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**If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your licensed securities dealer, stockbroker, bank manager, solicitor, accountant or other professional adviser.**

If you have sold or transferred all your shares in the capital of China Kangda Food Company Limited (the “**Company**”), you should immediately forward this Circular with the Notice of Special General Meeting and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. Please note that the SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the Proposed Conversion (as defined herein), the Company, its subsidiaries or their securities.

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**KONDE 康大**

**CHINA KANGDA FOOD COMPANY LIMITED**

**中國康大食品有限公司**

*(Incorporated in Bermuda with limited liability)*

*(Company Registration Number: 38299)*

**(Hong Kong Stock Code: 834)**

**(Singapore Stock Code: P74)**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO:**

**THE PROPOSED CONVERSION OF THE COMPANY’S LISTING STATUS FROM  
A PRIMARY LISTING TO A SECONDARY LISTING ON THE MAIN BOARD OF THE SGX-ST  
AND THE PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY  
IN CONNECTION WITH THE PROPOSED CONVERSION**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of proxy form	:	10 January 2017 at 10:00 a.m.
Date and time of Special General Meeting	:	Thursday, 12 January 2017 at 10:00 a.m.
Place of Special General Meeting	:	Tanglin 2, 1st Level RELC International Hotel 30 Orange Grove Road Singapore 258352

19 December 2016

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## DEFINITIONS

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

<b>“Bermuda Companies Act”</b>	:	The Companies Act 1981 of Bermuda as amended from time to time
<b>“Board” or “Directors”</b>	:	The directors of the Company as at the date of this Circular
<b>“Bye-laws”</b>	:	The bye-laws of the Company as amended, supplemented or modified from time to time
<b>“CCASS”</b>	:	The Central Clearing and Settlement System established and operated by HKSCC
<b>“CDP”</b>	:	The Central Depository (Pte) Limited or its nominee(s), as the case may be
<b>“Circular”</b>	:	This circular to Shareholders dated 19 December 2016
<b>“Company”</b>	:	China Kangda Food Company Limited, an exempted company incorporated in Bermuda as a limited liability company, the Shares of which are listed on the Main Board of the SGX-ST and the Main Board of the SEHK
<b>“Designated Stock Exchange”</b>	:	The SGX-ST for so long as the Shares are listed and quoted on the SGX-ST, the SEHK for so long as the Shares are listed on the SEHK, and/or such other stock exchange in respect of which the Shares are listed or quoted
<b>“FY”</b>	:	Financial year ended 31 December
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“HK Listing Rules”</b>	:	The Rules Governing the Listing of Securities on the SEHK, as may be amended, varied or supplemented from time to time
<b>“HKEx-EPS”</b>	:	The SEHK’s electronic publication system
<b>“HK Takeovers Code”</b>	:	The Hong Kong Codes on Takeovers and Mergers and Share Repurchases, as amended, supplemented or otherwise modified from time to time
<b>“HKSCC”</b>	:	The Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
<b>“Hong Kong”</b>	:	The Hong Kong Special Administrative Region of the PRC
<b>“In-Principle Approval”</b>	:	Has the meaning ascribed to it in Section 3.1 of this Circular
<b>“Latest Practicable Date”</b>	:	9 December 2016, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as may be amended, varied or supplemented from time to time
<b>“Notice of SGM”</b>	:	The notice of SGM as set out on pages 18 to 19 of this Circular

<b>“Ordinary Resolution”</b>	:	The ordinary resolution for the approval of the Proposed Conversion by the Shareholders, as set out in the Notice of SGM on pages 18 to 19 of this Circular
<b>“PRC”</b>	:	The People’s Republic of China, which for the purpose of this Circular, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
<b>“Proposed Amendments”</b>	:	The proposed amendments to the Bye-laws of the Company set out in Appendix 2 to be effected on the completion of the Proposed Conversion
<b>“Proposed Conversion”</b>	:	The proposed conversion of the Company’s listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST
<b>“SEHK”</b>	:	The Stock Exchange of Hong Kong Limited
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time
<b>“SFC”</b>	:	Securities and Futures Commission of Hong Kong
<b>“SFO”</b>	:	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or modified from time to time
<b>“SGM”</b>	:	The special general meeting of the Company to be convened and held on Thursday, 12 January 2017 at 10:00 a.m. at Tanglin 2, 1st level, RELC International Hotel, 30 Orange Grove Road, Singapore 258352, the notice of which is set out on pages 18 to 19 of this Circular
<b>“SGX-ST”</b>	:	The Singapore Exchange Securities Trading Limited
<b>“Shares”</b>	:	Ordinary shares in the share capital of the Company
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose securities accounts those Shares are credited, and where the registered holder is CCASS, the term “Shareholders” shall, where the context admits, mean the persons whose securities accounts maintained by CCASS are credited with the Shares
<b>“Singapore”</b>	:	The Republic of Singapore
<b>“Singapore Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time
<b>“Singapore Take-over Code”</b>	:	The Singapore Take-over Code on Take-overs and Mergers, as amended, supplemented or modified from time to time
<b>“Special Resolution”</b>	:	The special resolution for the adoption of the amended Bye-laws of the Company as set out in Appendix 3 (which incorporates the Proposed Amendments) by the Shareholders, as set out in the Notice of SGM on pages 18 to 19 of this Circular

**“Substantial Shareholder(s)”** : A substantial shareholder (as defined under Section 2(6) of the SFA) of the Company

**“%” or “per cent.”** : Per centum or percentage

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

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

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

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

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

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

In the event of any inconsistency between the English version of this Circular (including the Notice of SGM) and the proxy form, and the Chinese version of this Circular (including the Notice of SGM) and the proxy form, the English version shall prevail.

LETTER TO SHAREHOLDERS

**KONDA 康大**

**CHINA KANGDA FOOD COMPANY LIMITED**

**中國康大食品有限公司**

*(Incorporated in Bermuda with limited liability)*

*(Company Registration Number: 38299)*

**(Hong Kong Stock Code: 834)**

**(Singapore Stock Code: P74)**

**Executive Directors:**

Mr. An Fengjun  
Mr. Gao Yanxu

**Non-Executive Directors:**

Mr. Gao Sishi  
Mr. Zhang Qi  
Mr. Naoki Yamada

**Independent Non-Executive Directors:**

Mr. Lau Choon Hoong  
Mr. Chong Soo Hoon, Sean  
Mr. Yu Chung Leung

**Registered Office:**

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

**Headquarters and principal place of  
business in PRC:**

No. 1, Hai Nan Road  
Economic and Technology  
Development Zone  
Jiaonan City  
Shandong Province  
PRC

19 December 2016

To: The Shareholders of  
China Kangda Food Company Limited

Dear Sir/Madam

**THE PROPOSED CONVERSION OF THE COMPANY'S LISTING STATUS FROM  
A PRIMARY LISTING TO A SECONDARY LISTING ON THE MAIN BOARD OF THE SGX-ST  
AND THE PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY  
IN CONNECTION WITH THE PROPOSED CONVERSION**

1. INTRODUCTION

- 1.1 We refer to the Notice of SGM of the Company dated 19 December 2016 convening the SGM to be held on Thursday, 12 January 2017 at 10:00 a.m. to seek Shareholders' approval for the following matters:
- (a) the Ordinary Resolution pertaining to the Proposed Conversion; and
  - (b) subject to the approval of the Proposed Conversion by the Shareholders in paragraph (a) above, the Special Resolution pertaining to the Proposed Amendments.
- 1.2 The purpose of this Circular is (a) to provide Shareholders with information relating to, and to explain the rationale for, the Proposed Conversion and the implications of the Proposed Conversion for the Company and its Shareholders, (b) to provide Shareholders with information relating to the Proposed Amendments, and (c) to seek Shareholders' approval for the resolutions to be proposed at the SGM, as set out in the Notice of SGM.
- 1.3 The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Circular.

## 2. PROPOSED CONVERSION

### 2.1 Listing of the Company

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

### 2.2 Rationale and Benefits of the Proposed Conversion

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

#### (a) Declining trading volume on the SGX-ST

The trading volume of the Shares on the SGX-ST has declined since the Company's listing on the SEHK.

The tables below set out a comparison of the total and average daily trading volumes of the Shares on both the SGX-ST and SEHK for the periods indicated. The total and average daily trading volumes of the Shares on the SGX-ST have been substantially lower than the total and average daily trading volumes of the Shares on the SEHK.

#### *Average Daily Trading Volume*

Month	SGX-ST <sup>(1)</sup>	SEHK <sup>(2)</sup>	Variance between SGX-ST and SEHK <sup>(4)</sup>	% variance between SGX-ST and SEHK <sup>(5)</sup>
December 2015	1,304	19,122	(17,818)	(93.18%)
January 2016	952	3,619	(2,667)	(73.69%)
February 2016	476	9,143	(8,667)	(94.79%)
March 2016	22,309	696	21,613	3105.32%
April 2016	2,286	19,619	(17,333)	(88.35%)
May 2016	10,045	112,545	(102,500)	(91.07%)
June 2016	4,545	24,636	(20,091)	(81.55%)
July 2016	39,381	145,143	(105,762)	(72.87%)
August 2016	36,548	88,874	(52,326)	(58.88%)
September 2016	38,909	77,364	(38,455)	(49.71%)
October 2016	17,833	733,000	(715,167)	(97.57%)
November 2016	55,264	1,147,091	(1,091,827)	(95.18%)
December 2016 <sup>(3)</sup>	15,129	100,571	(85,442)	(84.96%)

#### Notes:

- (1) Market trading days on the SGX-ST were taken into account when arriving at the average daily trading volume for the particular month, regardless of whether there was any trade of the Company's Shares on the SGX-ST on that day.
- (2) Market trading days on the SEHK were taken into account when arriving at the average daily trading volume for the particular month, regardless of whether there was any trade of the Company's Shares on the SEHK on that day.
- (3) For the period commencing 1 December 2016 to 9 December 2016.
- (4) The variance between the SGX-ST data and SEHK data is derived from subtracting the SGX-ST data by the SEHK data to show that the average daily trading volume on the SGX-ST is substantially lower than that on the SEHK.
- (5) The percentage variance between the SGX-ST data and SEHK data is calculated using the SEHK data as the denominator.

*Total Trading Volume*

<b>Month</b>	<b>SGX-ST</b>	<b>SEHK</b>	<b>Variance between SGX-ST and SEHK<sup>(2)</sup></b>	<b>% variance between SGX-ST and SEHK<sup>(3)</sup></b>
December 2015	30,000	439,800	(409,800)	(93.18%)
January 2016	20,000	76,000	(56,000)	(73.68%)
February 2016	10,000	192,000	(182,000)	(94.79%)
March 2016	513,100	16,000	497,100	3106.88%
April 2016	48,000	412,000	(364,000)	(88.35%)
May 2016	221,000	2,476,000	(2,255,000)	(91.07%)
June 2016	100,000	542,000	(442,000)	(81.55%)
July 2016	827,000	3,048,000	(2,221,000)	(72.87%)
August 2016	840,600	2,044,100	(1,203,500)	(58.88%)
September 2016	856,000	1,702,000	(846,000)	(49.71%)
October 2016	374,500	14,660,000	(14,285,500)	(97.45%)
November 2016	1,215,800	25,236,000	(24,020,200)	(95.18%)
December 2016 <sup>(1)</sup>	105,900	704,000	(598,100)	(84.96%)

**Notes:**

- (1) For the period commencing 1 December 2016 to 9 December 2016.
- (2) The variance between the SGX-ST data and SEHK data is derived from subtracting the SGX-ST data by the SEHK data to show that the total daily trading volume on the SGX-ST is substantially lower than that on the SEHK.
- (3) The percentage variance between the SGX-ST data and SEHK data is calculated using the SEHK data as the denominator.

In addition, the Company has also observed that the share price of the Company on the SEHK is also consistently higher than on the SGX-ST and is of the view that such higher share price on the SEHK is mainly due to more active trading on the SEHK. The following table sets forth, for the periods indicated, the highest and lowest closing prices of the Shares on both the SGX-ST and SEHK.

<b>Month</b>	<b>SGX-ST</b>		<b>SEHK<sup>(4)</sup></b>	
	<b>High<sup>(2)</sup> (S\$)</b>	<b>Low<sup>(3)</sup> (S\$)</b>	<b>High<sup>(2)</sup> (S\$)</b>	<b>Low<sup>(3)</sup> (S\$)</b>
December 2015	0.110	0.110	0.157	0.133
January 2016	0.110	0.100	0.148	0.125
February 2016	0.100	0.100	0.125	0.122
March 2016	0.110	0.080	0.133	0.113
April 2016	0.170	0.090	0.133	0.125
May 2016	0.170	0.090	0.181	0.124
June 2016	0.150	0.130	0.170	0.148
July 2016	0.160	0.130	0.207	0.155
August 2016	0.170	0.150	0.216	0.199
September 2016	0.170	0.160	0.220	0.199
October 2016	0.200	0.170	0.227	0.188
November 2016	0.280	0.200	0.304	0.212
December 2016 <sup>(1)</sup>	0.280	0.280	0.297	0.290

Source: Yahoo Finance



**Notes:**

- (1) For the period commencing 1 December 2016 to 9 December 2016.
- (2) Based on the highest closing price for the Shares traded on the SGX-ST or the SEHK (as the case may be) in a particular month.
- (3) Based on the lowest closing price for the Shares traded on the SGX-ST or the SEHK (as the case may be) in a particular month.
- (4) Hong Kong dollar amounts have been translated into Singapore dollars based on the exchange rate of S\$1.00 to HK\$5.42, quoted by Hang Seng Bank on 9 December 2016.

(b) Shareholders Profile of the Company

The Company expects a continuing trend where a large proportion of investors, including new investors, will trade Shares on the SEHK instead of the SGX-ST. This is illustrated by the following table which shows the increase in the number and percentage of Shares listed on the SEHK as opposed to the SGX-ST at the end of the last three financial years.

*Number and percentage of Shares listed on SGX-ST and SEHK*

	<b>As at 31 December 2013</b>	<b>As at 31 December 2014</b>	<b>As at 31 December 2015</b>	<b>As at the Latest Practicable Date</b>
<b>SGX-ST</b>	39,709,000 (9.17%)	39,057,000 (9.02%)	37,863,000 (8.75%)	34,371,000 (7.94%)
<b>SEHK</b>	393,239,000 (90.83%)	393,891,000 (90.98%)	395,085,000 (91.25%)	398,577,000 (92.06%)

As at the Latest Practicable Date, the total number of Shares listed on the SGX-ST was 34,371,000 representing approximately 7.94% of the Company's total issued and paid-up share capital, and the total number of shares listed on the SEHK was 398,577,000 representing approximately 92.06% of the Company's total issued and paid-up share capital. In light of the foregoing, the Proposed Conversion would result in a more accurate reflection of the geographic profile of the Shareholders.

(c) Differences in Rules and Regulations and Compliance Costs

As a result of the Company's dual primary listing on both the SGX-ST and the SEHK, the Company is required to comply with the listing rules of both exchanges, with the Company having to comply with the stricter requirement in the event of any conflict between the listing rules of both exchanges. The Company has committed significant resources to ensuring its compliance with the listing rules of the SGX-ST and the SEHK.

Following the Proposed Conversion, the Company will continue to be primary listed on the SEHK, an exchange which is classified as a "Developed Market" under the secondary listing regulatory framework introduced by the SGX-ST as announced on 30 October 2014. Following completion of the Proposed Conversion, save for compliance with such rules as may be stipulated by the SGX-ST, the Company will only have to comply with the listing rules of the SEHK.

In light of the foregoing, the Proposed Conversion will enable the Company to substantially reduce its compliance costs and devote its resources for other critical aspects of its business, growth and operations.

(d) Business Profile of the Company

The Group is a diversified food manufacturing and processing group based in the PRC. The Group currently distributes its products in 26 provinces and over 30 major cities in the PRC. As at the Latest Practicable Date, the Company's management, business activities and operations continue to be mainly carried out in the PRC. As disclosed in the audited consolidated financial statements of the Group for FY2015, approximately 57.4% and 54.8% of the Group's revenue was attributed to customers in the PRC in FY2015 and FY2014 respectively.

As such, the Company is of the view that the Proposed Conversion would result in a more accurate reflection of the Group's geographic business profile. Given that the Group's business activities are focused mainly in the PRC, and is intended to remain as such, the Company anticipates that there will be more interest in its Shares from PRC investors, who may prefer to trade on the SEHK instead.

In light of the foregoing reasons, the Company is of the view that the Proposed Conversion will be beneficial to the interests of the Company. The Proposed Conversion will have the effect of streamlining the Company's compliance obligations, create efficiencies in resources and better reflect the geographic profile of its Shareholders and business operations.

As the Shareholders who trade their Shares on the Main Board of the SGX-ST can continue to do so and enjoy the same rights as Shareholders who trade their Shares on the SEHK, the Company is of the opinion that Shareholders registered in Singapore will not be adversely affected by the Proposed Conversion. Moreover, the Company believes that, Hong Kong, which has been classified as a "Developed Market" pursuant to the SGX-ST secondary listing framework, has the adequate legal, regulatory and enforcement framework to offer sufficient assurance on the levels of shareholder protection and corporate governance standards.

### 3. IMPLICATIONS FOR THE COMPANY

#### 3.1 Implications under the Listing Manual

The Company made an application to the SGX-ST to seek an in-principle approval to proceed with the Proposed Conversion on 8 September 2016. On 14 October 2016, the SGX-ST replied that it had no objection to the Proposed Conversion subject to the following conditions:

- (a) Shareholders' approval on the Proposed Conversion;
- (b) compliance with the SGX-ST's listing requirements and other such requirements that the SGX-ST may impose from time to time;
- (c) the Company maintaining its primary listing on the SEHK;
- (d) submission of a written undertaking from the Company that in the event that the Company is delisted from the Official List of the SGX-ST within three (3) years of the Proposed Conversion:
  - (i) the Company will offer a reasonable exit alternative, which should normally be in cash, to the (A) Shareholders and (B) holders of any other classes of the listed securities to be delisted from the SGX-ST ("**Other Listed Securities**"); and
  - (ii) the Company will appoint an independent financial adviser to advise on the exit offer;
- (e) proper disclosure in the Circular that the requirement for a reasonable exit offer to be provided to the Shareholders and holders of Other Listed Securities (if any) is not applicable should the Company decide to delist after three years of the Proposed Conversion;

- (f) submission of a written undertaking from the Company that it will provide arrangements such as video conference for Singapore-based Shareholders to attend, speak and vote at Shareholders' meetings;
- (g) submission of a written undertaking from the Company that it will comply with the following as set out in Rule 217 of the Listing Manual:
  - (i) release all information and documents in English to the SGX-ST via SGXNET at the same time as they are released to the SEHK;
  - (ii) inform the SGX-ST of any issue of additional securities in a class already listed on the SGX-ST and the decision of the SEHK; and
  - (iii) comply with such other listing rules as may be applied by the SGX-ST from time to time;
- (h) submission of a written undertaking from the Company that it will comply with the following as set out in Rule 751 of the SGX-ST Listing Manual:
  - (i) maintain its primary listing on the SEHK;
  - (ii) be subject to all the applicable listing rules of the SEHK (unless a waiver has been obtained for any non-compliance); and
  - (iii) provide an annual certification in the form prescribed at Appendix 7.6 of the Listing Manual that it has complied with the applicable listing obligations in the Listing Manual;
- (i) submission of a written undertaking from the Company that an announcement via SGXNET will be made as soon as there is any change in the law of its country of incorporation, which may affect or change Shareholders' rights or obligations over its securities, including:
  - (i) the right to attend, speak, vote at Shareholders' meetings and the right to appoint proxies;
  - (ii) the right to receive rights offering and any other entitlements;
  - (iii) withholding taxes on its securities;
  - (iv) stamp duties on its securities; and
  - (v) obligations to file documents or make declarations in respect of its securities;
- (j) submission of a written undertaking from the Company that in the event of a need for a trading halt in the Shares, the Company will request for a trading halt on all exchanges at the same time; and
- (k) submission of an undertaking from the Company in the form set out in Appendix 2.3.2 of the Listing Manual,  
collectively, the **"In-Principle Approval"**.

