 5 per cent of the total votes attached to all the voting shares in the company.

Section 82 of the 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 business days after becoming a substantial shareholder.

Sections 83 and 84 of the 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 business days** after he is 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% threshold. For example, an increase in interests in the company from 5.1% to 5.9% need not be notified, but an increase from 5.9% to 6.1% will have to be notified.

Section 137(1), SFA

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

Listing Rules and NO. Hong Kong Laws	Listing Manual and Singapore Laws
5. Part XV of the SFO	Directors
<p>Directors and chief executives of an issuer must disclose any of their interests, short and long positions in any shares in the issuer (or any of its associated corporations) and their interests in any debentures or the issuer (or any of its associated corporations) upon the occurrence of the relevant events as prescribed under the SFO.</p>	<p>Under section 164(1) of the Companies Act (Cap 50), a company shall keep a register showing with respect to each director of the company particulars of:</p>
<p>For relevant events falling under the category of “initial notification” as provided for under section 3.9 of the Outline, the time allowed for filing a notice is 10 business days. As for other relevant events, the time allowed for filing a notice is 3 business days after the occurrence of the relevant event.</p>	<ul style="list-style-type: none">(a) shares;(b) debentures;(c) rights or options of the director; and(d) contracts to which the director or under which he is entitled to a benefit;
	<p>of the company or a related company.</p>
	<p>A director of a company shall be deemed to hold or have an interest or a right in or over any shares or debentures if the spouse or infant child of the director holds or has an interest or a right in or over any shares or debentures or makes or is granted any contract, assignment or right of subscription.</p>
	<p>Under section 165(1) of the Singapore Companies Act, a director of a company shall give notice in writing to the company of such particulars relating to shares, debentures, participatory interests, rights, options and contracts as are necessary for the purposes of compliance by the first-mentioned company with section 164, among other disclosure requirements.</p>

**Listing Rules and
NO. Hong Kong Laws****Purchase of Treasury Stocks****6. Rule 10.06(1) and (5)**

An issuer with primary listing on the Stock Exchange can purchase its shares on the Stock Exchange if the relevant shares are fully-paid up, the issuer has provided its shareholders with the information as required by Rule 10.06(1) of the Listing Rules and that the shareholder of the issuer has 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 issued share capital of the issuer as at the date of the passing of the relevant shareholders' resolution granting the mandate of purchase.

Rule 10.06(1)(a)

For the purpose of obtaining shareholders' approval, the issuer must have previously sent to its shareholders an Explanatory Statement which sets out information required under Rule 10.06(1)(b) of the Listing Rules, including:-

- (1) the total number and description of shares which the issuer proposes to purchase;
- (2) reasons for the proposed purchase of shares;
- (3) proposed source of funds for making the proposed purchase of shares;

**Listing Manual and
Singapore Laws****Share Buyback****(a) Shareholder Approval****Rule 881, Listing Manual**

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

Rule 882, Listing Manual:

A share buy-back may only be made on the SGX-ST or on another stock exchange on which the issuer's securities are listed ("Market Purchases") or by way of an off-market acquisition in accordance with an equal access scheme as defined in section 76C of the Singapore Companies Act.

Rule 883, 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 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;

**Listing Rules and
NO. Hong Kong Laws**

- (4) any material adverse impact on the working capital or gearing position of the issuer in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period;
- (5) particulars of the directors who have a present intention to sell shares to the issuer in the event that the proposal is approved by shareholders;
- (6) undertaking by the directors to the 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;
- (7) the consequences of any purchases which will arise under the HK Takeovers Code of which the Directors are aware, if any, details of any purchases by the issuer of share made in previous 6 months (whether on the Stock Exchange or otherwise);
- (8) whether or not any connected persons of the issuer have notified the issuer that they have any 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;
- (9) the highest and lowest prices at which the relevant shares have traded on the Stock Exchange during each of the previous 12 months; and

**Listing Manual and
Singapore Laws**

- (5) Details of any share buy-back made by the issuer in the previous 12 months, giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (6) Whether the shares purchased by the issuer will be cancelled or kept as treasury shares.