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

As at the date of this Circular, conditions (d) to (k) as mentioned above have been fulfilled.

### 3.2 Implications under the Singapore Take-over Code

The Singapore Take-over Code will cease to apply to the Company after the completion of the Proposed Conversion. The Company will continue to be regulated by the HK Takeovers Code.

### 3.3 Implications on the Company's obligation to announce disclosure of interests by substantial shareholders, directors and the chief executive officer.

Part VII of the SFA which provides for, *inter alia*, disclosure of interests in the shares of a corporation by its directors, chief executive officer and substantial shareholders, and the corporation's obligation to announce such notifications received will cease to apply in respect of the Company after completion of the Proposed Conversion and adoption of the amended Bye-laws of the Company (which incorporates the Proposed Amendments).

The Company will continue to be bound by the HK Listing Rules with regard to disclosure of interests in corporations.

## 4. IMPLICATIONS FOR THE SHAREHOLDERS

### 4.1 Compliance with the HK Listing Rules

The Company notes that upon the completion of the Proposed Conversion, it will only be subject to the HK Listing Rules and the Company will not be required to comply with the Listing Manual save for Rule 217 and Rule 751 of the Listing Manual (requirements of which are set out in Sections 3.1(g) and 3.1(h) of this Circular) and any other listing rules of the Listing Manual as may be applied by the SGX-ST from time to time, including those as set out in Sections 3.1(d)(i), 3.1(d)(ii), 3.1(f), 3.1(i) and 3.1(j) of this Circular.

A comparison of a summary of the principal listing rules of the SGX-ST and the SEHK is set out in Appendix 1.

### 4.2 Non-applicability of the Singapore Take-over Code

The Singapore Take-over Code applies to, *inter alia*, corporations with a primary listing of their equity securities in Singapore. Shareholders should note that the Singapore Take-over Code will cease to apply to the Company after the completion of the Proposed Conversion. The Company will continue to be regulated by the HK Takeovers Code.

### 4.3 Non-applicability of the provisions in Part VII of the SFA relating to disclosure of interests in corporations.

Part VII of the SFA which provides for, *inter alia*, disclosure of interests in the shares of a corporation by its directors, chief executive officer and substantial shareholders, and the corporation's obligation to announce such notifications received will cease to apply in respect of the Company after completion of the Proposed Conversion and the adoption of the amended Bye-laws of the Company (which incorporates the Proposed Amendments).

The Company will continue to be bound by the HK Listing Rules with regard to disclosure of interests in corporations.

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

As the Company is incorporated in Bermuda and continues to be subject to compliance with, among others, the Bermuda Companies Act, the general rights of its Shareholders are set out in the Bye-laws. Shareholders who trade their Shares on the Main Board of the SGX-ST will continue to enjoy the same rights as Shareholders who trade their Shares on the SEHK. Shareholders can also continue to trade their Shares on the SGX-ST after the completion of the Proposed Conversion.

In connection with the Proposed Conversion, the Company has provided the SGX-ST with a written undertaking that in the event that the Company is delisted from the Official List of the SGX-ST within 3 years of the Proposed Conversion:

- (i) the Company will offer a reasonable exit alternative, which should normally be in cash, to the (A) Shareholders and (B) holders of any other classes of the listed securities to be delisted; and
- (ii) the Company will appoint an independent financial adviser to advise on the exit offer.

**Shareholders should note that the SGX-ST's requirement for a reasonable exit offer to be provided to the Shareholders and holders of any other classes of the listed securities is not applicable should the Company decide to delist from the Official List of the SGX-ST after three years of the Proposed Conversion.**

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

### 5. THE PROPOSED AMENDMENTS TO THE BYE-LAWS

#### 5.1 Introduction

The Company is a company incorporated in Bermuda with limited liability and is therefore subject to the Bermuda Companies Act.

Following the completion of the Proposed Conversion, the Company will not be required to comply with the Listing Manual (including Appendix 2.2 thereto) save for Rule 217 and Rule 751 of the Listing Manual (the requirements of which are set out in Sections 3.1(g) and 3.1(h) above) and any other listing rules as may be applied by the SGX-ST from time to time, including those as set out in Sections 3.1(d)(i), 3.1(d)(ii), 3.1(f), 3.1(i) and 3.1(j) of this Circular. As such, the amended Bye-laws will not comply with Appendix 2.2 to the Listing Manual but will continue to comply with the requirements under Appendix 3 and Section 1 of Part A of Appendix 13 to the HK Listing Rules pertaining to bye-laws of companies incorporated in Bermuda and with a primary listing on the SEHK.

The Company also proposes to amend the Bye-laws to reflect the following:

- (a) that the provisions under the Singapore Companies Act and/or the SFA regarding substantial shareholding notifications and disclosure by the directors and the chief executive officer of the Company of their interests in the Shares will no longer apply in respect of Shares in the Company after completion of the Proposed Conversion; and
- (b) certain amendments made to the Singapore Companies Act and the SFA.

## 5.2 Summary of the Proposed Amendments

The summary of the material amendments to the Bye-laws are set out in Appendix 2 to this Circular. Appendix 2 also contains a comparison between the relevant amended Bye-laws against their corresponding existing Bye-laws, showing the rationale and the implication on Shareholders with regard to the amendments made to the existing Bye-laws. The amended Bye-laws, as set out in Appendix 3, are in compliance with the HK Listing Rules and the Bermuda Companies Act.

The following is a summary and rationale of the key proposed amendments to the Bye-laws:

**(a) Bye-law 1**

The Company proposes to amend certain definitions in Bye-law 1 to reflect that the relevant provisions relating to the Depository are found in the SFA instead of the Singapore Companies Act, and to reference the definitions found in the SFA.

**(b) Bye-law 9(3)**

The existing Bye-law 9(3) relates to the Company's power to issue further preference capital ranking equally with, or in priority to preference shares already issued. The Company proposes to delete Bye-law 9(3) in its entirety to reflect compliance with only the HK Listing Rules and Bermuda law.

**(c) Bye-law 10**

The existing Bye-law 10 relates to the procedure for modification of rights of preference shareholders and the repayment of preference capital other than redeemable preference capital. The Company proposes to amend Bye-law 10 to reflect compliance with only the HK Listing Rules and Bermuda law.

**(d) Bye-law 12(2)**

The existing Bye-law 12(2) relates to, inter alia, the pre-emptive right of Shareholders to be offered in proportion, as far as the circumstances admit, to the amount of the existing Shares to which they are entitled. The Company proposes to delete Bye-law 12(2) in its entirety to reflect compliance only with HK Listing Rules and Bermuda law.

**(e) Bye-law 18(2)**

The existing Bye-law 18(2) relates to the issuance of new share certificates to Shareholders and the fee payable by Shareholders for the issuance of such certificates. The Company proposes to amend Bye-law 18(2) to reflect compliance with only the HK Listing Rules and Bermuda law.

**(f) Bye-law 20**

The existing Bye-law 20 states that Shareholders are entitled to receive share certificates in reasonable denominations for shares so allotted or transferred to him. The Company proposes to amend Bye-law 20 to reflect compliance with only the HK Listing Rules and Bermuda law.

**(g) Bye-law 21**

The existing Bye-law 21 relates to the replacement of share certificates and the fees payable by Shareholders. The Company proposes to amend Bye-law 21 to reflect compliance with only the HK Listing Rules and Bermuda law.

**(h) Bye-law 24**

The existing Bye-law 24 relates to, *inter alia*, the application of the net proceeds of the sale shares on which the Company has a lien. The Company proposes to amend Bye-law 24 to reflect compliance with only the HK Listing Rules and Bermuda law.

**(i) Bye-law 33**

The existing Bye-law 33 relates to capital paid on shares in advance of calls not being conferred a right to participate in profits. The Company proposes to amend Bye-law 33 to remove such restriction in compliance with only the HK Listing Rules and Bermuda law.

**(j) Bye-law 44**

The existing Bye-law 44 relates to inspection of the Company's register of members. The Company proposes to amend Bye-law 44 to reflect the current interpretation of section 66 of the Bermuda Companies Act as to closure of register of members.

**(k) Bye-law 48(1)**

Bye-law 48(1) relates to the circumstances in which the Board has discretion to refuse to register a transfer of shares, including that the Company shall not be bound to register more than three (3) persons as joint holders of a share except in the case of executors or administrators of the estate of a deceased shareholder. The Company proposes to amend Bye-law 48(1) to reflect compliance with only the HK Listing Rules and Bermuda law by removing the exception and providing that the Company shall not be bound to register more than four (4) persons as joint holders.

**(l) Bye-law 49(a)**

Bye-law 49(a) also provides for the fee payable upon a transfer of securities. The Company proposes to amend Bye-law 49(a) to reflect compliance with only the HK Listing Rules and Bermuda law.

**(m) Bye-law 55**

The existing Bye-law 55 relates to the convening of the annual general meeting of the Company. The Company is proposing to amend the Bye-law to remove the requirement for the interval between the close of the Company's financial year and the date of the annual general meeting to be no longer than four months. The Company will continue to conduct the annual general meeting of the Company in accordance with the requirements of the HK Listing Rules and Bermuda law.

**(n) Bye-law 58**

The existing Bye-law 58 relates to the notice of general meetings. Bye-law 58(2) requires the Company to place a notice of any general meeting by advertisement in an English daily newspaper in Singapore and in writing to the SGX-ST. It is proposed that Bye-law 58(2) be deleted in its entirety to reflect compliance with only the HK Listing Rules and Bermuda law. The Company will continue to make the announcement of any notice of general meeting on the website of the SGX-ST. Bye-law 58(3) also relates to the notice of the general meetings and it is proposed that the Bye-law be amended to reduce the requirement for the contents of the notice such that it complies with only the requirements of the HK Listing Rules and Bermuda law.

**(o) Bye-law 87**

The existing Bye-law 87 relates to the eligibility for election of a director. The process for the eligibility of a person to be elected as a director has been streamlined such that there will no longer be a requirement for, *inter alia*, a Shareholder to propose a person to be elected as director in writing 11 clear days before the meeting. The proposed amendment is to streamline the process of the election of directors to reflect the requirements of the HK Listing Rules.

**(p) Bye-law 89**

The existing Bye-law 89 relates to the appointment of a managing director. The Company proposes to amend Bye-law 89(1) to remove the restriction on the term of the appointment of the managing director, and to delete the statement in Bye-law 89(2) that the managing director is subject to the control of the Board, to reflect compliance with only the requirements of the HK Listing Rules and Bermuda law.

**(q) Bye-law 90**

Bye-law 90 provides that executive directors shall not be remunerated by a commission on or percentage of turnover. The Company proposes to amend this Bye-law to reflect compliance with only the HK Listing Rules and Bermuda law.

**(r) Bye-law 91**

Bye-law 91 relates to the appointment of alternate directors. The Company proposes to amend Bye-law 91 to reflect compliance with only the requirements of the HK Listing Rules and Bermuda law by providing that an alternate director may be a director in his own right and be able to act as alternate to more than one director.

**(s) Bye-law 95**

Bye-law 95 stipulates that remuneration payable to directors shall not be increased except at a general meeting convened by notice. The Company proposes to amend this Bye-law to reflect compliance with only the HK Listing Rules and Bermuda law.

**(t) Bye-law 97(2)**

The existing bye-law 97(2) relates to the remuneration of non-executive directors and mandates that such remuneration shall not be payable by commission on or a percentage of the turnover of the Company. Bye-law 97(2) also provides that executive directors shall not be remunerated by a commission on or percentage of turnover. The Company proposes to amend this Bye-law to reflect compliance with only the HK Listing Rules and Bermuda law.

**(u) Bye-law 113**

The existing Bye-law 113 relates to the determination of questions arising at any board meeting. In order to reflect compliance with only the HK Listing Rules and Bermuda law, the Company proposes to amend this Bye-law to remove the restriction that the chairman of the meeting shall not have a casting vote in the event that there are only two directors present or competent to vote on the issue.



(v) **Bye-law 167**

The existing Bye-law 167 relates to the disclosure by Directors and Substantial Shareholders of their shareholding interest in the Company and any change of such interest. The Company proposes to delete Bye-law 167 in its entirety because Part VII of the SFA which provides for, *inter alia*, disclosure of interests in the shares of a corporation by its directors, chief executive officer and substantial shareholders, and the corporation's obligation to announce such notifications received does not apply to foreign corporations with a secondary listing on the SGX-ST.

5.3 Shareholders' Approval

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

6. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the registers of Directors' interests in Shares and Substantial Shareholders' interests in Shares, respectively, are as follows:

<b>Directors</b>	<b>Direct Interest</b>		<b>Deemed Interest</b>	
	Number of Shares	Approximate percentage of total issued share capital of the Company (%)	Number of Shares	Approximate percentage of total issued share capital of the Company (%)
Mr. An Fengjun	–	–	–	–
Mr. Gao Yanxu	14,310,000	3.3	–	–
Mr. Gao Sishi	166,740,000	38.5	–	–
Mr. Zhang Qi	8,910,000	2.1	–	–
Mr. Naoki Yamada	–	–	–	–
Mr. Lau Choon Hoong	–	–	–	–
Mr. Chong Soo Hoon, Sean	–	–	–	–
Mr. Yu Chung Leung	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>				
Cheng Xiutai	33,324,000	7.7	–	–
Zensho Holdings Co., Ltd.	52,295,000	12.1	–	–

Other than through their respective shareholdings in the Company, none of the Directors, or as far as the Company is aware, the Substantial Shareholders, have any interest, direct or indirect, in the Proposed Conversion.

7. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages 18 to 19 of this Circular, will be held at 10:00 a.m. on Thursday, 12 January 2017 at Tanglin 2, 1st level, RELC International Hotel, 30 Orange Grove Road, Singapore 258352 for the purpose of considering and, if thought fit, passing with or without modification the Ordinary Resolution to approve the Proposed Conversion and the Special Resolution to approve the Proposed Amendments to the Bye-laws of the Company set out in the Notice of SGM.

Pursuant to Rule 730A(2) of the Listing Manual, all resolutions at general meetings shall be voted by poll, and pursuant Rule 13.39(4) of the HK Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the SGM will be voted by way of poll by the Shareholders.

## 8. ACTION TO BE TAKEN BY SHAREHOLDERS AND DEPOSITORS

Shareholders who are unable to attend the SGM and wish to appoint a proxy to attend and vote at the SGM on their behalf will find attached to this Circular a proxy form which they are requested to complete, sign and return in accordance with the instructions printed thereon and deposit the same with, the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong Shareholders), or the Company's share registrar in Singapore, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 (for Singapore Shareholders) as soon as possible and in any event not later than forty-eight (48) hours before the time fixed for the SGM (or any adjournment thereof). Completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the SGM (or any adjournment thereof) if he so wishes. In such event, the relevant proxy form will be deemed to be revoked.

Under the Bermuda Companies Act, only a person whose name is entered in the register of members of a Bermuda company may have rights to attend and vote at general meetings of such company. Accordingly, under Bermuda laws, a Depositor holding Shares through the CDP would not be recognised as a shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the SGM, the Depositor would have to do so through CDP appointing him as a proxy, pursuant to the Bye-Laws and the Bermuda Companies Act.

Pursuant to Bye-Law 77(1)(b) of the Company's Bye-Law, unless the CDP specifies otherwise in a written notice to the Company, the CDP shall be deemed to have appointed the Depositors who are individuals and whose names are shown in the records of the CDP as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the CDP to the Company as the CDP's proxies to vote on behalf of the CDP at a general meeting of the Company.

Accordingly, Depositors (other than Depositors which are corporations) whose names are listed in the Depository Register as at forty-eight (48) hours before the time of the SGM may attend and vote at the SGM without having to complete or return any form of proxy. A Depositor which is a corporation and wishes to attend and vote at the SGM must complete and return the attached depositor proxy form, for the nomination of person(s) to be appointed as proxy of CDP to attend and vote at the SGM on behalf of CDP, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Singapore Share Transfer Agent, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not later than forty-eight (48) hours before the time fixed for the SGM.

If an individual Depositor is unable to attend the SGM and wish to nominate nominee(s) to be appointed as proxy of CDP to attend the meeting and vote on his behalf, he must complete, sign and return the attached depositor proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Singapore Share Transfer Agent, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not later than forty-eight (48) hours before the time fixed for the SGM. The completion and return of the depositor proxy form by a Depositor (other than a Depositor which is a corporation) will not prevent him from attending and voting in person at the SGM as a proxy of CDP if he subsequently wishes to do so.

## 9. DIRECTORS' RECOMMENDATIONS

### 9.1 The Proposed Conversion

The Directors are of the opinion that the Proposed Conversion is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Conversion as set out in the Notice of SGM.

## 9.2 The Proposed Amendments

After having considered the rationale and the information relating to the Proposed Amendments, the Directors are of the opinion that the Proposed Amendments is in the best interests of the Company and the Shareholders as a whole, and recommend the Shareholders to vote in favour of the Special Resolution relating to the Proposed Amendments, as set out in the Notice of SGM.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

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

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

## 11. GENERAL

Your attention is drawn to the appendices to this Circular.

Yours faithfully  
For and on behalf of the Board  
**China Kangda Food Company Limited**  
Gao Yanxu  
*Executive Director*

## NOTICE OF SPECIAL GENERAL MEETING

# KONDA 康大

## CHINA KANGDA FOOD COMPANY LIMITED

### 中國康大食品有限公司

*(Incorporated in Bermuda with limited liability)*

*(Company Registration Number: 38299)*

**(Hong Kong Stock Code: 834)**

**(Singapore Stock Code: P74)**

NOTICE IS HEREBY GIVEN that a SPECIAL GENERAL MEETING of the shareholders (the “Shareholders”) of China Kangda Food Company Limited (the “Company”) will be held at 10:00 a.m. on Thursday, 12 January 2017 at Tanglin 2, 1st Level RELC International Hotel, 30 Orange Grove Road, Singapore 258352 for the purposes of considering and, if thought fit, passing (with or without modifications) the following ordinary and special resolutions.