**(b) Shareholding Spread Requirements
Rule 723, Listing Manual**

An issuer must ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

**(c) Dealing Restrictions:
Rule 884, Listing Manual**

In the case of a Market Purchase, the purchase price must not exceed 105% of the Average Closing Price.

“**Average Closing Price**” means the average of the closing market prices of a share over the last 5 market days preceding the day of the Market Purchase 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.

**Listing Rules and
NO. Hong Kong Laws**

- (10) the disclaimer of the Stock Exchange in the form set out under the Listing Rules.

Rule 8.08

There must be an open market in the securities for which listing is sought. This will normally mean at least 25% of the issuer's total issued share capital must at all times be held by the public, although if the market capitalisation of the company is over HK\$10 billion, the Stock Exchange may accept a percentage of between 15% and 25%. In addition, there must be a minimum of 300 public shareholders and not more than 50% of the shares in public hands at the time of listing can be beneficially owned by the three largest public shareholders.

Rule 10.06(2)

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

Rule 10.06(4)

An issuer is required to report to the Stock Exchange within 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 by filing a Form G in Appendix 5 of the Listing Rules which contains the prescribed details with the Stock Exchange.

**Listing Manual and
Singapore Laws****Rule 885, Listing Manual**

In the case of off market purchase in accordance with an equal access scheme, an issuer must issue an offer prospectus to all shareholders containing at least the following information:

- (1) Terms and conditions of offer
- (2) Period and procedures for acceptances', and
- (3) Information in Rule 883(2), (3), (4) and (5)

(d) Reporting Requirements**Rule 886(1), Listing Manual**

Where an issuer purchases its shares by way of a Market Purchase, the issuer shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9 a.m. on the market day following the day of purchase of any of its shares.

In a case of an off market purchase under an equal access scheme, an issuer must notify the SGX-ST by 9:00 a.m. on the second market day after the close of acceptances of the offer.

Rule 886(2), Listing Manual

Notification of a purchase by the company of its shares must be in the form of Appendix 8.3.2 of the Listing Manual. Such notification 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, details of the total 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.

**Listing Rules and
NO. Hong Kong Laws****Listing Manual and
Singapore Laws****Solicitation for Proxy**

7. Investors holding securities in listed companies listed on the Stock Exchange through CCASS who want to attend the shareholders' meetings in person or appoint proxies to vote on their behalf have to solicit for proxy by giving instructions to CCASS directly or through their broker firms (as the case may be) to authorize the investors as corporate representatives or proxies of HKSCC Nominees Limited (or any successor thereto) in respect of such shareholding of the investors in the listed companies.

Depositors who wish to attend and vote at the SGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the SGM supplied by CDP to the Company, may attend as CDP's proxies. Such Depositors who are individuals and who wish to attend the SGM in person need not take any further action and can attend and vote at the SGM without the lodgment of any proxy form.

Issuance of New Shares, Convertible Bonds or Bonds with Warrants**8. Rule 13.36(5)**

In case of a placing of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given by its shareholders if the relevant price represents a discount of 20% or more to the benchmarked price of the securities prescribed under the HK Listing Rules, unless the Stock Exchange is satisfied that the issuer is in a serious financial position and the only way that it can be saved is by an urgent rescue operation, or that there are other exceptional circumstances.

Rule 15.02

The securities to be issued on exercise of warrants to subscribe securities 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 issued equity capital of the issuer at the time such warrants are issued.

Pricing Formulae prescribed under the Listing Manual for various Issues of Additional Securities

Issue of Shares, Company Warrants and Convertible Securities For Cash (Other than Rights Issues)**Rule 811, Listing Manual**

- (1) An issue of shares must not be priced at more than 10%⁽¹⁾ 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.

note ⁽¹⁾: On 19 February 2009, SGX-ST announced a series of interim measures to accelerate and facilitate listed issuers' fund raising efforts. One of the interim measures is to allow listed issuers to undertake non

**Listing Rules and
NO. Hong Kong Laws**

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.

Also, such warrants must expire not less than 1 and not more than 5 years from the date of issue or grant and must not be convertible into further rights to subscribe securities which expire less than 1 year or more than 5 years after the date of issue or grant of the original warrants.