*Unless otherwise defined herein, all capitalised terms herein shall bear the same meanings as those used in the circular of the Company dated Monday, 19 December 2016 (the “Circular”).*

#### **ORDINARY RESOLUTION – THE PROPOSED CONVERSION OF THE COMPANY’S LISTING STATUS FROM A PRIMARY LISTING TO A SECONDARY LISTING ON THE MAIN BOARD OF THE SGX-ST**

That:

- (a) with effect from a date to be determined by the Directors, approval be and is hereby given for the conversion of the Company’s listing status from a primary listing to a secondary listing on the Main Board of the SGX-ST; and
- (b) any Director and/or officer of the Company be and is/are hereby authorised to complete and do all such acts and things (including but not limited to executing or amending all such documents as may be required) as he may consider expedient, necessary, appropriate or desirable to give effect to this resolution.

#### **SPECIAL RESOLUTION – THE PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY IN CONNECTION WITH THE PROPOSED CONVERSION**

That subject to and contingent upon the passing of the above-mentioned Ordinary Resolution:

- (c) the amended Bye-laws of the Company, as contained in Appendix 3 to the Circular (which incorporates the proposed amendments to the Bye-laws of the Company as contained in Appendix 2 to the Circular) and submitted to this SGM, be approved and adopted as the new Bye-laws of the Company in substitution for, and to the exclusion of, the existing Bye-laws of the Company with effect from the date of completion of the Proposed Conversion; and
- (b) any Director and/or officer of the Company be and is/are hereby authorised to complete and do all such acts and things (including but not limited to executing or amending all such documents as may be required) as he may consider expedient, necessary, appropriate or desirable to give effect to this resolution.

By Order of the Board  
China Kangda Food Company Limited  
William Fong  
Company Secretary

19 December 2016

**Notes:**

- (1) A member entitled to attend and vote at the meeting who is a holder of two or more shares may appoint not more than two proxies to attend and vote on his/her behalf and where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A proxy need not be a member of the Company.
- (2) A member who wishes to appoint a proxy should complete the attached Shareholder Proxy Form. Thereafter, the proxy form must be lodged at the office of the Company's branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for Hong Kong Shareholders), or the Company's Singapore Share Transfer Agent, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544 (for Singapore Shareholders), not less than forty-eight (48) hours before the time appointed for the meeting.
- (3) Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the Shares shall be accepted to the exclusion of the votes of the other registered holders.
- (4) If the member is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (5) A Depositor (as defined in the SFA) whose name appears in the Depository Register of the Company and who is unable to attend personally but wishes to appoint a nominee to attend and vote on his behalf, or if such Depositor is a corporation, should complete the depositor proxy form under seal or the hand of its duly authorised officer or attorney and lodge the same at the office of the Company's Singapore Share Transfer Agent, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544 not later than forty-eight (48) hours before the time appointed for the meeting.
- (6) The register of members of the Company will be closed from Wednesday, 11 January 2017 to Thursday, 12 January 2017, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the identity of Shareholders who are entitled to attend and vote at the SGM, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 10 January 2017 (for Hong Kong Shareholders), or with the Company's share registrar in Singapore, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 for registration no later than 5:00 p.m., Tuesday, 10 January, 2017 (for Singapore Shareholders).

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**APPENDIX 1 – COMPARISON OF A SUMMARY OF THE PRINCIPAL LISTING RULES OF THE SGX-ST AND THE LISTING RULES OF THE SEHK AND CERTAIN LAWS IN SINGAPORE AND HONG KONG RELEVANT TO THE PROPOSED CONVERSION**

The Company sets out below a summary of the major differences between the HK Listing Rules and the Listing Manual, and certain applicable laws and regulations of Singapore and Hong Kong relevant to the Proposed Conversion, and the takeover rules under the Singapore Take-over Code and the HK Takeovers Code. 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.

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.

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

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

## **Part XIVA of the SFO**

On 1 January 2013, amendments to the SFO came into effect to provide for a new Part XIVA under the SFO giving statutory backing to one of the most important principles in the HK Listing Rules. The provisions under Part XIVA impose a general obligation of disclosure of price sensitive, or “inside” information by listed corporations.

Section 307A(1) of the SFO states that “inside information”, in relation to a listed corporation, means specific information that is about:

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

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

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

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

- (1) disclosure is not required if and so long as it is prohibited under law or court order;
- (2) disclosure is not required if and so long as ALL of the following conditions apply:
  - (a) reasonable precautions have been taken by the listed issuer to preserve confidentiality of the information;



<p>(b) confidentiality of the information is preserved; and</p> <p>(c) one or more of the following is applicable:</p> <p>a. the information concerns an incomplete proposal or negotiation;</p> <p>b. the information is a trade secret;</p> <p>c. the information concerns the provision of liquidity support from the Exchange Fund established by the Exchange Fund Ordinance (Cap. 66 of the Laws of Hong Kong) or from an institution which performs the functions of a central bank; and/or</p> <p>d. disclosure is waived by the SFC.</p> <p>Every officer of a listed issuer must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement. The SFC is empowered to institute disclosure proceedings directly in the Market Misconduct Tribunal (“MMT”) if it appears to the SFC that a breach of a disclosure requirement has or may have taken place. A listed issuer and any officer that are judged to be in breach of a disclosure requirement by the MMT would be subject to civil sanction(s).</p>	
<p><b>SPECIFIC MATTERS RELEVANT TO THE ISSUER’S BUSINESS</b></p> <p><b>I. Advance to an entity</b></p> <p><i>Rules 13.13 to 13.15A of the HK Listing Rules</i></p> <p>Where the relevant advance to an entity exceeds 8% under the assets ratio defined under Rule 14.07(1) of the HK Listing Rules, the issuer must announce the information in Rule 13.15 of the HK Listing Rules as soon as reasonably practicable. For the avoidance of doubt, an advance to a subsidiary of the issuer will not be regarded as an advance to an entity.</p> <p>Where the relevant advance to an entity increases from that previously disclosed under Rule 13.13, 13.14 or 13.20 of the HK Listing Rules and the amount of the increase since</p>	<p><b>Rule 704, Listing Manual:</b></p> <p><b>Announcement of Specific Information</b></p> <p>In addition to Rule 703, an issuer must immediately announce the following:–</p> <p><b>General</b></p> <p>(1) Any change of address of the registered office of the issuer or of any office at which the Register of Members or any other register of securities of the issuer is kept.</p> <p>(2) Any proposed alteration to the Memorandum of Association or Articles of Association or Constitution of the issuer (see Rule 730 which requires issuers to seek the SGX-ST’s approval for any alteration to their Articles or constituent documents).</p>

<p>the previous disclosure is 3% or more under the assets ratio defined under Rule 14.07(1) of the HK Listing Rules, the issuer must announce the information in Rule 13.15 of the HK Listing Rules as soon as reasonably practicable.</p> <p>Under Rule 13.13 or 13.14 of the HK Listing Rules, issuers must announce details of the relevant advance to an entity, including details of the balances, the nature of events or transactions giving rise to the amounts, the identity of the debtor group, interest rate, repayment terms and collateral.</p> <p>For the purpose of Rules 13.13 and 13.14 of the HK Listing Rules, any trade receivable is not regarded as a relevant advance to an entity if:</p> <ol style="list-style-type: none"> <li>(1) it arose in the issuer's ordinary and usual course of business (other than as a result of the provision of financial assistance); and</li> <li>(2) the transaction from which the trade receivable arose was on normal commercial terms.</li> </ol>	<ol style="list-style-type: none"> <li>(3) Deleted</li> <li>(4) Any call to be made on partly paid securities of the issuer or of any of its principal subsidiaries.</li> <li>(5) Any qualification or emphasis of a matter by the auditors on the financial statements of:– <ol style="list-style-type: none"> <li>(a) the issuer; or</li> <li>(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.</li> </ol> </li> <li>(6) If an issuer has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.</li> </ol>
<p><b>II. Financial assistance and guarantees to affiliated companies of an issuer</b></p> <p><i>Rule 13.16 of the HK Listing Rules</i></p> <p>Where the financial assistance to affiliated companies of an issuer, and guarantees given for facilities granted to affiliated companies of an issuer, together in aggregate exceeds 8% under the assets ratio defined under Rule 14.07(1) of the HK Listing Rules, the issuer must announce as soon as reasonably practicable the information as set out in Rule 13.16 of the HK Listing Rules.</p> <p><b>III. Pledging of shares by the controlling shareholder</b></p> <p><i>Rule 13.17 of the HK Listing Rules</i></p> <p>Where the issuer's controlling shareholder has pledged all or part of its interest in the issuer's shares to secure the issuer's debts or to secure guarantees or other support of its obligations, the issuer must announce the information as set out in Rule 13.17 of the HK Listing Rules.</p>	<p><b>Appointment or Cessation of Service</b></p> <ol style="list-style-type: none"> <li>(7) (a) Any appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer. The announcement of an appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority must contain the information contained in Appendix 7.4.1 or Appendix 7.4.2, as the case may be.</li> <li>(b) In the case of a cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager or other executive officer of equivalent authority, such persons must inform the SGX-ST in writing as soon as possible if he is aware of any irregularities in the issuer which would have a material impact on the group, including financial reporting.</li> </ol>

<p><b>IV. Loan agreements with covenants relating to specific performance of the controlling shareholder</b></p> <p><i>Rule 13.18 of the HK Listing Rules</i></p> <p>Where an issuer (or any of its subsidiaries) enters into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholder (e.g. a requirement to maintain a specified minimum holding in the share capital of the issuer) and breach of such an obligation will cause a default in respect of loans that are significant to the issuer's operations, the issuer must announce the information as set out in Rule 13.18 of the HK Listing Rules.</p> <p><b>V. Breach of loan agreement by an issuer</b></p> <p><i>Rule 13.19 of the HK Listing Rules</i></p> <p>When an issuer breaches the terms of its loan agreements for loans that are significant to its operations, such that the lenders may demand their immediate repayment, and where the lenders have not issued a waiver in respect of the breach, the issuer must announce such information as soon as reasonably practicable.</p> <p><b>VI. Sufficient operation</b></p> <p><i>Rules 13.24 to 13.24A of the HK Listing Rules</i></p> <p>An issuer shall carry out, directly or indirectly, a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to SEHK to warrant the continued listing of the issuer's securities. An issuer must, after trading in its listed securities has been suspended, publish periodic announcements of its developments.</p>	<p>(8) Any appointment or reappointment of a director to the audit committee. The issuer must state in the announcement whether the board considers the director to be independent. The issuer must also provide such additional disclosure as may be appropriate in the circumstances to enable its shareholders to assess the independence or otherwise of the appointed director. In the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months.</p> <p>(9) Any appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the issuer to a managerial position in the issuer or any of its principal subsidiaries. The announcement must state the job title, duties and responsibilities of the appointee, and the information required in Rule 704(7).</p> <p>(10) Any promotion of an appointee referred to in Rule 704(9).</p> <p>(11) Any appointment of, or change in legal representative(s) (or person(s) of equivalent authority, however described), appointed as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, with sole powers to represent, exercise rights on behalf of, the issuer and/or that principal subsidiary.</p> <p>(12) For issuers with principal subsidiaries based in jurisdictions other than Singapore, any of its independent directors' appointment or cessation of service from the boards of these principal subsidiaries.</p>
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<p><b>VII. Material matters which impact on profit forecasts</b></p> <p><i>Rule 13.24B of the HK Listing Rules</i></p> <p>If, during the profit forecast period, an event occurs which, had it been known when the profit forecast was made, would have caused any of the assumptions upon which the forecast is based to have been materially different, the issuer must promptly announce the event. In the announcement, the issuer must also indicate its view of the likely impact of that event on the profit forecast already made.</p> <p>If profit or loss generated by some activity outside the issuer's ordinary and usual course of business which was not disclosed as anticipated in the document containing the profit forecast, materially contributes to or reduces the profits for the period to which the profit forecast relates, the issuer must announce this information, including an indication of the level to which the unusual activity has contributed to or reduced the profit.</p> <p>The issuer must announce the information under Rule 13.24B(2)(a) of the HK Listing Rules as soon as it becomes aware that it is likely that the contribution to or reduction in the profits made or to be made by the profit or loss generated or to be generated will be material.</p> <p><b>VIII. Winding-up and liquidation</b></p> <p><i>Rule 13.25 of the HK Listing Rules</i></p> <p>(1) An issuer shall inform SEHK of the happening of any of the following events as soon as it comes to its attention:–</p> <p>(a) the appointment of a receiver or manager either by any court having jurisdiction or under the terms of a debenture or any application to any court having jurisdiction for the appointment of a receiver or manager, or equivalent action in the country of incorporation or other establishment, in respect of the business or any part of the business of the issuer or the property of the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the HK Listing Rules;</p>	<p>(13) Within 60 days after each financial year, the issuer must make an announcement of each person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer as set out in Appendix 7.2 Part II. If there are no such persons, the issuer must make an appropriate negative statement. The SGX-ST may require the issuer to provide additional information on any such person, including his remuneration, any changes to his duties, responsibilities and remuneration package.</p> <p><b>Appointment of Special Auditors</b></p> <p>(14) The SGX-ST may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to the SGX-ST or the issuer's Audit Committee or such other party as the SGX-ST may direct. The issuer may be required by the SGX-ST to immediately announce the requirement, together with such other information as the SGX-ST directs. The issuer may be required by the SGX-ST to announce the findings of the special auditors.</p> <p><b>General Meetings</b></p> <p>(15) The date, time and place of any general meeting. All notices convening meetings must be sent to shareholders at least 14 calendar days before the meeting (excluding the date of notice and the date of meeting). For meetings to pass special resolution(s), the notice must be sent to shareholders at least 21 calendar days before the meeting (excluding the date of notice and the date of meeting).</p> <p>(16) Immediately after each general meeting and before the commencement of the pre-opening session on the market day following the general meeting, whether the resolutions put to a general meeting of an issuer were passed. The announcement shall include:</p> <p>(a) Breakdown of all valid votes cast at the general meeting, in the prescribed format;</p> <p>(b) Details of parties who are required to abstain from voting on any resolution(s), including the number of shares held and the individual resolution(s) on which they are required to abstain from voting; and</p>
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<p>(b) the presentation of any winding-up petition, or equivalent application in the country of incorporation or other establishment, or the making of any winding-up order or the appointment of a provisional liquidator, or equivalent action in the country of incorporation or other establishment, against or in respect of the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the HK Listing Rules;</p> <p>(c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the HK Listing Rules that it be wound up by way of members' or creditors' voluntary winding-up, or equivalent action in the country of incorporation or other establishment;</p> <p>(d) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios defined under Rule 14.04(9) of the HK Listing Rules; or</p> <p>(e) the making of any final judgment, declaration or order by any court or tribunal of competent jurisdiction whether on appeal or at first instance which is not subject to any or further appeal, which may adversely affect the issuer's enjoyment of any portion of its assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios defined under Rule 14.04(9) of the HK Listing Rules.</p>	<p>(c) Name of firm and/or person appointed as scrutineer.</p> <p><b>Acquisitions and Realisations</b></p> <p>(17) Any acquisition of–</p> <p>(a) shares resulting in the issuer holding 10% or more of the total number of issued shares excluding treasury shares of a quoted company;</p> <p>(b) except for an issuer which is a bank, finance company, securities dealing company or approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must state:–</p> <p>(i) the aggregate cost of the issuer's quoted investments before and after the acquisition, and such amounts as a percentage of the latest audited consolidated net tangible assets of the issuer;</p> <p>(ii) the total market value of its quoted investments before and after the acquisition; and</p> <p>(iii) the amount of any provision for diminution in value of investments;</p> <p>(c) shares resulting in a company becoming a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and</p> <p>(d) shares resulting in the issuer increasing its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5)).</p> <p>(18) Any sale of–</p> <p>(a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares of a quoted company;</p>
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<p>(2) Rules 13.25(1)(a), (b) and (c) of the HK Listing Rules will apply to a subsidiary of the issuer if the value of that subsidiary's total assets, profits or revenue represents 5% or more under any of the percentage ratios defined under Rule 14.04(9) of the HK Listing Rules. For the purpose of this Rule 13.25(2) of the HK Listing Rules, 100% of that subsidiary's total assets, profits or revenue (as the case may be) or, where that subsidiary itself has subsidiaries, the consolidated total assets, profits or revenue (as the case may be) of that subsidiary is to be compared to the total assets, profits or revenue (as the case may be) shown in the issuer's latest published audited consolidated financial statements irrespective of the interest held in the subsidiary.</p> <p><b>GENERAL MATTERS RELEVANT TO THE ISSUER'S BUSINESS</b></p> <p><b>I. Changes in issued shares</b></p> <p><i>Rule 13.25A of the HK Listing Rules</i></p> <p>An issuer must, whenever there is a change in its issued shares as a result of or in connection with any of the events referred to in Rule 13.25A(2) of the HK Listing Rules, submit through HKEx-EPS, or such other means as SEHK may from time to time prescribe, for publication on SEHK's website a return in such form and containing such information as SEHK may from time to time prescribe by not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day next following the relevant event.</p>	<p>(b) except for an issuer which is a bank, a finance company, a securities dealing company or an approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment in quoted securities falling below each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must contain the same information as required under Rule 704(17)(b)(i) to (iii), relating to a sale instead of an acquisition;</p> <p>(c) shares resulting in a company ceasing to be a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and</p> <p>(d) shares resulting in the issuer reducing its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5));</p> <p>(19) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10.</p> <p><b>Winding Up, Judicial Management, etc</b></p> <p>(20) Any application filed with a court to wind up the issuer or any of its subsidiaries, or to place the issuer or any of its subsidiaries under judicial management.</p> <p>(21) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.</p>
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<p><b>II. Monthly return</b></p> <p><i>Rule 13.25B of the HK Listing Rules</i></p> <p>A listed issuer shall, by no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the fifth business day next following the end of each calendar month, submit through HKEx-EPS, or such other means as SEHK may from time to time prescribe, for publication on SEHK's website a monthly return in relation to movements in the listed issuer's equity securities, debt securities and any other securitised instruments during the period to which the monthly return relates, in such form and containing such information as SEHK may from time to time prescribe.</p> <p><b>II. Issues of securities</b></p> <p><i>Rule 13.28 of the HK Listing Rules</i></p> <p>Where the directors agree to issue securities for cash in accordance with Rule 13.36(1) (a) or 13.36(2) of the HK Listing Rules, an issuer shall publish an announcement as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day, containing the information in accordance with this Rule.</p> <p><b>III. Pre-emptive rights</b></p> <p><i>Rule 13.36 of the HK Listing Rules</i></p> <p>(1) (a) Except in the circumstances mentioned in Rule 13.36(2) of the HK Listing Rules, the directors of the issuer shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting:—</p> <p>(i) shares;</p> <p>(ii) securities convertible into shares; or</p> <p>(iii) options, warrants or similar rights to subscribe for any shares or such convertible securities;</p>	<p>(22) Any breach of any loan covenants or any notice received from principal bankers or from the trustee of any debenture holders to demand repayment of loans granted to the issuer or any of its subsidiaries which, in the opinion of the issuer's directors, would result in the issuer facing a cash flow problem.</p> <p>(23) Where Rule 704(20), (21) or (22) applies, a monthly update must be announced regarding the issuer's financial situation, including:—</p> <p>(a) the state of any negotiations between the issuer and its principal bankers or trustee; and</p> <p>(b) the issuer's future direction, or other material development that may have a significant impact on the issuer's financial position.</p> <p>If any material development occurs between the monthly updates, it must be announced immediately.</p> <p><b>Announcement of Results, Dividends, etc</b></p> <p>(24) Any recommendation or declaration of a dividend (including a bonus or special dividend, if any), the rate and amount per share and date of payment. If dividends are not taxable in the hands of shareholders, this must be stated in the announcement and in the dividend advice to shareholders. If there is a material variation in the interim or final dividend rate compared to that for the previous corresponding period, the directors must state the reasons for the variation at the time the dividend is recommended or declared. If the directors decide not to declare or recommend a dividend, this must be announced.</p> <p>(25) After the end of each of the first three quarters of its financial year, half year or financial year, as the case may be, an issuer must not announce any:—</p> <p>(a) dividend;</p> <p>(b) capitalisation or rights issue;</p> <p>(c) closing of the books;</p> <p>(d) capital return;</p>
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<p>(b) Notwithstanding Rule 13.36(2)(b) of the HK Listing Rules, the directors of the issuer (other than a PRC issuer, to which the provisions of Rule 19A.38 of the HK Listing Rules apply) shall obtain the consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.</p> <p>(2) No such consent as is referred to in Rule 13.36(1)(a) of the HK Listing Rules shall be required:–</p> <p>(a) for the allotment, issue or grant of such securities pursuant to an offer made to the shareholders of the issuer which excludes for that purpose any shareholder that is resident in a place outside Hong Kong provided the directors of the issuer consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings; or</p>	<p>(e) passing of a dividend; or</p> <p>(f) sales or turnover,</p> <p>unless it is accompanied by the results of the quarter, half year or financial year, as the case may be, or the results have been announced.</p> <p><b>Books Closure</b></p> <p>(26) Any intention to fix a books closure date, stating the date, reason and address of the share registry at which the relevant documents will be accepted for registration. At least 5 market days of notice (excluding the date of announcement and the books closure date) must be given for any books closure date. Issuers could consider a longer notice period, where necessary. Subject to the provisions of the 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.</p> <p>(27) The issuer must not close its books for any purpose until at least 8 market days after the last day of the previous books closure period. This rule does not prohibit identical books closure dates for different purposes.</p>
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<p>(b) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of 20% of the existing issued share capital of the issuer (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in Rule 7.14(3) of the HK Listing Rules, 20% of the issued share capital of an overseas issuer following the implementation of such scheme) plus the number of such securities repurchased by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the existing issued share capital of the issuer), provided that the existing shareholders of the issuer have by a separate ordinary resolution in general meeting given a general mandate to the directors of the issuer to add such repurchased securities to the 20% general mandate.</p> <p>(3) A general mandate given under Rule 13.36(2) of the HK Listing Rules shall only continue in force until:–</p> <p>(a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or</p>	<p><b>Treasury Shares</b></p> <p>(28) Any sale, transfer, cancellation and/or use of treasury shares, stating the following:–</p> <p>(a) Date of the sale, transfer, cancellation and/or use;</p> <p>(b) Purpose of such sale, transfer, cancellation and/or use;</p> <p>(c) Number of treasury shares sold, transferred, cancelled and/or used;</p> <p>(d) Number of treasury shares before and after such sale, transfer, cancellation and/or use;</p> <p>(e) Percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and</p> <p>(f) Value of the treasury shares if they are used for a sale or transfer, or cancelled.</p> <p><b>Employee Share Option or Share Scheme</b></p> <p>(29) Any grant of options or shares. The announcement must be made on the date of the offer and provide details of the grant, including the following:–</p> <p>(a) Date of grant;</p> <p>(b) Exercise price of options granted;</p> <p>(c) Number of options or shares granted;</p> <p>(d) Market price of its securities on the date of grant;</p> <p>(e) Number of options or shares granted to each director and controlling shareholder (and each of their associates), if any; and</p> <p>(f) Validity period of the options.</p>
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<p>(b) revoked or varied by ordinary resolution of the shareholders in general meeting,</p> <p>whichever occurs first;</p> <p>(4) Where the issuer has obtained a general mandate from its shareholders pursuant to Rule 13.36(2)(b) of the HK Listing Rules, any refreshments of the general mandate before the next annual general meeting shall be subject to the following provisions:</p> <p>(a) any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour;</p> <p>(b) SEHK reserves the right to require the following parties to abstain from voting in favour of the relevant resolution at the general meeting:</p> <p>(i) any parties who were controlling shareholders of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their associates; or</p> <p>(5) In the case of a placing of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given under Rule 13.36(2)(b) of the HK Listing Rules if the relevant price represents a discount of 20% or more to the benchmarked price of the securities, such benchmarked price being the higher of:</p> <p>(a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and</p> <p>(b) the average closing price in the 5 trading days immediately prior to the earlier of</p> <p>(i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;</p>	<p><b>Use of Proceeds</b></p> <p>(30) The use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the prospectus or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.</p> <p><b>Loan agreements/Issue of Debt Securities</b></p> <p>(31) When the issuer or any of its subsidiaries enters into a loan agreement or issues debt securities that contain a condition making reference to shareholding interests of any controlling shareholder in the issuer, or places restrictions on any change in control of the issuer, and the breach of this condition or restriction will cause a default in respect of the loan agreement or debt securities, significantly affecting the operations of the issuer:–</p> <p>(a) The details of the condition(s) making reference to shareholding interests of such controlling shareholder in the issuer or restrictions placed on any change in control of the issuer; and</p> <p>(b) The aggregate level of these facilities that may be affected by a breach of such condition or restriction.</p> <p>(32) Any breach of the terms of loan agreements or debt issues which may have a significant impact on the operations of the issuer.</p>
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(ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and

(iii) the date on which the placing or subscription price is fixed,

unless the issuer can satisfy SEHK that it is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves the issue of new securities at a price representing a discount of 20% or more to the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide SEHK with detailed information on the allottees to be issued with securities under the general mandate.

#### **Rule 13.51 of the HK Listing Rules**

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

- (1) any proposed alteration of the issuer's memorandum or articles of association or equivalent documents, and in the case of a PRC issuer, any proposed request by the PRC issuer to a PRC competent authority to waive or otherwise modify any provision of the Regulations;
- (2) any changes in its directorate or supervisory committee, and shall procure that each new director or supervisor or member of its governing body shall sign and lodge with SEHK as soon as practicable after their appointment a declaration and undertaking in the form set out in Form B, H or I, where applicable in Appendix 5.

Where a new director, supervisor or chief executive is appointed or the resignation, re-designation, retirement or removal of a director, supervisor or chief executive takes effect, the issuer must announce the change as soon as practicable and include the details in the announcement in accordance with the Rule 13.51(2) of the HK Listing Rules.

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

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

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

### **General Meeting**

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

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

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

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

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

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

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

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

<p>(5) includes granting an indemnity or a guarantee or providing financial assistance by a listed issuer, other than by a listed issuer which:</p> <ul style="list-style-type: none"> <li>(a) is a banking company and provides the financial assistance in its ordinary and usual course of business;</li> <li>(b) grants an indemnity or a guarantee, or provides financial assistance to its subsidiaries; or</li> <li>(c) is a securities house and provides the financial assistance in its ordinary and usual course of business and upon normal commercial terms;</li> </ul> <p>(6) includes entering into any arrangement or agreement involving the formation of a joint venture entity in any form, such as a partnership or a company, or any other form of joint arrangement, other than a joint venture where:</p> <ul style="list-style-type: none"> <li>(a) the joint venture is engaging in a single purpose project/transaction which is of a revenue nature in the ordinary and usual course of business of the issuer;</li> <li>(b) the joint venture arrangement is on an arm's length basis and on normal commercial terms; and</li> <li>(c) the joint venture agreement contains clause(s) to the effect that the joint venture may not, without its partners' unanimous consent: <ul style="list-style-type: none"> <li>(A) change the nature or scope of its business; or</li> <li>(B) enter into any transactions which are not on an arm's length basis; and</li> </ul> </li> </ul> <p>(7) to the extent not expressly provided in (1) to (6) above, excludes any transaction of a revenue nature in the ordinary and usual course of business of the listed issuer.</p>	
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<p><b>Rule 14.06 of the HK Listing Rules</b></p> <p>The transaction classification is made by using the percentage ratios set out in Rule 14.07 of the HK Listing Rules. The classifications are:–</p> <ol style="list-style-type: none"> <li>(1) share transaction – an acquisition of assets (excluding cash) by a listed issuer where the consideration includes securities for which listing will be sought and where all percentage ratios are less than 5%;</li> <li>(2) discloseable transaction – a transaction or a series of transactions by a listed issuer where any percentage ratio is 5% or more, but less than 25%;</li> <li>(3) major transaction – a transaction or a series of transactions by a listed issuer where any percentage ratio is 25% or more, but less than 100% for an acquisition or 75% for a disposal;</li> <li>(4) very substantial disposal – a disposal or a series of disposals of assets (including deemed disposals) by a listed issuer where any percentage ratio is 75% or more;</li> <li>(5) very substantial acquisition – an acquisition or a series of acquisitions of assets by a listed issuer where any percentage ratio is 100% or more; and</li> <li>(6) reverse takeover – an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of SEHK, constitutes, or is part of a transaction or arrangement or series of transactions or arrangements which constitute, an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirements for new applicants as set out in Chapter 8 of the HK Listing Rules.</li> </ol> <p>A “reverse takeover” normally refers to:–</p> <ol style="list-style-type: none"> <li>(a) an acquisition or a series of acquisitions of assets constituting a very substantial acquisition where there is or which will result in a change in control (as defined in the HK Takeovers Code) of the listed issuer (other than at the level of its subsidiaries); or</li> </ol>	<p><b>Chapter 10 of the Listing Manual (Acquisitions and Realisations)</b></p> <p><b>Rule 1004, Listing Manual</b></p> <p>Transactions are classified into the following categories:</p> <ol style="list-style-type: none"> <li>(a) Non-discloseable transactions;</li> <li>(b) Discloseable transactions;</li> <li>(c) Major transactions; and</li> <li>(d) Very substantial acquisitions or reverse takeovers.</li> </ol> <p><b>Rule 1006, Listing Manual</b></p> <p>A transaction may fall into category (a), (b), (c) or (d) of Rule 1004 depending on the size of the relative figures computed on the following bases:–</p> <ol style="list-style-type: none"> <li>(a) The net asset value of the assets to be disposed of, compared with the group’s net asset value. This basis is not applicable to an acquisition of assets.</li> <li>(b) The net profits attributable to the assets acquired or disposed of, compared with the group’s net profits.</li> <li>(c) The aggregate value of the consideration given or received, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares.</li> <li>(d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.</li> <li>(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.</li> </ol>
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<p>(b) acquisition(s) of assets from a person or a group of persons or any of his/their associates pursuant to an agreement, arrangement or understanding entered into by the listed issuer within 24 months of such person or group of persons gaining control (as defined in the HK Takeovers Code) of the listed issuer (other than at the level of its subsidiaries), where such gaining of control had not been regarded as a reverse takeover, which individually or together constitute(s) a very substantial acquisition.</p> <p><b>Percentage ratios</b></p> <p><i>Rule 14.07 of the HK Listing Rules</i></p> <p>The percentage ratios are the figures, expressed as percentages resulting from each of the following calculations:–</p> <p>(1) Assets ratio – the total assets which are the subject of the transaction divided by the total assets of the listed issuer (see in particular Rules 14.09 to 14.12, 14.16, 14.18 and 14.19 of the HK Listing Rules);</p> <p>(2) Profits ratio – the profits attributable to the assets which are the subject of the transaction divided by the profits of the listed issuer (see in particular Rules 14.13 and 14.17 of the HK Listing Rules);</p> <p>(3) Revenue ratio – the revenue attributable to the assets which are the subject of the transaction divided by the revenue of the listed issuer (see in particular Rules 14.14 and 14.17 of the HK Listing Rules);</p> <p>(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 SEHK’s daily quotations sheets for the five business days immediately preceding the date of the transaction (see in particular Rule 14.15 of the HK Listing Rules); and</p> <p>(5) Equity capital ratio – number of shares to be issued by listed issuer as consideration divided by the total number of listed issuer’s issued shares immediately before the transaction.</p>	<p>Summarily, transactions are categorised as follows:–</p> <p>(a) Non-Discloseable Transaction: Where all of the relative figures in Rule 1006 is 5% or less (Rule 1008(1))</p> <p>(b) Discloseable Transaction: Where any of the relative figures in Rule 1006 exceeds 5% but does not exceed 20% (Rule 1010).</p> <p>(c) Major Transaction: Where any of the relative figures in Rule 1006 exceeds 20% (Rule 1014)</p> <p>(d) Very Substantial Acquisition or Reverse Takeover: Where any of the relative figures in Rule 1006 is 100% or more, or where there is a change in control of the issuer (Rule 1015)</p> <p><b>Rule 1008(1), Listing Manual</b></p> <p>Where a transaction is classified as a Non-Discloseable Transaction, unless Rule 703, 905 or 1009 of the Listing Manual applies, no announcement of the transaction is required.</p> <p><b>Rule 1009, Listing Manual</b></p> <p>If the consideration is satisfied wholly or partly in securities for which listing is being sought, the issuer must announce the transaction as soon as possible after the terms have been agreed, stating the information set out in Chapter 10 Part VI of the Listing Manual.</p> <p><b>Rules 1010, 1014(1) and 1015(1), Listing Manual</b></p> <p>Where the transaction is classified as a Discloseable Transaction, Major Transaction or Very Substantial Acquisition/Reverse Takeover, an issuer must, after terms have been agreed, immediately announce the following:–</p> <p>(1) Particulars of the assets acquired or disposed of, including the name of any company or business, where applicable;</p> <p>(2) A description of the trade carried on, if any;</p> <p>(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;</p> <p>(4) Whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof;</p>
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Note: The value of the listed issuer's debt capital (if any), including any preference shares, shall not be included in the calculation of the equity capital ratio.

Listed issuers must consider all the percentage ratios to the extent applicable for classifying a transaction. In the case of an acquisition where the target entity uses accounting standards different from those of the listed issuer, the listed issuer must, where applicable, perform an appropriate and meaningful reconciliation of the relevant figures for the purpose of calculating the percentage ratios.

### Rule 14.33 of the HK Listing Rules

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

	Notification to Exchange	Publication of an announcement in accordance with rule 2.07C of the HK Listing Rules	Circular to shareholders	Shareholders' approval	Accountants' report
Share transaction	Yes	Yes	No	No <sup>1</sup>	No
Discloseable transaction	Yes	Yes	No	No	No
Major transaction	Yes	Yes	Yes	Yes <sup>2</sup>	Yes <sup>3</sup>
Very substantial disposal	Yes	Yes	Yes	Yes <sup>2</sup>	No <sup>5</sup>
Very substantial acquisition	Yes	Yes	Yes	Yes <sup>2</sup>	Yes <sup>4</sup>
Reverse takeover	Yes	Yes	Yes	Yes <sup>2,6</sup>	Yes <sup>4</sup>

#### Notes:

- No shareholder approval is necessary if the consideration shares are issued under a general mandate. However, if the shares are not issued under a general mandate, the listed issuer is required, pursuant to rule 13.36(2) (b) or rule 19A.38 of the HK Listing Rules, to obtain shareholders' approval in general meeting prior to the issue of the consideration shares.
- Any shareholder and his close associates must abstain from voting if such shareholder has a material interest in the transaction.
- An accountants' report on the business, company or companies being acquired is required (see also rules 4.06 and 14.67(6) of the HK Listing Rules).
- An accountants' report on the business, company or companies being acquired is required (see also rules 4.06 and 14.69(4) of the HK Listing Rules).
- A listed issuer may at its option include an accountants' report (see note 1 to rule 14.68(2)(a)(i) of the HK Listing Rules).
- Approval of the Exchange is necessary.

- 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;
- 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;
- 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;
- 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;
- 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;
- The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction;
- Whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests;
- Details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction; and
- 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. (Rule 1015(1)(a)(ii))

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

	<p>Further, Very Substantial Acquisitions/Reverse Takeovers transactions are conditional upon the approval of shareholders and the approval of the SGX-ST (Rule 1015(1)(b)). A circular to shareholders containing <i>inter alia</i>, the items set out in Rule 1015(5) will need to be distributed to seek shareholders' approval.</p> <p>The disclosures required to be made in such circular for these types of transactions are prescribed in the Listing Manual.</p>
<b>ANNOUNCEMENT OF FINANCIAL RESULTS AND ANNUAL REPORTS</b>	
<p><b>Disclosure of Financial Information</b></p> <p><i>Rule 13.46(1)</i></p> <p>In the case of an issuer (other than an overseas issuer and a PRC issuer):–</p> <p>Such issuer shall send to</p> <p>(a) every member of the issuer; and</p> <p>(b) every other holder of its listed securities (not being bearer securities),</p> <p>a copy of either (A) its annual report including its annual accounts and, where the issuer prepares group accounts within the meaning of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the group accounts, together with a copy of the auditors' report thereon, or (B) its summary financial report not less than 21 days before the date of the issuer's annual general meeting and in any event not more than four months after the end of the financial year to which they relate. The issuer may send a copy of its summary financial report to a member and a holder of its listed securities in place of a copy of its annual report and accounts, provided that it complies with the relevant sections 437 to 446 of Companies Ordinance and in the Companies (Summary Financial Reports) Regulation.</p> <p><b>Annual Reports</b></p> <p><i>Rule 13.47 of the HK Listing Rules</i></p> <p>An issuer's annual report must comply with the provisions set out in Appendix 16 of the HK Listing Rules in relation to annual reports.</p>	<p><b>Rule 705, Listing Manual: Financial Statements</b></p> <p>(1) An issuer must announce the financial statements for the full financial year (as set out in Appendix 7.2) immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.</p> <p>(2) An issuer must announce the financial statements for each of the first three quarters of its financial year (as set out in Appendix 7.2) immediately after the figures are available, but in any event not later than 45 days after the quarter end if:–</p> <p>(a) its market capitalization exceeded S\$75 million as at 31 March 2003; or;</p> <p>(b) it was listed after 31 March 2003 and its market capitalization exceeded S\$75 million at the time of listing (based on the IPO issue price); or</p> <p>(c) its market capitalization is S\$75 million or higher on the last trading day of each calendar year commencing from 31 December 2006. An issuer whose obligation falls within this sub-section (c) will have a grace period of a year to prepare for quarterly reporting.</p> <p>(3) (a) An issuer who falls within the sub-sections in Rule 705(2) above must comply with Rule 705(2) even if its market capitalization subsequently decreases below S\$75 million.</p>