Rule 15.03

The circular or notice to be sent to shareholders convening the requisite meeting under Rule 15.02 must include at least the following information:

- (1) the maximum number of securities which would be issued on exercise of the warrants;
- (2) the period during which the warrants may be exercised and the date when this right commences;
- (3) the amount payable on the exercise of the warrants;
- (4) the rights of the holders on the liquidation of the issuer;
- (5) the arrangements for transfer or transmission of the warrants;
- (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;

**Listing Manual and
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pro-rata placements of new shares priced at discounts of up to 20% to the weighted average price for trades done on the SGX-ST for a full market day on which the placement or subscription agreement in relation to such units is executed. This interim measure will be effective until 31 December 2010.

In view of the interim measures, at the annual general meeting of the Company held on 30 July 2009, the Shareholders of the Company passed a resolution to authorise the Directors of the Company to issue new Shares on a non pro-rata basis, at a discount of not more than 20% to the weighted average market price of the Company's Shares, determined in accordance with the requirement of SGX-ST.

- (2) 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.
- (3) Rule 811(1) and (2) is not applicable if specific shareholder approval is obtained for the issue of shares, company warrants or other convertible securities.

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- (7) the rights (if any) of the holders to participate in any distribution and/or offers of further securities made by the issuer; and
- (8) a summary of any other material terms of the warrants.

Rule 17.03

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

- (1) 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 issuer (or the subsidiary) in issue as at the date of approval of the scheme;
- (2) 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 issuer (or subsidiary) in issue from time to time;
- (3) 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

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Issue of Company Warrants or other Convertible Securities, by way of a Rights Issue or Bought Deal or otherwise

Rule 825, Listing Manual

The number of new shares arising from the exercise/conversion of outstanding company warrants or other convertible securities must in aggregate not exceed 50% of the total number of issued shares excluding treasury shares.

Rule 833, 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

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- (4) 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 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 Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. When securities are offered to the public, a prospectus must be prepared and registered unless the offer falls within the scope of exempted offers specified under the Companies Ordinance (Cap 32 of the Laws of Hong Kong) (the "CO").

Section 57B of the CO and Rule 13.36 of the Listing Rules

Powers of directors to issue and allot shares or otherwise grant securities convertible into shares or options or warrants or similar rights to subscribe for any shares or such convertible securities are usually vested in them subject to the provisions in the memorandum and articles of association of the issuer.

Notwithstanding anything to the contrary in a company's memorandum or articles, the directors shall not without the prior approval of the company in general meeting exercise any power of the company to allot shares. However, no such prior approval from shareholders of an issuer is required in relation to the allotment of shares in the issuer under an offer made pro rata by the issuer to its members. Shareholders may grant a general mandate to the directors the issue and allot shares, provided that the amount of shares to be issued in aggregate must be within 20% of the total amount of issued shares of the issuer at the time when the mandate was granted.

**Listing Manual and
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- (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.

**Share Option Schemes or Share Schemes
Rule 845, 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.

For SGX Main Board issuers, the following limits must not be exceeded:—

- (1) The aggregate number of shares available under all schemes must not exceed 15% of the total number of issued shares excluding treasury shares from time to time;
- (2) The aggregate number of shares available to controlling shareholder and their associates must not exceed 25% of the shares available under a scheme;
- (3) The number of shares available to each controlling shareholder or his associate must not exceed 10% of the shares available under a scheme;
- (4) The aggregate number of shares available to directors and employees of the issuer's parent company and its subsidiaries must not exceed 20% of the shares available under a scheme; and
- (5) The maximum discount under the scheme must not exceed 20%. The discount must have been approved by shareholders in a separate resolution.

**Listing Rules and
NO. Hong Kong Laws**

According to Rule 13.36(5) of the Listing Rules, in the case of issue of placing of securities for cash consideration, the issuer must not issue any securities pursuant to a general mandate 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 of the closing prices in the 5 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.

A general mandate to directors to issue and allot shares shall only continue in force until (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse, unless such mandate is renewed by the shareholders; or (b) revoked or varied by the shareholders at general meeting.