<p><b>Interim Reports</b></p> <p><i>Rule 13.48 of the HK Listing Rules</i></p> <p>In respect of the first six months of each financial year of an issuer unless that financial year is of six months or less, the issuer shall send to the persons listed in Rule 13.46(1) of the HK Listing Rules, either (i) an interim report, or (ii) a summary interim report not later than three months after the end of that period of six months. The issuer may send a copy of its summary interim report to a member and a holder of its listed securities in place of a copy of its interim report, provided that such interim report complies with the relevant provisions of the Companies (Summary Financial Reports) Regulation governing summary financial reports.</p> <p><b>Preliminary Announcements of Results – Full Financial Year</b></p> <p><i>Rule 13.49 of the HK Listing Rules</i></p> <p>(1) An issuer shall publish in accordance with Rule 2.07C of the HK Listing Rules its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any preopening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than three months after the end of the financial year.</p> <p>(2) The preliminary announcement shall be based on the issuer’s financial statements for the financial year which shall have been agreed with the auditors.</p> <p>(3) (a) Where an issuer is unable to make an announcement of its preliminary results based on its financial statements in accordance with Rules 13.49(1) and 13.49(2) of the HK Listing Rules, it must make an announcement not later than three months after the end of the financial year.</p>	<p>(b) An issuer who does not fall within the sub-sections in Rule 705(2) above must announce its first half financial statements (as set out in Appendix 7.2) immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.</p> <p>(4) Notwithstanding the foregoing, with respect to the first announcement to be made by the issuer pursuant to Rules 705(1) or (2) following its listing on the SGX-ST, where the time period between the date of its listing and the final date for the issuer to make the relevant announcement pursuant to Rule 705(1) or (2) above is less than 30 days, the issuer shall have 30 days from the relevant deadline to make the relevant announcement of the financial statements provided that the following conditions are satisfied.</p> <p>(a) the extension is announced by the issuer at the time of the issuer’s listing; and</p> <p>(b) in the announcement referred to in paragraph (a), the issuer must confirm that there is no material adverse change to the financial position of the issuer since the date of its prospectus or introductory document issued in connection with its listing on the SGX-ST.</p> <p>(5) In the case of an announcement of interim financial statements (quarterly or half-yearly, as applicable, but excluding full year financial statements), an issuer’s directors must provide a confirmation that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect. In order to make this confirmation, directors would not be expected to commission an audit of these financial statements. The confirmation may be signed by 2 directors on behalf of the board of directors.</p>
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<p>The announcement must contain at least the following information:–</p> <p>(i) a full explanation for its inability to make an announcement based on financial statements which have been agreed with the auditors. Where there are uncertainties arising from the lack of supporting evidence or relating to the valuation of assets or liabilities, sufficient information to allow investors to determine the significance of the assets or liabilities;</p> <p>(ii) the expected date of the announcement of the financial results for the financial year which shall have been agreed with the auditors; and</p> <p>(iii) so far as the information is available, results for the financial year based on financial results which have yet to be agreed with the auditors. Where possible, those results must have been reviewed by the issuer’s audit committee. In the event that the audit committee disagreed with an accounting treatment which had been adopted or the particulars published in accordance with Rule 13.49(3)(i)(a) of the HK Listing Rules, full details of such disagreement.</p> <p>(b) Where an issuer makes an announcement in accordance with Rule 13.49(3)(i) of the HK Listing Rules, then:</p> <p>(i) the issuer will be required to comply with the requirements set out in Rule 13.49(2) of the HK Listing Rules, as soon as the financial results for the financial year have been agreed with the auditors; and</p> <p>(ii) where the financial results for the financial year which have been agreed by the auditors differ materially from the financial results published by the issuer in accordance with Rule 13.49(3)(i)(c) of the HK Listing Rules, full particulars of, and reasons for, the difference must be set out in the preliminary announcement of such agreed results.</p>	<p><b>Rule 707, Listing Manual: Annual Report</b></p> <p>(1) The time between the end of an issuer’s financial year and the date of its annual general meeting (if any) must not exceed four months.</p> <p>(2) An issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.</p> <p><b>Rule 712 and 713, Listing Manual: Appointment of Auditors</b></p> <p><b>Rule 712:</b></p> <p>(1) An issuer must appoint a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm’s other audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. A mineral, oil and gas company must appoint an auditing firm where the auditing firm and audit partner-in-charge have the relevant industry experience.</p> <p>(2) The auditing firm appointed by the issuer must be:–</p> <p>(a) Registered with the Accounting and Corporate Regulatory Authority (“ACRA”);</p> <p>(b) Registered with and/or regulated by an independent audit oversight body acceptable to the SGX-ST. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies; or</p> <p>(c) Any other auditing firm acceptable by SGX-ST.</p> <p>(3) A change in auditing firm must be specifically approved by shareholders in a general meeting.</p>
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<p>(4) The preliminary announcement of results (made in accordance with Rule 13.49(2) or 13.49(3) of the HK Listing Rules) must comply with the provisions set out in Appendix 16 of the HK Listing Rules in relation to preliminary announcements of results for the full financial year.</p> <p><b>Preliminary Announcements of Results – First Half of The Financial Year</b></p> <p>(6) The issuer shall publish in accordance with Rule 2.07C of the HK Listing Rules a preliminary announcement in respect of its results for the first six months of each financial year, unless that financial year is of six months or less, as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than two months after the end of that period of six months.</p> <p>In circumstances where the issuer is unable to make such an announcement, the issuer must make an announcement within the required time referred to above. The announcement must contain:–</p> <ul style="list-style-type: none"> <li>(i) a full explanation for its inability to make an announcement based on unaudited financial statements; and</li> <li>(ii) the expected date of announcement of the unaudited results for the first half of the financial year.</li> </ul> <p>(7) The preliminary announcement of interim results must comply with the provisions set out in Appendix 16 of the HK Listing Rules in relation to preliminary announcements of interim results.</p>	<p><b>Rule 713, Listing Manual</b></p> <ul style="list-style-type: none"> <li>(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.</li> <li>(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.</li> </ul> <p><b>Rule 719, Listing Manual</b></p> <ul style="list-style-type: none"> <li>(1) Internal Controls <p>An issuer should have a robust and effective system of internal controls, addressing financial, operational and compliance risks. The audit committee (or such other committee responsible) may commission an independent audit on internal controls for its assurance, or where it is not satisfied with the systems of internal control.</p> </li> <li>(2) Suspected Fraud Or Irregularity <p>If the audit committee of an issuer becomes aware of any suspected fraud or irregularity, or suspected infringement of any Singapore laws or regulations or rules of the SGX-ST or any other regulatory authority in Singapore, which has or is likely to have a material impact on the issuer’s operating results or financial position, the audit committee must discuss such matter with the external auditor and, at an appropriate time, report the matter to the board.</p> </li> </ul>
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<p><b>Suspension on Failure to Publish Timely Financial Information</b></p> <p><i>Rule 13.50 of the HK Listing Rules</i></p> <p>Without prejudice to the generality of Rules 13.46, 13.47, 13.48 and 13.49 of the HK Listing Rules, SEHK will normally require suspension of trading in an issuer's securities if an issuer fails to publish periodic financial information in accordance with the HK Listing Rules. The suspension will normally remain in force until the issuer publishes an announcement in accordance with Rule 2.07C of the HK Listing Rules containing the requisite financial information.</p> <p><b>Reporting Accountants</b></p> <p><i>Rule 4.03 of the HK Listing Rules</i></p> <p>All accountants' reports must normally be prepared by certified public accountants who are qualified under the Professional Accountants Ordinance for appointment as auditors of a company and who are independent both of the issuer and of any other company concerned to the same extent as that required of an auditor under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and in accordance with the requirements on independence issued by the Hong Kong Institute of Certified Public Accountants, provided that, in the case of a circular issued by a listed issuer in connection with the acquisition of an overseas company, SEHK may be prepared to permit the accountants' report to be prepared by a firm of practising accountants which is not so qualified but which is acceptable to SEHK. Such a firm must normally have an international name and reputation and be a member of a recognised body of accountants.</p> <p><b>Internal control</b></p> <p>The board should ensure that the issuer maintains sound and effective internal controls to safeguard shareholders' investment and the issuer's assets.</p> <p>The board's annual review should, in particular, consider the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting and financial reporting function.</p>	<p><b>Rule 720, Listing Manual</b></p> <p>(1) An issuer must procure undertakings to comply with the SGX-ST's listing rules from all its directors and executive officers (in the form set out in Appendix 7.7) and submit the undertakings to the SGX-ST if required. An issuer must comply with Rule 210(5), Rule 221 (if applicable) and Rule 210(9)(e) (if applicable) on a continuing basis.</p> <p>(2) Without limiting the generality of the foregoing, where a director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board of directors of the issuer. An announcement containing the details in Appendix 7.4.2 must be made.</p> <p>(3) (a) The SGX-ST may require an issuer to obtain the approval of the SGX-ST for the appointment of a director, a chief executive officer and chief financial officer (or its equivalent rank).</p> <p>(b) The circumstances under which the SGX-ST may effect Rule 720(3)(a) include but are not limited to:–</p> <p>(i) Where the issuer is the subject of an investigation into the affairs of the issuer by a special auditor appointed under Rule 704(12), or a regulatory or enforcement agency;</p> <p>(ii) Where the integrity of the market may be adversely affected;</p> <p>(iii) Where the SGX-ST thinks it necessary in the interests of the public or for the protection of investors; and</p> <p>(iv) Where the issuer refused to extend cooperation to the SGX-ST on regulatory matters.</p> <p>(c) The SGX-ST will give prior notice to the issuer where 3(a) is applicable.</p>
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The directors should at least annually conduct a review of the effectiveness of the issuers' and its subsidiaries' internal control systems and report to shareholders that they have done so in their Corporate Governance Report. The review should cover all material controls, including financial, operational and compliance controls and risk management functions.

The board's annual review should, in particular, consider the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting and financial reporting function.

### **Appointment of Directors**

#### *Rule 3.09 of the HK Listing Rules*

Every director of a listed issuer must satisfy SEHK that he has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a director of a listed issuer. SEHK may request further information regarding the background, experience, other business interests or character of any director or proposed director of a listed issuer.

#### *Rules 13.51B to 13.51C of the HK Listing Rules*

Where there is a change in any of the information required to be disclosed pursuant to Rule 13.51(2) of the HK Listing Rules during the course of the director's or supervisor's term of office, the issuer must inform SEHK and publish an announcement/ annual or interim report of the listed issuer and ensure that the change and/or the updated information regarding the director or supervisor is properly disclosed according to Rules 13.51B and 13.51C of the HK Listing Rules.

## SHARE DISPERSION REQUIREMENT

### Minimum prescribed public holdings and other listings

*Rules 8.08 and 13.32 of the HK Listing Rules*

Issuers shall maintain the minimum percentage of listed securities as prescribed by Rule 8.08 of the HK Listing Rules at all times in public hands (at least 25% of the issuer's total issued share capital must at all times be held by the public for listed issuer with market capitalisation less than HK\$50,000,000). An issuer shall inform SEHK and take certain steps according to this Rule if the number of listed securities in the hands of the public has fallen below the relevant prescribed minimum percentage.

If the percentage falls below the minimum, SEHK reserves the right to suspend trading until appropriate steps have been taken to restore the minimum percentage of securities in public hands. In this connection, SEHK will normally require suspension of trading in an issuer's securities where the percentage of its public float falls below 15%.

### Rule 724, Listing Manual

Under Rule 724(1) 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 724(2) 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 removed from the Official List.

## SHAREHOLDERS' REPORTING OBLIGATIONS ON INTERESTS IN SHARES

### Disclosure of interests in shares

The HK Listing Rules require that the interests held by directors and chief executives and substantial shareholders (i.e. shareholders interested in 10% or more of the voting power) be disclosed in annual reports, interim reports and circulars of the listed company.

The SFO provides that substantial shareholders (i.e. shareholders interested in 5% or more of the shares in the listed company) are required to disclose their interest and short positions (when such substantial shareholder has or ceases to have more than 1% short position) in the shares of the listed company.

Directors and chief executives of a listed company are required to disclose their interest and short position in any shares in a listed company (or any of its associated companies) and their interest in any debentures of the listed company (or any of its associated companies).

The time allowed for disclosure of interest is within 10 business days after the relevant event for "initial notification", and within 3 business days of the day one becomes aware of the relevant event in any other cases.

### Disclosure of interests in shares

Under Sections 135 to 137 of the SFA, a substantial shareholder (i.e. a shareholder having interests in not less than 5% of the total votes attached to all the voting shares in the corporation) of a corporation shall within 2 business days after becoming aware that he is a substantial shareholder, or that there is a change in the percentage level (as defined in the SFA) of his interest, or that he has ceased to be a substantial shareholder, notify the corporation of his interests or change in interests.

Section 133 of the SFA requires every director and chief executive officer of a corporation to give notice in writing to the corporation of particulars of, *inter alia* shares in the corporation which he holds, or in which he has an interests and the nature and extent of that interest, and any change in respect of the particulars. Such notice shall be given within 2 business days after (a) the date on which the director or chief executive officer becomes such a director or chief executive director, (b) the date on which he acquires the relevant interests, or (c) the director or the chief executive officer becomes aware of the change in respect of the particulars, as the case may be.



<p>For a director or chief executive, “initial notification” includes the notification of interests and short position he makes when the company becomes listed, or when he first becomes a director or chief executive. For a substantial shareholder, “initial notification” includes the notification of interests he makes when he has an interest of more than 5% in the shares on the listing of the company.</p>	<p>Section 137G of the SFA requires a corporation which has been notified in writing by a director, chief executive officer or substantial shareholder of, <i>inter alia</i>, the aforesaid interests or changes in interests to announce or otherwise disseminate the information to the securities market as soon as practicable and in any case, no later than the end of the business day following the day on which the corporation received the notice.</p> <p>The aforesaid references in the SFA to a corporation refer to (a) a company (as defined in Section 4(1) of the Singapore Companies Act) any or all of the shares in which are listed for quotation of the official list of the SGX-ST; or (b) a corporation (not being a company, or a collective investment scheme constituted as a corporation) any or all of the shares in which are listed for quotation on the official list of a securities exchange, such listing being a primary listing.</p>
<p><b>DIRECTORS’ OBLIGATIONS ON SECURITIES TRANSACTIONS AND INTERESTS IN SHARES</b></p>	
<p><b>Model Code for Securities Transactions by Directors of Listed Issuers</b></p> <p>Appendix 10 of the HK Listing Rules (the “<b>Model Code</b>”) sets a required standard against which directors must measure their conduct regarding transactions in securities of their listed issuers. Any breach of such required standard will be regarded as a breach of the HK Listing Rules. A director must seek to secure that all dealings in which he is or is deemed to be interested be conducted in accordance with the Model Code.</p> <p><b>Basic Principles</b></p> <p>(1) The Model Code sets a required standard against which directors must measure their conduct regarding transactions in securities of their listed issuers. Any breach of such required standard will be regarded as a breach of the HK Listing Rules. A director must seek to secure that all dealings in which he is or is deemed to be interested be conducted in accordance with the Model Code.</p> <p>(2) A listed issuer may adopt its own code on terms no less exacting than those set out in the Model Code if it so wishes. Any breach of such code will not be a breach of the HK Listing Rules unless it is also a breach of the required standard contained in the Model Code.</p>	<p><b>Disclosure of interests by directors and chief executive officers</b></p> <p>Under Section 133(1) of the SFA, every director and chief executive officer of a corporation shall give notice in writing to the corporation of particulars of:</p> <p>(a) shares in the corporation or in a related corporation of the corporation, which he holds, or in which he has an interest and the nature and extent of that interest.</p> <p>(b) debentures of or participatory interests made available by the corporation or a related corporation of the corporation, which he holds, or in which he has an interest and the nature and extent of that interest;</p> <p>(c) his rights or options, or rights or options of his and another person or other persons, in respect of the acquisition or disposal of shares in or debentures of the corporation or a related corporation of the corporation;</p> <p>(d) contracts to which he is a party, or under which he is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the corporation or in a related corporation of the corporation; and</p>

<p>(3) The SEHK regards it as highly desirable that directors of a listed issuer should hold securities in the listed issuer.</p> <p>(4) Directors wishing to deal in any securities in a listed issuer must first have regard to the provisions of Parts XIII and XIV of the SFO with respect to insider dealing and market misconduct.</p> <p>(5) The single most important thrust of the Model Code is that directors who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions or connected transactions under HK Listing Rules or any inside information must refrain from dealing in the issuer's securities as soon as they become aware of them or privy to them until the information has been announced. Directors who are privy to relevant negotiations or agreements or any inside information should caution those directors who are not so privy that there may be inside information and that they must not deal in the issuer's securities for a similar period.</p> <p>(6) In addition, a director must not make any unauthorised disclosure of confidential information, whether to co-trustees or to any other person or make any use of such information for the advantage of himself or others.</p> <p>Directors and chief executives of a listed company are required to disclose their interest and short position in any shares in a listed company (or any of its associated companies) and their interest in any debentures of the listed company (or any of its associated companies). Please refer to the paragraph headed "Shareholders' Reporting Obligations on Interests in Shares" for more information.</p>	<p>(e) any change in respect of the particulars of any matter referred to in the foregoing paragraphs (a) to (d).</p> <p>Section 4 of the SFA shall apply for the purpose of determining whether a person has an interest in securities under the aforesaid sections of the SFA.</p> <p>Further, a director or chief executive officer of a corporation shall be deemed to have an interest in securities referred to in Section 133(1) of the SFA if a family member (i.e. a spouse, or a son, adopted son, step-son, daughter, adopted daughter or step-daughter below the age of 21 years) of the director or chief executive officer (not being himself a director or chief executive officer of the corporation), as the case may be, holds or has an interest in those securities; and any contract entered into by, any assignment or right of subscription made or exercised by, or any grant made to, a family member of a director or chief executive officer of a corporation (not being himself a director or chief executive officer of the corporation) shall be deemed to have been entered into by, made or exercised by or made to the director or chief executive officer.</p> <p>The aforesaid references in the SFA to a corporation refer to (a) a company (as defined in Section 4(1) of the Singapore Companies Act) any or all of the shares in which are listed for quotation on the official list of a securities exchange; or (b) a corporation (not being a company, or a collective investment scheme constituted as a corporation) any or all of the shares in which are listed for quotation on the official list of a securities exchange, such listing being a primary listing.</p> <p><b>Rule 1207(19), Listing Manual</b></p> <p>Under Rule 1207(19) of the Listing Manual, an issuer must include in its annual report, a statement whether and how the issuer has complied with the following best practices on dealings in securities –</p> <p>(a) a listed issuer should devise and adopt its own internal compliance code to provide guidance to its officers with regard to dealing by the listed issuer and its officer in its securities;</p> <p>(b) an officer should not deal in his company's securities on short-term consideration; and</p>
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	<p>(c) a listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three quarters in its financial year and one month before the announcement of the company's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the company's half year and full year financial statements (if not required to announce quarterly financial statements).</p> <p><b>Appendix 7.1, Listing Manual</b></p> <p>Under paragraphs 27 to 30 of Appendix 7.1 of the Listing Manual:</p> <p>(a) issuers and parties who may be regarded as insiders should be fully aware of the provisions in any applicable legislation on insider trading;</p> <p>(b) persons who come into possession of material information, before its public release, are considered insiders for the purposes of the SGX-ST's corporate disclosure policies. Such persons include substantial shareholders, directors, executive officers and other employees, and frequently also include the issuer's lawyers, accountants, bankers, investment bankers, public relations consultants, advertising agencies, consultants, valuers and other third parties. The associates (as defined in "Definitions and Interpretation") of, and those under the control of, insiders may also be regarded as insiders. Where an issuer is involved in the negotiation of an acquisition or transaction, the other parties to the negotiation may also be regarded as insiders;</p> <p>(c) issuers should make insiders (and others who have access to material information on the issuer before it is publicly disclosed) aware that trading in the issuer's securities while in possession of undisclosed material information or tipping such information is an offence under Singapore's securities laws and may also give rise to civil liability. Issuers are advised to refer to the best practices guide which provides guidance on the principles and best practices with regard to dealings by the directors and employees of the issuers in their respective issuer's securities; and</p>
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	<p>(d) issuers should establish, publish and enforce effective procedures applicable to the purchase and sale of the securities of the issuer and listed members of its group by officers, directors, employees and other insiders. The procedures should be designed not only to prevent improper trading, but also to avoid any question of the propriety of insider purchases or sales.</p>
<p><b>ON-MARKET SHARE BUYBACKS</b></p>	
<p><b>Rule 10.06 of the HK Listing Rules</b></p> <p>An issuer whose primary listing is on SEHK may only purchase shares on SEHK, either directly or indirectly, if (i) the shares proposed to be purchased by the issuer are fully-paid up, (ii) the issuer has previously sent to its shareholders an Explanatory Statement complying with the provisions of Rule 10.06(1)(b) of the HK Listing Rules; and (iii) its shareholders have given a specific approval or a general mandate to its directors to make the purchase(s), by way of an ordinary resolution which complies with Rule 10.06(1)(c) of the HK Listing Rules and which has been passed at a general meeting of the issuer duly convened and held.</p> <p>The issuer must send to its shareholders an Explanatory Statement (at the same time as the notice of the relevant shareholders' meeting) containing all the information reasonably necessary to enable those shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the purchase by the issuer of shares including the information set out in Rule 10.06(1)(b) of the HK Listing Rules.</p> <p>At the same time as the Explanatory Statement is sent to shareholders of the issuer, the issuer should submit to SEHK (a) a confirmation from the issuer that the Explanatory Statement contains the information required under Rule 10.06(1)(b) of the HK Listing Rules and that neither the Explanatory Statement nor the proposed share repurchase has unusual features; and (b) the undertaking from its directors to SEHK according to Rule 10.06(1)(b)(vi) of the HK Listing Rules.</p>	<p><b>Rule 881, Listing Manual</b></p> <p>An issuer may purchase its own shares (“share buy-back”) if it has obtained the prior specific approval of shareholders in general meeting.</p> <p><b>Rule 882, Listing Manual</b></p> <p>A share buy-back may only be made by way of on-market purchases transacted through the SGX-ST’s trading system or on another stock exchange on which the issuer’s equity securities are listed (“market acquisition”) or by way of an off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Singapore Companies Act. Unless a lower limit is prescribed under the issuer’s law of incorporation, such share buy-back shall not exceed 10 per cent of the total number of issued ordinary shares in the capital of the issuer as at the date of the resolution passed by shareholders for the share buy-back.</p> <p><b>Rule 883, Listing Manual</b></p> <p>For the purpose of obtaining shareholder approval, the issuer must provide at least the following information to shareholders:–</p> <ol style="list-style-type: none"> <li>(1) The information required under the Singapore Companies Act;</li> <li>(2) The reasons for the proposed share buy-back;</li> <li>(3) The consequences, if any, of share purchases by the issuer that will arise under the Singapore Take-over Code or other applicable takeover rules;</li> <li>(4) Whether the share buy-back, if made, could affect the listing of the issuer’s equity securities on the SGX-ST;</li> </ol>