**Listing Manual and
Singapore Laws**

Offering of Securities in Singapore

No person shall make an offer of securities in Singapore unless that offer is accompanied by a prospectus or falls within any of the exemptions provided under the SFA.

Power of Directors to Allot and Issue Shares

The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the Bye-laws of that company. However, notwithstanding anything to the contrary in the Bye-laws of a company, prior approval of the company at a general meeting is required to authorize the directors to exercise any power of the company to issue shares. Such approval need not be specific but may be general.

Rule 806(1), Listing Manual

A company need not obtain the prior approval of shareholders in a general meeting for the issue of securities if the shareholders had by ordinary resolution in a general meeting, given a general mandate to the directors of the issuer to issue.

- (i) shares; or
- (ii) convertible securities; or
- (iii) additional convertible securities issued pursuant to Rule 829, notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or
- (iv) shares arising from the conversion of the securities in (ii) and (iii) notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued.

**Listing Rules and
NO. Hong Kong Laws**

Where the issuer has obtained a general mandate from its shareholders, any refreshment of the general mandate before the next annual general meeting shall be subject to, shall be subject to the following provisions:

- (a) any controlling shareholder and their associates or, where there are no controlling shareholder, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour;
- (b) the Exchange reserves the right to require the following parties to abstain from voting in favour of the relevant resolution at the general meeting:
 - (i) any parties who were controlling shareholder of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their associates; or
 - (ii) where there were no such controlling shareholder, directors (excluding independent non-executive directors) and the chief executive of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their respective associates;
- (c) the issuer must comply with the requirements set out in rules 13.39(6) and (7), 13.40, 13.41 and 13.42;

**Listing Manual and
Singapore Laws**

Rule 806(2), Listing Manual

A general mandate must limit the aggregate number of shares and convertible securities that may be issued. The limit must be not more than 50% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the total number of issued shares excluding treasury shares.

Unless prior shareholder approval is required under the Listing Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.

Rule 806(6), 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 an ordinary 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.

Specific Mandate

Rule 824, 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.

**Listing Rules and
NO. Hong Kong Laws**

- (d) the relevant circular to shareholders must contain information relating to the issuer's history of refreshments of mandate since the last annual general meeting, the amount of proceeds raised from the utilisation of such mandate, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount. The circular must also contain information required under rule 2.17; and
- (e) where the issuer offers or issues securities to its shareholders pro rata to their existing holdings (including where overseas shareholders are excluded for legal or regulatory reasons), it will not be necessary for the issuer to comply with rules 13.36(4)(a), (b) or (c) in order for it to refresh its general mandate immediately thereafter such that the amount in percentage terms of the unused part of the general mandate upon refreshment is the same as the unused part of the general mandate immediately before the issue of securities. In such cases, it need only obtain approval from its shareholders and comply with rule 13.36(4)(d).

**Listing Manual and
Singapore Laws****Rule 864, Listing Manual**

The following are some of the factors will be taken into account by the SGX in considering an application for listing of additional equity securities:

- (1) Rationale for the issue;
- (2) Whether the issuer is and has been in compliance with the listing rules;
- (3) Whether the issuer has made full disclosure of the material facts relating to the issue necessary for the exchange to decide on the application; and
- (4) SGX-ST must be notified immediately if, before the commencement of dealing in any equity securities which are subject of an application, the issuer becomes aware that:—
 - (a) There has been a significant charge affecting any matter contained in the application; or
 - (b) A significant new matter has arisen, which would have been required to be included in the application if it had arisen before the application was submitted.

“significant” means significant for the purpose of making an assessment of the activities, assets and liabilities, financial position, management and prospects of the group, and of its profits and losses and of the rights attaching to the securities.

**Listing Rules and
NO. Hong Kong Laws****Listing Manual and
Singapore Laws****Rule 13.36(1)(a)**

Unless otherwise excepted under the Listing Rules, which include the issue and allotment pursuant to a general mandate granted to the directors of the issuer, the directors of the issuer shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting any shares, securities convertible into shares, options, warrants or similar rights to subscribe for any shares or such convertible securities.

The Stock Exchange, in determining whether to grant listing approval and permission to deal in shares of an issuer, will take into account various factors including whether the issuer has complied with the Listing Rules and if full disclosure of the material facts relating to the issue of shares have been made.

Listing Rules and NO. Hong Kong Laws	Listing Manual and Singapore Laws
Prohibition of Unfair Trading Activities	Sections 218 and 219, SFA
9. Section 270 of the SFO	Sections 218 and 219 of the SFA prohibit persons from dealing in securities of a corporation if any such person knows or reasonably ought to know that he is in possession of information that is not generally available, and if it was generally available it might have a material effect on the price or value of securities of that corporation.
<p>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.</p>	<p>Such persons include:</p> <ol style="list-style-type: none"> (1) Officers of a corporation or a related corporation; (2) Substantial shareholders of a corporation or a related corporation; and (3) Person who occupy position reasonably expected to give him access to inside information by virtue of: <ul style="list-style-type: none"> – 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 – being an officer of a substantial shareholder in that corporation or in a related corporation.
10. Section 278 of the SFO	
<p>In general terms, Section 278 of the SFO prohibits persons to carry out 2 or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction increase, or are likely to affect the price of any securities traded on a relevant recognized market or by means of authorized 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.</p>	
11. Rules 3.10 and 8.12	
<p>Every board of directors of an issuer must include at least three independent non-executive directors. A new applicant applying for a primary listing on the Stock Exchange must have sufficient management presence in Hong Kong, which normally means to have at least two of its executive directors be ordinarily resident of Hong Kong.</p>	

**Listing Rules and
NO. Hong Kong Laws**

**Listing Manual and
Singapore Laws**

**Securities Market Manipulation
Section 198(1), SFA**

No person shall effect, take part in, be concerned in or carry out, directly or indirectly, 2 or more transactions in securities of a corporation, being transactions that have or 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
Rule 720 (read with Rule 221) Listing
Manual**

Foreign issuers are required to have at least two independent directors who are Singapore residents on the Board of Directors on a continuing basis, and not just on listing.

**Listing Rules and
NO. Hong Kong Laws****12. Rules 3.21, 3.22 and paragraph C.3 of
Appendix 14 of the Listing Rules**

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 board of directors of the listed issuer must approve and provide written terms as required under Rules 3.10 and 3.21 of reference for the audit committee.

**Rule 3.25 & paragraph B.1 of Appendix
14 of the Listing Rules**

It is a recommended best practice that issuers should establish a remuneration committee with specific written terms of reference. A majority of the members of the remuneration committee should be independent non-executive directors.

**Rule 3.25 & paragraph A.4 of Appendix
14 of the Listing Rules**

It is a recommended best practice that issuers should establish a nomination committee. A majority of the members should be independent non-executive directors.

**Listing Manual and
Singapore Laws****Audit Committee
Rule 11 of the Code of Corporate
Governance (“COCG”)**

The Board or Directors should establish an Audit Committee (“AC”) with written terms of reference which clearly set out its authority and duties.

Rule 11.1, COCG

The AC should comprise at least three directors, all non-executive, the majority of whom including the chairman should be independent.

Rule 11.2, COCG

The Board of Directors should ensure that at least 2 members of the AC should have accounting or related financial management expertise or experience.

Remuneration Committee**Rule 7.1, COCG**

The Board of Directors should set up a Remuneration Committee (“RC”) comprising a majority of non-executive directors who are independent of management and free from any business or other relationships, which may materially interfere with the exercise of their independent judgment.

Nominating Committee**Rule 4.1, COCG**

Companies should establish a Nominating Committee (“NC”) to make recommendations to the Board on all Board appointments. The NC should comprise at least 3 directors, a majority of whom, including the Chairman should be independent.

**Listing Rules and
NO. Hong Kong Laws**

**Listing Manual and
Singapore Laws**

Interested Person Transactions or Connected Transactions

13. Chapter 14A of the Listing Rules

Chapter 9, Listing Manual

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 reporting, announcement and independent shareholders' approval requirements.