<p>The ordinary resolution proposed to shareholders to give the directors of the issuer a specific approval or general mandate to purchase shares must include: (i) the total number and description of the shares which the issuer is authorised to purchase, provided that the number of shares which the issuer is authorised to purchase on SEHK or on another stock exchange recognised for this purpose by the SFC and SEHK under the Code on Share Buy-backs, may not exceed 10 per cent. of the issued share capital of the issuer and the total number of warrants to subscribe for or purchase shares (or other relevant class of securities) authorised to be so purchased may not exceed 10 per cent. of the warrants of the issuer (or such other relevant class of securities, as the case may be), in each case as at the date of the resolution granting the general mandate; and (ii) the dates on which the authority conferred by the resolution will commence and determine. Such authority may only continue in force until:–</p> <p>(A) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or</p> <p>(B) revoked or varied by ordinary resolution of the shareholders in general meeting, whichever occurs first.</p> <p>The issuer must report the outcome of the general meeting called to consider the proposed purchases to the SEHK immediately following the meeting.</p>	<p>(5) Details of any share buy-back made by the issuer in the previous 12 months (whether market acquisitions or off-market acquisitions in accordance with an equal access scheme), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and</p> <p>(6) Whether the shares purchased by the issuer will be cancelled or kept as treasury shares.</p> <p><b>Shareholding Spread Requirements</b></p> <p><b>Rule 723, Listing Manual</b></p> <p>An issuer must ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.</p> <p><b>Dealing Restrictions</b></p> <p><b>Rule 884, Listing Manual</b></p> <p>An issuer may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing price. For this purpose, the average closing market price is:–</p> <p>(1) the average of the closing market prices of the shares over the last 5 market days on which transactions in the share were recorded, before the day the purchases are made; and</p> <p>(2) deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.</p> <p><b>Rule 885, Listing Manual</b></p> <p>An issuer making an off-market purchase in accordance with an equal access scheme, must issue an offer document to all shareholders containing at least the following information:</p> <p>(1) Terms and conditions of offer;</p> <p>(2) Period and procedures for acceptances; and</p> <p>(3) Information in Rule 883(2), (3), (4), (5) and (6).</p>
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<b>Dealing Restrictions</b>	<b>Reporting Requirements</b>
<p>(1) An issuer shall not purchase its shares on SEHK 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 SEHK;</p> <p>(2) an issuer shall not purchase its shares on SEHK for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SEHK from time to time;</p> <p>(3) an issuer shall not knowingly purchase its shares from a core connected person and a core connected person shall not knowingly sell shares to the issuer, on SEHK;</p> <p>(4) an issuer shall procure that any broker appointed by the issuer to effect the purchase of its shares shall disclose to SEHK such information with respect to purchases made on behalf of the issuer as SEHK may request;</p> <p>(5) an issuer shall not purchase its shares on SEHK at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of:</p> <p>(i) the date of the board meeting (as such date is first notified to SEHK in accordance with the HK Listing Rules) for the approval of the issuer's results for any year, half-year, quarterly or any other interim period (whether or not required under the HK Listing Rules); and</p> <p>(ii) the deadline for the issuer to announce its results for any year or half-year under the HK Listing Rules, or quarterly or any other interim period (whether or not required under the HK Listing Rules),</p> <p>and ending on the date of the results announcement, the issuer may not purchase its shares on SEHK, unless the circumstances are exceptional;</p>	<p><b>Rule 886(1), Listing Manual</b></p> <p>(1) An issuer must notify the SGX-ST of any share buy-back as follows:-</p> <p>(i) In the case of a market acquisition, by 9.00 am on the market day following the day on which it purchased shares,</p> <p>(ii) In the case of an off-market acquisition under an equal access scheme, by 9.00 am on the second market day after the close of acceptances of the offer.</p> <p>(2) Notification must be in the form of Appendix 8.3.1 (or 8.3.2 for an issuer with a dual listing on another stock exchange).</p>

- (6) an issuer whose primary listing is on SEHK may not purchase its shares on the SEHK if that purchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage for that issuer (as determined by SEHK at the time of listing under Rule 8.08 of the HK Listing Rules); and
- (7) SEHK may waive all or part of the above restrictions if, in the opinion of SEHK, there are exceptional circumstances (such as, but without limitation, political or economic events having a material adverse effect on the price of shares of the issuer or issuers listed on SEHK generally) justifying the waiver of such restrictions. A waiver may be granted either with respect to a fixed amount of securities of an issuer or generally or on such conditions as SEHK shall specify and may be expressed to continue for a stated period of time or until further notice.

#### **Subsequent Issues**

An issuer whose primary listing is on the SEHK may not make a new issue of shares or announce a proposed new issue of shares for a period of 30 days after any purchase by it of shares, whether on SEHK or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the issuer to issue securities, which were outstanding prior to that purchase of its own securities), without the prior approval of SEHK.

#### **Reporting Requirements**

An issuer shall:

- (1) submit for publication to the SEHK not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a purchase of shares (whether on SEHK or otherwise) details of the repurchase as required under Rule 10.06(4)(a) of the HK Listing Rules; and

<p>(2) include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the details of the shares purchased each month (whether on SEHK or otherwise) as required under Rule 10.06(4)(b) of the HK Listing Rules.</p> <p><b>Status of Purchased shares</b></p> <p>The listing of all shares which are purchased by an issuer (whether on SEHK or otherwise) shall be automatically cancelled upon purchase and the issuer must apply for listing of any further issues of that type of shares in the normal way. The issuer shall ensure that the documents of title of purchased shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase.</p>	
<p><b>ISSUANCE OF NEW SHARES, CONVERTIBLE BONDS OR BONDS WITH WARRANTS</b></p>	
<p>Please refer to the sub-paragraph headed “General Matters Relevant to the Issuer’s Business – (IV) Pre-emptive rights” under the paragraph headed “Reporting Requirements” above for more information.</p>	<p>Pricing formulae prescribed under the Listing Manual for various issues of additional securities</p> <p><b>Issue of Shares, Company Warrants and Convertible Securities For Cash (Other than Rights Issues)</b></p> <p><b>Rule 811, Listing Manual</b></p> <p>(1) An issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the issuer’s shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed.</p> <p>(2) An issue of company warrants or other convertible securities is subject to the following requirements:–</p> <p>(a) if the conversion price is fixed, the price must not be more than 10% discount to the prevailing market price of the underlying shares prior to the signing of the placement or subscription agreement.</p>



	<p>(b) if the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10% of the prevailing market price of the underlying shares before conversion.</p> <p>(3) Rule 811(1) and 811(2) is not applicable if specific shareholder approval is obtained for the issue of shares, company warrants or other convertible securities;</p> <p>(4) Where specific shareholders' approval is sought, the circular must include the following:</p> <p>(a) Information is required under Rule 810; and</p> <p>(b) The basis upon which the discount was determined.</p> <p><b>Issue of Company Warrants or other Convertible Securities, by way of a Rights Issue or Bought Deal or otherwise</b></p> <p><b>Rule 806(2), Listing Manual</b></p> <p>A general mandate must limit the aggregate number of shares and convertible securities that may be issued. The limit must be not more than 50% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the total number of issued shares excluding treasury shares. Unless prior shareholder approval is required under the rules of the Listing Manual, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.</p> <p><b>Rule 833, Listing Manual</b></p> <p>The following additional requirements apply to an offer of company warrants or other convertible securities by way of a rights issue or bought deal:–</p> <p>(1) The issuer's announcement of the rights issue or bought deal must include either:–</p> <p>(a) the exercise or conversion price of the company warrants or other convertible securities, or</p>
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<p><b>Chapter 17 of the HK Listing Rules (Share Option Schemes)</b></p> <p>The scheme document must include the following provisions and/or provisions as to the following (as the case may be):</p> <ol style="list-style-type: none"> <li>(1) the purpose of the scheme;</li> <li>(2) the participants of the scheme and the basis of determining the eligibility of participants;</li> <li>(3) the total number of securities which may be issued upon exercise of all options to be granted under the scheme, together with the percentage of the issued share capital that it represents at the date of approval of the scheme;</li> </ol>	<ol style="list-style-type: none"> <li>(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.</li> </ol> <ol style="list-style-type: none"> <li>(2) Where a price-fixing formula is adopted:–       <ol style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ol> </li> <li>(3) An offer of company warrants or convertible securities by way of a bought deal must comply with Part V of this Chapter.</li> </ol> <p><b>Rule 838, Listing Manual</b></p> <p>An issuer must satisfy the SGX-ST that its daily weighted average price, adjusted for the capitalisation issue or subdivision of shares (“adjusted price”), will not be less than S\$0.50. When deciding, the SGX-ST may take into account an issuer’s adjusted price for the month preceding the application date.</p> <p><b>Share Option Schemes or Share Schemes</b></p> <p><b>Rule 845, Listing Manual</b></p> <p>A limit on the size of each scheme, the maximum entitlement for each class or category of participant (where applicable), and the maximum entitlement for any one participant (where applicable) must be stated.</p> <p>For mainboard issuers, the following limits must not be exceeded:–</p> <ol style="list-style-type: none"> <li>(1) The aggregate number of shares available under all schemes must not exceed 15% of the total number of issued shares excluding treasury shares from time to time;</li> </ol>
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<p>(4) the maximum entitlement of each participant under the scheme;</p> <p>(5) the period within which the securities must be taken up under the option, which must not be more than 10 years from the date of grant of the option;</p> <p>(6) the minimum period, if any, for which an option must be held before it can be exercised;</p> <p>(7) the performance targets, if any, that must be achieved before the options can be exercised or, if none, a negative statement to that effect;</p> <p>(8) the amount, if any, payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid;</p> <p>(9) the basis of determination of the exercise price;</p> <p>(10) the voting, dividend, transfer and other rights, including those arising on a liquidation of the listed issuer, attaching to the securities and (if appropriate) any such rights attaching to the options themselves;</p> <p>(11) the life of the scheme, which must not be more than 10 years;</p> <p>(12) the circumstances under which options will automatically lapse;</p> <p>(13) a provision for adjustment of the exercise price or the number of securities subject to options already granted and to the scheme in the event of a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital;</p> <p>(14) a provision for the cancellation of options granted but not exercised;</p> <p>(15) unless the securities subject to the scheme are identical with other securities, a provision that they must be separately designated;</p>	<p>(2) The aggregate number of shares available to controlling shareholder and their associates must not exceed 25% of the shares available under a scheme;</p> <p>(3) The number of shares available to each controlling shareholder or his associate must not exceed 10% of the shares available under a scheme;</p> <p>(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</p> <p>(5) The maximum discount under the scheme must not exceed 20%. The discount must have been approved by shareholders in a separate resolution.</p> <p><b>Offering of Securities in Singapore</b></p> <p>No person shall make an offer of securities in Singapore unless that offer is accompanied by a prospectus or falls within any of the exemptions provided under the SFA.</p> <p><b>Section 161 of the Singapore Companies Act</b></p> <p>The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the articles of association of that company. However, notwithstanding anything to the contrary in the articles of association of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares. Such approval need not be specific but may be general.</p> <p><b>Rule 806(1), Listing Manual</b></p> <p>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:</p> <p>(i) shares; or</p> <p>(ii) convertible securities; or</p>
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<p>(16) where there is a provision for termination of the operation of the scheme before the end of its life, a provision for the treatment of options granted under the scheme but not yet exercised at the time of termination;</p> <p>(17) transferability of options; and</p> <p>(18) the specific terms of the scheme that can be changed by directors or scheme administrators without the approval of shareholders of the listed issuer in general meeting.</p>	<p>(iii) additional convertible securities issued pursuant to Rule 829, notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or</p> <p>(iv) shares arising from the conversion of the securities in (ii) and (iii) notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued.</p> <p><b>Rule 806(2), Listing Manual</b></p> <p>A general mandate must limit the aggregate number of shares and convertible securities that may be issued. The limit must be not more than 50% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the total number of issued shares excluding treasury shares. Unless prior shareholder approval is required under the Listing Manual, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.</p> <p><b>Rule 806(6), Listing Manual</b></p> <p>A general mandate may remain in force until the earlier of the following:–</p> <p>(a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution. By an ordinary resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or</p> <p>(b) it is revoked or varied by ordinary resolution of the shareholders in general meeting.</p> <p><b>Specific Mandate</b></p> <p><b>Rule 824, Listing Manual</b></p> <p>Every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting.</p>
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**Rule 864, Listing Manual**

In considering an application for listing of additional equity securities the SGX-ST takes into account, among other factors, the following:

- (1) rationale for the issue;
- (2) whether the issuer is and has been in compliance with the rules of the Listing Manual;
- (3) whether the issuer has made full disclosure of the material facts relating to the issue necessary for SGX-ST to decide on the application. The purpose of the information supplied to SGX-ST is for SGX-ST to assess whether the shares qualify for listing. Approval for listing of the additional shares is not an indication of the merits of the transaction; and
- (4) SGX-ST must be notified immediately if, before the commencement of dealing in any equity securities which are the subject of an application, the issuer becomes aware that:–
  - (a) There has been a significant change 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.

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

**PROHIBITION OF UNFAIR TRADING ACTIVITIES**

**Insider Dealing – Section 270 of Part XIII of the SFO:**

- (a) insider dealing means a person connected with a listed company utilizing relevant information directly or indirectly for trading in such listed company’s listed securities;
- (b) in practical terms, insider dealing refers to intended use of confidential and price sensitive information of a listed company for trading in such listed company’s listed securities or disclose to those confidential and price sensitive information who are intended to use those information for trading in securities of listed company;
- (c) “a person connected with a listed company” includes directors, employees, substantial shareholders of the listed company or related company of the listed company. It also includes a person who has access to who is reasonably expected to have access to the relevant information (Please refer to section 247 of the SFO);

**Section 218, SFA**

**Prohibited conduct by connected person in possession of inside information**

- (1) Subject to this Division, where –
  - (a) a person who is connected to a corporation possesses information concerning that corporation that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities of that corporation; and
  - (b) the connected person knows or ought reasonably to know that –
    - (i) the information is not generally available; and
    - (ii) if it were generally available, it might have a material effect on the price or value of those securities of that corporation,

subsections (2), (3), (4), (5) and (6) shall apply.
- (1A) Subject to this Division, where –
  - (a) a person who is connected to any corporation, where such corporation –
    - (i) in relation to a business trust, acts as its trustee or manages or operates the business trust; or
    - (ii) in relation to a collective investment scheme that invests primarily in real estate and real estate-related assets specified by the Authority in the Code on Collective Investment Schemes and all or any units of which are listed on a securities exchange, is the trustee or manager of the scheme,

	<p>possesses information concerning that corporation, business trust or scheme, as the case may be, that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities of that corporation, of securities of that business trust or of units in that scheme, as the case may be; and</p> <p>(b) the connected person knows or ought reasonably to know that –</p> <p>(i) the information is not generally available; and</p> <p>(ii) if it were generally available, it might have a material effect on the price or value of those securities of that corporation, of those securities of that business trust or of those units in that scheme, as the case may be,</p> <p>subsections (2), (3), (4A), (5) and (6) shall apply.</p> <p>(2) The connected person must not (whether as principal or agent) –</p> <p>(a) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities referred to in subsection (1) or (1A), as the case may be; or</p> <p>(b) procure another person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities referred to in subsection (1) or (1A), as the case may be.</p> <p>(3) Where trading in the securities referred to in subsection (1) or (1A) is permitted on the securities market of a securities exchange or futures market of a futures exchange, the connected person must not, directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the connected person knows, or ought reasonably to know, that the other person would or would be likely to –</p> <p>(a) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities; or</p>
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	<p>(b) procure a third person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities.</p> <p>(4) In any proceedings for a contravention of subsection (2) or (3) against a person connected to a corporation referred to in subsection (1), where the prosecution or plaintiff proves that the connected person was at the material time –</p> <p>(a) in possession of information concerning the corporation to which he was connected; and</p> <p>(b) the information was not generally available,</p> <p>it shall be presumed, until the contrary is proved, that the connected person knew at the material time that –</p> <p>(i) the information was not generally available; and</p> <p>(ii) if the information were generally available, it might have a material effect on the price or value of securities of that corporation.</p> <p>(4A) In any proceedings for a contravention of subsection (2) or (3) against a person connected to a corporation which –</p> <p>(a) in relation to a business trust, acts as its trustee or manages or operates the business trust; or</p> <p>(b) in relation to a collective investment scheme, is the trustee or manager of the scheme,</p> <p>as the case may be, referred to in subsection (1A), where the prosecution or plaintiff proves that the connected person was at the material time –</p> <p>(i) in possession of information concerning the corporation, business trust or scheme, as the case may be; and</p> <p>(ii) the information was not generally available,</p>
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	<p>it shall be presumed, until the contrary is proved, that the connected person knew at the material time that –</p> <ul style="list-style-type: none"> <li>(A) the information was not generally available; and</li> <li>(B) if the information were generally available, it might have a material effect on the price or value of securities of that corporation, of securities of that business trust or of units in the scheme, as the case may be.</li> </ul> <p>(5) In this Division –</p> <ul style="list-style-type: none"> <li>(a) “connected person” means a person referred to in subsection (1) or (1A) who is connected to a corporation; and</li> <li>(b) a person is connected to a corporation if – <ul style="list-style-type: none"> <li>(i) he is an officer of that corporation or of a related corporation;</li> <li>(ii) he is a substantial shareholder in that corporation or in a related corporation; or</li> <li>(iii) he occupies a position that may reasonably be expected to give him access to information of a kind to which this section applies by virtue of – <ul style="list-style-type: none"> <li>(A) any professional or business relationship existing between himself (or his employer or a corporation of which he is an officer) and that corporation or a related corporation; or</li> <li>(B) being an officer of a substantial shareholder in that corporation or in a related corporation.</li> </ul> </li> </ul> </li> </ul>
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	<p>(6) In subsection (5), “officer”, in relation to a corporation, includes –</p> <ul style="list-style-type: none"> <li>(a) a director, secretary or employee of the corporation;</li> <li>(b) a receiver, or receiver and manager, of property of the corporation;</li> <li>(c) a judicial manager of the corporation;</li> <li>(d) a liquidator of the corporation; and</li> <li>(e) a trustee or other person administering a compromise or arrangement made between the corporation and another person.</li> </ul> <p><b>Section 219, SFA</b></p> <p><b>Prohibited conduct by other persons in possession of inside information</b></p> <p>(1) Subject to this Division, where –</p> <ul style="list-style-type: none"> <li>(a) a person who is not a connected person referred to in section 218 (referred to in this section as the insider) possesses information that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities; and</li> <li>(b) the insider knows that – <ul style="list-style-type: none"> <li>(i) the information is not generally available; and</li> <li>(ii) if it were generally available, it might have a material effect on the price or value of those securities,</li> </ul> </li> </ul> <p>subsections (2) and (3) shall apply.</p> <p>(2) The insider must not (whether as principal or agent) –</p> <ul style="list-style-type: none"> <li>(a) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities; or</li> </ul>
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<p>(d) “inside information” refers to price sensitive information which has not been disclosed to the public. In simple terms, it is some specific information which is not known to the general investor but if it is published, it may materially affect the share price (Please refer to section 245 of the SFO);</p> <p>(e) Directors of a listed company have the obligation to take reasonable measures to prevent the happening of insider dealing.</p>	<p>(b) procure another person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities.</p> <p>(3) Where trading in the securities referred to in subsection (1) is permitted on the securities market of a securities exchange or futures market of a futures exchange, the insider must not, directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the insider knows, or ought reasonably to know, that the other person would or would be likely to –</p> <p>(a) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities; or</p> <p>(b) procure a third person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities.</p> <p><b>Section 197, SFA</b></p> <p><b>False trading and market rigging transactions</b></p> <p>(1) No person shall do anything, cause anything to be done or engage in any course of conduct, if his purpose, or any of his purposes, for doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, is to create a false or misleading appearance –</p> <p>(a) of active trading in any securities on a securities market; or</p> <p>(b) with respect to the market for, or the price of, such securities.</p> <p>(1A) No person shall do anything, cause anything to be done or engage in any course of conduct that creates, or is likely to create, a false or misleading appearance of active trading in any securities on a securities market, or with respect to the market for, or the price of, such securities, if –</p> <p>(a) he knows that doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance; or</p>
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<p><b>False Trading – Section 274 of Part XIII of the SFO:</b></p> <p>When a person carries out the following activities with intent or recklessly, false trading is considered to have been committed:</p> <p>(a) in relation to securities or futures contracts, creating a false or misleading appearance of active trading or in creating an artificial price, or maintaining at a level that is artificial a price for dealings in securities or futures contracts; or</p> <p>(b) to effect “false trading” (i.e. there is actual trading in securities but there had been no change in beneficial interest) or (the asking price is the same or almost the same as the bidding price and vice versa).</p> <p><b>Price Rigging – Section 275 of Part XIII of the SFO:</b></p> <p>When a person carries out the following activities, price rigging is considered to have been committed:</p> <p>(a) carry out securities transaction which does not involve a change in the beneficial ownership that has the effect of maintaining, increasing, reducing, stabilising or causing fluctuations in the price of the securities; or</p> <p>(b) carry out fictitious or artificial securities transaction with intent or recklessly that has the effect of maintaining, increasing, reducing, stabilising or causing fluctuations in the price of the securities or dealing in futures contracts.</p> <p><b>Disclosure of False or Misleading Information inducing transactions – Section 277 of Part XIII of the SFO:</b></p> <p>Disclosure of false or misleading information that is likely to induce another person to subscribe for securities, or deal in futures contracts; or sale or purchase of securities; or maintain, increase, reduce or stabilise the price of securities or dealings in futures contracts and those information is false or misleading as to a fact or is false or misleading through omission of a material fact and the person who discloses the information knows or is reckless or negligent as to whether the information is false or misleading as to a material fact or is false or misleading through the omission of a material fact.</p>	<p>(b) he is reckless as to whether doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance.</p> <p>(2) No person shall, by means of any purchase or sale of any securities that do not involve a change in the beneficial ownership of those securities, or by any fictitious transaction or device, maintain, inflate, depress, or cause fluctuations in, the market price of any securities.</p> <p>(3) Without prejudice to the generality of subsection (1), where a person –</p> <p>(a) effects, takes part in, is concerned in or carries out, directly or indirectly, any transaction of purchase or sale of any securities, being a transaction that does not involve any change in the beneficial ownership of the securities;</p> <p>(b) makes or causes to be made an offer to sell any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of securities at a price that is substantially the same as the first- mentioned price; or</p> <p>(c) makes or causes to be made an offer to purchase any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of securities at a price that is substantially the same as the first- mentioned price,</p> <p>it shall be presumed that his purpose, or one of his purposes, for doing so is to create a false or misleading appearance of active trading in securities on a securities market.</p>
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<p><b>Stock Market Manipulation – Section 278 of Part XIII of the SFO:</b></p> <p>When a person carries out directly or indirectly 2 or more transactions in securities of a listed company with the intention to induce another person to purchase or subscribe or refrain from selling securities of the listed company or related company of the listed company as a result of which or in conjunction with any other transaction causing the following shall be regarded as stock market manipulation:</p> <p>(a) increase or are likely to increase the price of any securities;</p> <p>(b) reduce or are likely to reduce the price of any securities; or</p> <p>(c) maintain or stabilise or are likely to maintain or stabilise the price of any securities.</p> <p><b>Orders of Market Misconduct Tribunal – Section 257 of Part XIII of the SFO:</b></p> <p>If in breach of the above provisions of market misconduct, the Market Misconduct Tribunal may impose sanctions and has the power to make order:</p> <p>(a) prohibiting relevant persons from participating in management of a listed company for the period not exceeding 5 years;</p> <p>(b) prohibiting relevant persons from sale and purchase of specific financial product and carrying out specific market misconducts;</p> <p>(c) ordering relevant persons to pay to the government an amount not exceeding the amount gained or amount of loss avoided as a result of committing market misconduct and to indemnify the government and the SFC reasonable costs and expenses incidental to proceedings or investigation brought about; and</p> <p>(d) ordering that any body which may take disciplinary action against the relevant person be recommended to take disciplinary action against him.</p>	<p>(4) The presumption under subsection (3) may be rebutted if the defendant establishes that the purpose or purposes for which he did the act was not, or did not include, the purpose of creating a false or misleading appearance of active trading in securities on a securities market.</p> <p>(5) For the purposes of this section, a purchase or sale of securities does not involve a change in the beneficial ownership if a person who had an interest in the securities before the purchase or sale, or a person associated with the first mentioned person in relation to those securities, has an interest in the securities after the purchase or sale.</p> <p>(6) In any proceedings against a person for a contravention of subsection (2) in relation to a purchase or sale of securities that did not involve a change in the beneficial ownership of those securities, it is a defence if the defendant establishes that the purpose or purposes for which he purchased or sold the securities was not, or did not include, the purpose of creating a false or misleading appearance with respect to the market for, or the price of, securities.</p> <p>(7) The reference in subsection (3)(a) to a transaction of purchase or sale of securities includes –</p> <p>(a) a reference to the making of an offer to purchase or sell securities; and</p> <p>(b) a reference to the making of an invitation, however expressed, that expressly or impliedly invites a person to offer to purchase or sell securities.</p> <p><b>Section 198, SFA</b></p> <p><b>Securities market manipulation</b></p> <p>(1) No person shall effect, take part in, be concerned in or carry out, directly or indirectly, 2 or more transactions in securities of a corporation, being transactions that have, or are likely to have, the effect of raising, lowering, maintaining or stabilising the price of securities of the corporation on a securities market, with intent to induce other persons to subscribe for, purchase or sell securities of the corporation or of a related corporation.</p>
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<p><b>Penalty on Offenses relating to dealings in securities and futures contracts – Section 303 of Part XIV of the SFO:</b></p> <p>In breach of the above provisions of market misconducts may entail criminal prosecution. If convicted on indictment, the maximum penalty is fine of HK\$10,000,000 and 10 years imprisonment. If convicted on summary conviction, the maximum penalty is fine of HK\$1,000,000 and 3 years imprisonment.</p> <p>Sections 281 and 305 of the SFO further stipulate that any person suffering monetary loss as a result of market misconduct of others has the right to take out civil proceedings for compensation. Those who have committed market misconduct are required to pay compensation to those who have suffered monetary losses as a result of his market misconduct.</p>	<p>(1A) No person shall effect, take part in, be concerned in or carry out, directly or indirectly, 2 or more transactions in securities of a business trust, being transactions that have, or are likely to have, the effect of raising, lowering, maintaining or stabilising the price of securities of the business trust on a securities market, with intent to induce other persons to subscribe for, purchase or sell securities of the business trust.</p> <p>(2) A reference in subsection (1) or (1A) to transactions in securities of a corporation or securities of a business trust, as the case may be, includes: –</p> <p>(a) a reference to the making of an offer to purchase or sell such securities of the corporation or such securities of the business trust, as the case may be; and</p> <p>(b) a reference to the making of an invitation, however expressed, that directly or indirectly invites a person to offer to purchase or sell such securities of the corporation or such securities of the business trust, as the case may be.</p> <p><b>Section 199, SFA</b></p> <p><b>False or misleading statements, etc.</b></p> <p>No person shall make a statement, or disseminate information, that is false or misleading in a material particular and is likely:–</p> <p>(a) to induce other persons to subscribe for securities;</p> <p>(b) to induce the sale of purchase of securities by other persons; or</p> <p>(c) to have the effect of raising, lowering, maintaining or stabilising the market price of securities,</p> <p>if, when he makes the statement or disseminates the information:–</p> <p>(i) he does not care whether the statement or information is true or false; or</p> <p>(ii) he knows or ought reasonably to have known that the statement or information is false or misleading in a material particular.</p>
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## CORPORATE GOVERNANCE

The Corporate Governance Code (“CGC”) in the HK Listing Rules sets out principles of good corporate governance. The listed company is expected to comply with, but may choose to deviate from, the code provisions under the CGC, while the recommended best practices under the CGC are for guidance only. The listed company is also required to issue to shareholders an annual corporate governance report.

The CGC sets out principles relating to matters including:

- (a) the responsibility and the composition of the board of directors
- (b) the appointment, re-election and removal of directors
- (c) remuneration of directors and senior management
- (d) accountability and audit
- (e) delegation by the board
- (f) communication with shareholders voting by poll

### **Audit Committee**

The board should establish formal and transparent arrangements to consider how it will apply financial reporting and internal control principles and maintain an appropriate relationship with the issuer’s auditors. The audit committee established under the HK Listing Rules should have clear terms of reference.

### **Board composition**

#### **Rule 720 (read with Rule 210(5) & 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.

### **The Code of Corporate Governance**

The Code of Corporate Governance (“COGC”) was first issued by the Corporate Governance Committee on 21 March 2001. Revised COGCs were subsequently issued on 14 July 2005 and 2 May 2012 (“COGC 2012”). Compliance with the COGC 2012 is not mandatory but listed companies are required under the Listing Manual to disclose their corporate governance practices and give explanations for deviations from the COGC 2012 in their annual reports.

### **Audit Committee**

#### **Principle 12 of the COGC**

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

#### **Principle 12.1, COGC 2012**

The AC should comprise at least three directors, the majority of whom, including the AC Chairman, should be independent. All of the members of the AC should be non-executive directors. The Board should disclose in the company’s Annual Report the names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board.

#### **Principle 12.2, COGC 2012**

The Board should ensure that the members of the AC are appropriately qualified to discharge their responsibilities. At least two members, including the AC Chairman, should have recent and relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgement.

<p>A former partner of the issuer’s existing auditing firm should be prohibited from acting as a member of its audit committee for a period of 1 year from the date of his ceasing (a) to be a partner of the firm; or (b) to have any financial interest in the firm, whichever is later.</p> <p>Where the board disagrees with the audit committee’s view on the selection, appointment, resignation or dismissal of the external auditors, the issuer should include in the Corporate Governance Report a statement from the audit committee explaining its recommendation and also the reason(s) why the board has taken a different view.</p> <p>The audit committee should be provided with sufficient resources to perform its duties.</p> <p><b>Remuneration Committee</b></p> <p>An issuer should disclose its directors’ remuneration policy and other remuneration related matters. The procedure for setting policy on executive directors’ remuneration and all directors’ remuneration packages should be formal and transparent. Remuneration levels should be sufficient to attract and retain directors to run the company successfully without paying more than necessary. No director should be involved in deciding his own remuneration.</p> <p>The remuneration committee should consult the chairman and/or chief executive about their remuneration proposals for other executive directors. The remuneration committee should have access to independent professional advice if necessary.</p> <p>Issuers should disclose details of any remuneration payable to members of senior management by band in their annual reports.</p> <p><b>Nomination Committee</b></p> <p>Issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.</p> <p>The nomination committee should be established with specific written terms of reference which deal clearly with its authority and duties. It should perform the duties as set out in this code provision.</p>	<p><b>Remuneration Committee</b></p> <p><b>Principle 7.1, COCG 2012</b></p> <p>The Board should establish a Remuneration Committee (“<b>RC</b>”) with written terms of reference which clearly set out its authority and duties. The RC should comprise at least three directors, the majority of whom, including the RC Chairman, should be independent. All of the members of the RC should be non-executive directors. This is to minimise the risk of any potential conflict of interest. The Board should disclose in the company’s Annual Report the names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board.</p> <p><b>Nominating Committee</b></p> <p><b>Principle 4.1, COCG 2012</b></p> <p>The Board should establish a Nominating Committee (“<b>NC</b>”) to make recommendations to the Board on all board appointments, with written terms of reference which clearly set out its authority and duties. The NC should comprise at least three directors, the majority of whom, including the NC Chairman, should be independent. The lead independent director, if any, should be a member of the NC. The Board should disclose in the company’s Annual Report the names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board.</p>
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<p>Issuers should provide the nomination committee sufficient resources to perform its duties. Where necessary, the nomination committee should seek independent professional advice, at the issuer’s expense, to perform its responsibilities.</p> <p>Where the board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe he should be elected and the reasons why they consider him to be independent.</p>	
<b>INTERESTED PERSON TRANSACTIONS OR CONNECTED TRANSACTIONS</b>	
<p><b>Chapter 14A of the HK Listing Rules (Connected transactions)</b></p> <p><b>Definition of connected person</b></p> <p><i>Rule 14A.07 of the HK Listing Rules</i></p> <p>Rule 1.01 contains a general definition of “connected person”. In Chapter 14A, the definition of “connected person” includes:</p> <ol style="list-style-type: none"> <li>(1) a director, chief executive or substantial shareholder of the listed issuer;</li> <li>(2) any person who was a director of the listed issuer within the preceding 12 months;</li> <li>(3) a supervisor of a PRC issuer;</li> <li>(4) any associate of a person referred to in Rules 14A.07(1), (2) or (3) of the HK Listing Rules. The definitions of “associate” (in the context of non-PRC issuers and PRC issuers) are contained in Rules 1.01 and 19A.04 of the HK Listing Rules, respectively. In Chapter 14A of the HK Listing Rules, an “associate” of a person referred to in Rules 14A.07(1), (2) or (3) of the HK Listing Rules includes the following additional persons: <ol style="list-style-type: none"> <li>(a) any person or entity with whom a person referred to in Rules 14A.07(1), (2) or (3) of the HK Listing Rules has entered, or proposes to enter, into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether express or implied, with respect to the transaction which is such that, in the opinion of SEHK, that person or entity should be considered a connected person;</li> </ol> </li> </ol>	<p><b>Chapter 9, Listing Manual</b></p> <p>The objective of Chapter 9 is to guard against the risk that interested persons could influence the issuer, its subsidiaries or associated companies, to enter into transactions with interested persons that may adversely affect the interests of the issuer or its shareholders.</p> <p><b>Rule 904, Listing Manual</b></p> <p>For the purposes of Chapter 9, the following definitions apply:–</p> <ol style="list-style-type: none"> <li>(1) “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9.</li> <li>(2) “entity at risk” means: <ol style="list-style-type: none"> <li>(a) the issuer;</li> <li>(b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or</li> <li>(c) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.</li> </ol> </li> <li>(3) “financial assistance” includes: <ol style="list-style-type: none"> <li>(a) the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and</li> </ol> </li> </ol>