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

"Connected person" is defined to include a director, chief executive or substantial shareholder of the listed issuer, any person who was a director of the listed issuer within the preceding 12 months, a promoter or supervisor of a PRC issuer (as defined under the Listing Rules), the associates (with meaning ascribed to it under the Listing Rules) of the respective persons as aforesaid, any non wholly-owned subsidiary of the listed issuer where any connected person(s) of the listed issuer (other than at the level of its subsidiaries) is/are (individually or together) entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of such non wholly-owned subsidiary, and any subsidiary of such non wholly-owned subsidiary.

Rule 904, Listing Manual

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

Chapter 14A of the Listing Rules

Where any connected transaction is proposed, the transaction must be announced publicly and a circular must be sent to shareholders giving information about the transaction. Prior approval of the independent shareholders in general meeting will be required before the transaction can proceed, unless it is otherwise exempted under the HK Listing Rules. Certain categories of transactions are exempt from the disclosure and independent shareholders' approval requirements, and certain transactions are subject only to disclosure requirements.

- (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.

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Amongst other exemptions under the HK Listing Rules, (1) a one-off connected transaction on normal commercial terms will constitute a de minimis transaction under Rule 14A.31(2), which will be exempt from the reporting, announcement and independent shareholders' approval requirements, where each of the percentage ratios (other than the profits ratio) is less than 0.1%, or each of the percentage ratios (other than the profits ratio) is equal to or more than 0.1% but less than 2.5% and the total consideration is less than HK\$1,000,000; and

(2) a one-off connected transaction on normal commercial terms will be exempt from the independent shareholders' approval requirement only under Rule 14A.32 of the Listing Rules where each of the percentage ratios (other than the profits ratio) is less than 2.5%, or each of the percentage ratios (other than the profits ratio) is equal to or more than 2.5% but less than 25% and the total consideration is less than HK\$10,000,000.

As regards continuing connected transactions, amongst other exemptions under the Listing Rules:

(1) a continuing connected transaction on normal commercial terms will constitute a de minimis transaction under Rule 14A.33(3), which will be exempt from the reporting, announcement and independent shareholders' approval requirements, where each of the percentage ratios (other than the profits ratio) is on an annual basis less than 0.1%, or each of the percentage ratios (other than the profits ratio) is on an annual basis equal to or more than 0.1% but less than 2.5% and the annual consideration is less than HK\$1,000,000; and

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(3) "financial assistance" includes:

- (a) the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and
- (b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another.

(4) "interested person" means:

- (a) a director, chief executive officer, or controlling shareholder of the issuer; or
- (b) an associate of any such director, chief executive officer, or controlling shareholder.

(5) "interested person transaction" means a transaction between an entity at risk and an interested person.

(6) "transaction" includes:-

- (a) the provision or receipt of financial assistance;
- (b) the acquisition, disposal or leasing of assets;
- (c) the provision or receipt of services;
- (d) the issuance or subscription of securities;

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- (2) a continuing connected transaction on normal commercial terms will be exempt from the independent shareholders' approval requirement only under Rule 14A.34 where each of the percentage ratios (other than the profits ratio) is on an annual basis less than 2.5%, or each of the percentage ratios (other than the profits ratio) is on an annual basis equal to or more than 2.5% but less than 25% and the annual consideration is less than HK\$10,000,000.

Rule 14A.45

The following details of the connected transaction must be included in the listed issuer's next published annual report and accounts:

- (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; and
- (5) the nature and extent of the connected person's interest in the transaction.

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

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

**When Announcement Required
Rule 905, 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 \$100,000.

**Listing Rules and
NO. Hong Kong Laws****Rules 14A.25 and 14A.26**

The Stock Exchange will aggregate a series of connected transactions and treat them as if they were one transaction if they were all completed within a 12-month period or are otherwise related. In such cases, the listed issuer must comply with the requirements for the relevant classification of the connected transactions when aggregated.

For the purpose of aggregating connected transactions, the issuer must consult the Hong Kong Stock Exchange before it enters into any proposed connected transaction(s) if:

- (1) any circumstances described in Rule 14A.26 or Rule 14A.27 exist in respect of such proposed connected transaction(s) any other connected transaction(s) entered into by the listed issuer in the preceding 12-month period; or
- (2) the proposed connected transaction(s) and any other transaction(s) entered into by the issuer involve acquisitions of assets from a person or group of persons or any of his/their associates within 24 months of such person or group of persons gaining control (as defined in the Takeovers Code) of the issuer (other than at the level of its subsidiaries)

The issue must provide details of the transactions to the Hong Kong Stock Exchange to enable it to determine whether the transactions will be aggregated.

**Listing Manual and
Singapore Laws****When Shareholder Approval Required
Rule 906, 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 \$100,000.

Rule 907, 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.

**Listing Rules and
NO. Hong Kong Laws**

Factors which the Stock Exchange may take into account in determining whether connected transactions will be aggregated include whether the transactions:

- (1) are entered into by the listed issuer with the same party or with parties connected or otherwise associated with one another;
- (2) involve the acquisition or disposal of securities or an interest in one particular company or group of companies;
- (3) involve the acquisition or disposal of parts of one asset; or
- (4) together lead to a substantial involvement by the listed issuer in a business activity which did not previously form part of the listed issuer's principal business activities.

Rule 14A.18

The Stock Exchange will require that connected transactions and continuing connected transactions are made conditional on prior approval by the independent shareholders of the listed issuer in general meeting.

**Listing Manual and
Singapore Laws****Rule 908, Listing Manual**

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

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.

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.

Rule 918, 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.

**Listing Rules and
NO. Hong Kong Laws**

**Listing Manual and
Singapore Laws**

Exceptions

Rule 915, 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 approved 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.

**Listing Rules and
NO. Hong Kong Laws**

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- (5) A transaction between an entity at risk and an interested person for the provision of goods or services if:-
- (a) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and
 - (b) the sale prices are applied consistently to all customers or class of customers.

Such transactions include telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets.

- (6) The provision of financial assistance or services by a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business.
- (7) The receipt of financial assistance or services from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business.
- (8) Director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).

**Listing Rules and
NO. Hong Kong Laws****Listing Manual and
Singapore Laws****RESTRICTIONS ON DEALINGS OF DIRECTORS BEFORE PUBLICATION OF THE
FINANCIAL RESULTS**

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,

A listed issuer audits 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, or one month before half year or financial year, as the case may be, and ending on the date of announcement of the relevant results.

unless the circumstances are exceptional as described in the immediately succeeding paragraph below. In any event, the director must comply with the procedure in the rules of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Directors Dealing Code").

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 rules in 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 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 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.

Under the Directors Dealing Code, a director must not deal in any securities of the listed 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.

2. TAKEOVER OBLIGATIONS

2.1 The Singapore Code

The Singapore Code regulates the acquisition of ordinary shares of public companies and contain 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 parties 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 parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the Company's voting Shares, and if he (or parties acting in concert with him) acquires additional voting Shares representing more than 1.0% of the Company's voting Shares in any six-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 Code.

- “Parties 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. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. 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 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 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;
 - 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 parties acting in concert with the offeror within the six months preceding the acquisition of Shares that triggered the mandatory offer obligation.

Under the Singapore 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.

2.2 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 affected by merger or takeover transactions. It requires the timely disclosure of adequate information to enable shareholders to make an informed decision as to the merits of any offer.

The Takeovers Code regulates acquisitions of Shares (whether by way of takeovers, mergers and share repurchases) in an offeree company which changes its control, currently defined as a holding, or aggregate holdings, of 30% or more of the voting rights of a company, regardless 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, actively co-operate 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.

The Takeovers Code requires the making of a mandatory general offer to all shareholders of the offeree company, unless a waiver has been granted by the SFC, where a person or a group of persons acting in concert (1) acquires control of a company (meaning 30% or more of the voting rights), whether by a series of transactions over a period of time, or not, or (2) when already holding between 30% and 50% of the voting rights of a company, acquires more than 2% of the voting rights in the target company in a 12-month period from the date of the relevant acquisition.

In either of the above cases, an offer must be made to the shareholders for the balance of the Shares of the public company. The offer must be in cash or accompanied by a cash alternative at not less than the highest price paid by the purchaser (or persons acting in concert with it) for Shares of that class during the offer period and within 6 months prior to its commencement.