<p>(b) (i) any person cohabiting as a spouse with, and any child, step-child, parent, step-parent, brother, sister, step-brother and step-sister of, a person referred to in Rules 14A.07(1), (2) or (3) of the HK Listing Rules; and</p> <p>(ii) a company which the party referred to in Rule 14A.12(1)(a) of the HK Listing Rules can exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors; and</p> <p>(c) (i) a father-in-law, mother-in-law, son-in-law, daughter-in-law, grandparent, grandchild, uncle, aunt, cousin, brother-in-law, sister-in-law, nephew and niece of a person referred to in Rules 14A.07(1), (2) or (3) of the HK Listing Rules; and</p> <p>(ii) a company which the party referred to in Rule 14A.21(1)(a) of the HK Listing Rules can exercise or control the exercise of more than 50% of the voting power at general meetings or control the composition of a majority of the board of directors,</p> <p>whose association with the person referred to in Rules 14A.07(1), (2) or (3) of the HK Listing Rules is such that, in the opinion of SEHK, the proposed transaction should be subject to the requirements of Chapter 14A of the HK Listing Rules. Listed issuers must also provide information to SEHK to demonstrate whether or not these parties should be regarded as associates of the person referred to in Rules 14A.07(1), (2) or (3) of the HK Listing Rules;</p>	<p>(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.</p> <p>(4) (a) In the case of a company, “interested person” means:–</p> <p>(i) a director, chief executive officer, or controlling shareholder of the issuer; or</p> <p>(ii) an associate of any such director, chief executive officer, or controlling shareholder.</p> <p>(5) “interested person transaction” means a transaction between an entity at risk and an interested person.</p> <p>(6) “transaction” includes:–</p> <p>(a) the provision or receipt of financial assistance;</p> <p>(b) the acquisition, disposal or leasing of assets;</p> <p>(c) the provision or receipt of services;</p> <p>(d) the issuance or subscription of securities;</p> <p>(e) the granting of or being granted options; and</p> <p>(f) the establishment of joint ventures or joint investments;</p> <p>whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).</p>
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<p>(5) 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) as defined under Rules 14A.07(1) to (4) of the HK Listing Rules 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</p> <p>Note: An interest of a connected person of the listed issuer (other than at the level of its subsidiaries) in the subsidiary which is held through the listed issuer is to be excluded from the 10% referred to in this Rule.</p> <p>(6) any subsidiaries of a non wholly-owned subsidiaries referred to in Rule 14A.16 of the HK Listing Rules.</p> <p><b>Definition of connected transaction</b></p> <p><i>Rule 14A.23 of the HK Listing Rules</i></p> <p>A connected transaction is:</p> <p>(1) (a) any transaction between a listed issuer and a connected person; or</p> <p><b>Acquisition or disposal of interest in a company</b></p> <p>(b) (i) any transaction between a listed issuer and a person who is not a connected person and the transaction involves the listed issuer acquiring or disposing of an interest in a company where a substantial shareholder of that company is, or is proposed to be, a controller or is (or will become as a result of the transaction) an associate of a controller. SEHK may aggregate the interests of any person and his associates (as defined in sub-section (4) above) in determining whether together they are a “substantial shareholder” of any company. Where assets (as opposed to businesses) account for 90% or more of such a company’s net assets or total assets, SEHK will treat the acquisition or disposal of such assets as a connected transaction and an acquisition or disposal of an interest in that company; or</p>	<p><b>When Announcement Required</b></p> <p><b>Rule 905, Listing Manual</b></p> <p>(1) An issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group’s latest audited net tangible assets.</p> <p>(2) If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group’s latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.</p> <p>(3) Rule 905(1) and (2) does not apply to any transaction below S\$100,000.</p> <p><b>When Shareholder Approval Required</b></p> <p><b>Rule 906, Listing Manual</b></p> <p>(1) An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:–</p> <p>(a) 5% of the group’s latest audited net tangible assets; or</p> <p>(b) 5% of the group’s latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.</p> <p>(2) Rule 906(1) does not apply to any transaction below S\$100,000.</p>
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<p>(ii) any transaction between a listed issuer and a person who is not a connected person and the transaction involves the listed issuer acquiring an interest in a company (or an option to acquire such interest) of which a controller (or an associate of a controller) is, or will become, a shareholder where the interest being acquired is:</p> <p>(A) of a fixed income nature;</p> <p>(B) shares to be acquired on less favourable terms than those granted to the controller or its associate; or</p> <p>(C) shares which are of a different class from those held by, or to be granted to, the controller or its associate.</p>	<p><b>Rule 907, Listing Manual</b></p> <p>An issuer must disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the prescribed format.</p> <p><b>Rule 908, Listing Manual</b></p> <p>In interpreting the term “same interested person” for the purpose of aggregation in Rules 905 and 906, the following applies:–</p> <p>(1) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.</p> <p>(2) If an interested person, (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.</p>
<p><b>Subscription on favourable terms</b></p> <p>(iii) any transaction between a listed issuer and a person who is not a connected person and the transaction involves a controller (or an associate of a controller) subscribing on specially favourable terms shares in a company in which the listed issuer is a shareholder; or</p>	<p><b>Rule 918, Listing Manual</b></p> <p>If a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.</p>
<p><b>Subscription of different class of shares</b></p> <p>(iv) any transaction between a listed issuer and a person who is not a connected person and the transaction involves a controller (or an associate of a controller) subscribing shares in a company in which the listed issuer is a shareholder but which are of a different class from those held by the listed issuer.</p>	

<p><b>Financial assistance</b></p> <p>(2) the provision of financial assistance:</p> <p>(a) by a listed issuer to:</p> <p>(i) a connected person; or</p> <p>(ii) a company in which both the listed issuer and a connected person are shareholders and where any connected person(s) of the listed issuer (other than at the level of its subsidiaries) as defined under Rules 14A.07(1) to (4) of the HK Listing Rules 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 company; or</p> <p>(b) to a listed issuer by:</p> <p>(i) a connected person; or</p> <p>(ii) a company in which both the listed issuer and a connected person are shareholders and where any connected person(s) of the listed issuer (other than at the level of its subsidiaries) as defined under Rules 14A.07(1) to (4) of the HK Listing Rules 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 company.</p> <p>(3) a listed issuer granting an indemnity or guarantee or providing financial assistance to and/or for the benefit of a connected person or any company falling under sub-section 2(a)(ii) above;</p> <p>(4) the granting of security over the assets of a listed issuer in respect of any financial assistance made to the listed issuer by a connected person or any company falling under sub-section 2(b)(ii) above.</p> <p>Financial assistance transactions are governed by Rules 14A.87 to 14A.91 of the HK Listing Rules;</p>	<p><b>Rule 919, Listing Manual</b></p> <p>In a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.</p> <p><b>Exceptions</b></p> <p><b>Rule 915, Listing Manual</b></p> <p>The following transactions are not required to comply with Rules 905, 906 and 907:–</p> <p>(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.</p> <p>(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.</p> <p>(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%.</p> <p>(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.</p> <p>(5) A transaction between an entity at risk and an interested person for the provision of goods or services if:–</p> <p>(a) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and</p> <p>(b) the sales prices are applied consistently to all customers or class of customers.</p> <p>Such transactions include telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets.</p>
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<p><b>Options</b></p> <p>(5) the writing, acceptance, transfer, exercise or non-exercise of an option (as defined in Rule 14.79 of the HK Listing Rules) involving a listed issuer and a connected person. Options are governed by Rules 14A.61 of the HK Listing Rules; and</p> <p><b>Joint ventures</b></p> <p>(6) the entering into of any arrangement or agreement involving the formation of a joint venture entity in any form, such as a partnership or a company, or any other form of joint arrangement by a listed issuer and a connected person.</p> <p><b>Definition of continuing connected transaction</b></p> <p><i>Rules 14A.31 of the HK Listing Rules</i></p> <p>Continuing connected transactions are connected transactions involving the provision of goods or services or financial assistance, which are carried out on a continuing or recurring business and are expected to extend over a period of time. They are usually transactions in the ordinary and usual course of business of the issuer. Continuing connected transactions are governed by Rules 14A.50 to 14A.60 of the HK Listing Rules.</p> <p><b>Categories</b></p> <p><i>Rule 14A.73 of the HK Listing Rules</i></p> <p>The categories of connected transactions are:</p> <p>(1) connected transactions exempt from the reporting, announcement and independent shareholders' approval requirements;</p> <p>(2) connected transactions exempt from the independent shareholders' approval requirements;</p> <p>(3) continuing connected transactions exempt from the reporting, annual review, announcement and independent shareholders' approval requirements;</p> <p>(4) continuing connected transactions exempt from the independent shareholders' approval requirements; and</p> <p>(5) connected transactions, including continuing connected transactions, not falling under any of the categories set out in sub-section (1) to (4) above.</p>	<p>(6) The provision of financial assistance or services by a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business.</p> <p>(7) The receipt of financial assistance or services from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business.</p> <p>(8) Director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).</p>
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<p><b>Independent shareholders' approval</b></p> <p><i>Rule 14A.36 of the HK Listing Rules</i></p> <p>SEHK will require that connected transactions and continuing connected transactions are made conditional on prior approval by the shareholders of the listed issuer in general meeting. The listed issuer must ensure that the following parties abstain from voting at the relevant meeting on resolution(s) approving the relevant transactions:</p> <p>(1) any connected person with a material interest in the transaction; and</p> <p>(2) any person falling within sub-section (1)(b) (i) to (iv) of the paragraph headed "Definition of connected transaction" above that has a material interest in the transaction and its associates.</p> <p><b>Independent financial advice</b></p> <p><i>Rule 14A.44 of the HK Listing Rules</i></p> <p>The Issuer shall appoint independent financial adviser for the purpose of connected transactions who shall issue separate letter setting out its advice and reasons.</p>	
<p><b>RESTRICTIONS ON DEALINGS OF DIRECTORS BEFORE PUBLICATION OF THE FINANCIAL RESULTS</b></p>	
<p>A director must not deal in any securities of the listed issuer on any day on which its financial results are published and:</p> <p>(i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and</p> <p>(ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in Appendix 10 to the HK Listing Rules. In any event, the director must comply with the procedure in the rules of Appendix 10 to the HK Listing Rules.</p>	<p><b>Rule 1207(19)(c), Listing Manual</b></p> <p>A listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the company's half year and full year financial statements (if not required to announce quarterly financial statements).</p>

## 2. TAKEOVER OBLIGATIONS

### 2.1 The Singapore Take-over Code

The Singapore Take-over Code regulates the acquisition of voting rights in, *inter alia*, corporation with a primary listing of their equity securities in Singapore, public companies with a primary listing overseas as well as unlisted public companies, and contains certain provisions that may delay, deter or prevent a future takeover or change in control of an issuer. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting rights, or, if such person holds, either on his own or together with parties acting in concert with him, between 30% and 50% (both inclusive) of the voting rights, and he (or parties acting in concert with him) acquires additional shares carrying voting rights representing more than 1% of the voting rights 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 Take-over 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 with its clients in respect of the shareholdings of 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% 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 their 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 Take-over 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 HK Takeovers Code**

Public companies with a primary listing of their equity securities in Hong Kong fall within the regulatory framework of the HK Takeovers Code. The HK Takeovers Code is not legally enforceable. Its purpose is to provide guidelines for companies and their advisers contemplating, or becoming involved in, takeovers and mergers affecting public companies in Hong Kong. The aim of the HK Takeovers Code is to ensure fair treatment of shareholders 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 HK 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 HK Takeovers Code also applies not only to the offeror and the offeree company, but also to those persons “acting in concert” with the offeror. Under the HK Takeovers Code, “persons acting in concert” are persons who “pursuant to an agreement or understanding, 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 HK Takeovers Code also describes classes of persons who are presumed to be acting in concert with others in the same class.

The HK 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.

**APPENDIX 2 – SUMMARY OF PROPOSED MATERIAL  
CHANGES TO THE EXISTING BYE-LAWS**

No.	Existing Bye-laws	Proposed New Bye-laws	Rationale
1.	<p>Bye-law 1</p> <p>In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:</p> <p>...</p> <p>“Depositor”: a person being a Depository Agent or a holder of a Securities Account maintained with the Depository.</p> <p>“Depository”: The Central Depository (Pte) Limited, a company incorporated in the Republic of Singapore and a wholly-owned subsidiary of the Singapore Exchange Securities Trading Limited, and (where the context requires) shall include any person specified by it in a notice given to the Company, as its nominee.</p> <p>“Depository Agent”: an entity registered as a Depository Agent with the Depository for the purpose of maintaining securities sub-accounts for its own account and for the account of others.</p>	<p>Bye-law 1</p> <p>In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:</p> <p>...</p> <p><del>“Depositor” and “Depository”: a person being a Depository Agent or a holder of a Securities Account maintained with the Depository</del> the meanings attributed to them respectively in the Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time.</p> <p><del>“Depository”: The Central Depository (Pte) Limited, a company incorporated in the Republic of Singapore and a wholly-owned subsidiary of the Singapore Exchange Securities Trading Limited, and (where the context requires) shall include any person specified by it in a notice given to the Company, as its nominee.</del></p> <p><del>“Depository Agent”: an entity registered as a Depository Agent with the Depository for the purpose of maintaining securities sub-accounts for its own account and for the account of others.</del></p>	<p>The existing Bye-law 1 is being amended to reflect that the relevant provisions relating to the Depository are now found in the SFA instead of the Singapore Companies Act, and to reference the definitions found in the SFA.</p>
2.	<p>Bye-law 9</p> <p>...</p> <p>(3) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.</p>	<p>Bye-law 9</p> <p>...</p> <p>(3) <del>The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.</del> [Deleted]</p>	<p>The existing Bye-law 9(3) was included solely for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. This provision was not required by Bermuda law to be included in the Bye-laws and its removal does not contravene Bermuda law.</p>

3.	<p>Bye-law 10</p> <p>Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital other than redeemable preference capital may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting and all adjournments thereof all the provisions of these Bye-laws relating to general meetings of the Company and to the proceedings thereat shall <i>mutatis mutandis</i> apply, except that the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and at any adjourned meeting of such holder, two holders present in person (or in the case of a Member being a corporation, its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. The foregoing provisions of this Bye-law shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.</p>	<p>Bye-law 10</p> <p>Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, <del>preference capital other than redeemable preference capital may be repaid and</del> the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting and all adjournments thereof all the provisions of these Bye-laws relating to general meetings of the Company and to the proceedings thereat shall <i>mutatis mutandis</i> apply, except that the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and at any adjourned meeting <del>of such holder</del>, two holders present in person (or in the case of a Member being a corporation, its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, <del>provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such general meeting shall be as valid and effectual as a special resolution</del> carried at such general meeting. The foregoing provisions of this Bye-law shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.</p>	<p>The existing Bye-law 10 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provisions were included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provisions are not required by Bermuda law to be included in the Bye-laws and their amendment does not contravene Bermuda law.</p>
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4.	<p>Bye-law 12(2)</p> <p>Except as permitted under the rules or regulations of the Designated Stock Exchange or any direction given by the Company in general meeting, all new shares shall before issue be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Board may dispose of those shares in such manner as they think most beneficial to the Company. The Board may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Board, be conveniently offered under this Bye-law 12(2).</p>	<p>Bye-law 12(2)</p> <p><del>Except as permitted under the rules or regulations of the Designated Stock Exchange or any direction given by the Company in general meeting, all new shares shall before issue be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Board may dispose of those shares in such manner as they think most beneficial to the Company. The Board may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Board, be conveniently offered under this Bye-law 12(2): [Deleted]</del></p>	<p>The existing Bye-law 12(2) was included solely for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>
5.	<p>Bye-law 18(2)</p> <p>The fee payable in respect of share certificates referred to in this Bye-law and Bye-law 19 shall be an amount not exceeding two Singapore dollars (\$S2.00) (or the equivalent Hong Kong dollars) per certificate or such other maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time waive such fee or determine a lower amount for such fee.</p>	<p>Bye-law 18(2)</p> <p>The fee payable in respect of share certificates referred to in this Bye-law and Bye-law 19 shall be an amount not exceeding <del>two Singapore dollars (\$S2.00) (or the equivalent Hong Kong dollars) per certificate or such other</del> maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time waive such fee or determine a lower amount for such fee.</p>	<p>The existing Bye-law 18(2) is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provisions were included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provisions are not required by Bermuda law to be included in the Bye-laws and their amendment does not contravene Bermuda law.</p>

6.	<p>Bye-law 20</p> <p>Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Board in its absolute discretion may require, every person whose name is entered as a Member in the Register shall be entitled to receive within ten (10) market days of the date of allotment (or such other period as may be approved by the Designated Stock Exchange) or within ten (10) market days after the date of lodgement of a registrable transfer (or such other period as may be approved by the Designated Stock Exchange) share certificates in reasonable denominations for the shares so allotted or transferred.</p>	<p>Bye-law 20</p> <p>Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Board in its absolute discretion may require, every person whose name is entered as a Member in the Register shall be entitled to receive within ten (10) market days of the date of allotment (or such other period as may be approved by the Designated Stock Exchange) or within ten (10) market days after the date of lodgement of a registrable transfer (or such other period as may be approved by the Designated Stock Exchange) <u>share certificates in reasonable denominations for the shares so allotted or transferred one certificate for all his shares, or, if he shall so request, in a case where the allotment or transfer where the allotment or transfer is of a number of shares in excess of the number for the time being forming a stock exchange board lot for the purposes of the stock exchange on which the shares are listed, upon payment, in the case of a transfer, of such sum (not exceeding such sum as the relevant Designated Stock Exchange may from time to time permit, and in the case of any other shares, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise such other sum as the Company may by Ordinary Resolution determine) for every certificate after the first as the Board may from time to time determine, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question.</u></p>	<p>The existing Bye-law 20 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>
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7.	<p>Bye-law 21</p> <p>Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery of the old certificate and in any case on payment of such sum not exceeding two Singapore dollars (\$S2.00) (or the equivalent Hong Kong dollars) as the Directors may from time to time require together with the amount of the stamp duty payable (if any) on each share certificate. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.</p>	<p>Bye-law 21</p> <p><del>Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require</del> may <u>from time to time permit, and, in the case of any other capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise such sum as the Company may by Ordinary Resolution determine) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Board thinks fit, and (in case of defacement or wearing out) on delivery of the old certificate</u> <del>and in any case on payment of such sum not exceeding two Singapore dollars (\$S2.00) (or the equivalent Hong Kong dollars) as the Directors may from time to time require together with the amount of the stamp duty payable (if any) on each share certificate. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company</del> <u>at any exceptional costs and the reasonable out-of-pocket expenses incidental to the investigations by the Company of the evidence of such destruction or loss and of such indemnity.</u></p>	<p>The existing Bye-law 21 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>
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8.	<p>Bye-law 24</p> <p>The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall be paid to the person entitled to the share at the time of the sale or to his executors, administrators or assignees or as he may direct. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.</p>	<p>Bye-law 24</p> <p>The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall be paid to the person entitled to the share at the time of the sale <del>or to his executors, administrators or assignees or as he may direct.</del> To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.</p>	<p>The existing Bye-law 24 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>
9.	<p>Bye-law 33</p> <p>The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared or in profits.</p>	<p>Bye-law 33</p> <p>The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared <del>or in</del> profits.</p>	<p>The existing Bye-law 33 is being amended to reflect the provision common the Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>

10.	<p>Bye-law 44</p> <p>The Register and branch register of Members, as the case may be, shall be open to inspection between 10.00 a.m. and 12.00 noon on every business day by Members without charge or by any other person, upon a maximum payment of five Bermuda dollars (BD\$5.00), at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of ten Singapore dollars (S\$10.00) (or the equivalent Hong Kong dollars) at the Registration Office or at the office of a share transfer agent of the Company. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.</p>	<p>Bye-law 44</p> <p>The Register and branch register of Members, as the case may be, shall be open to inspection between 10.00 a.m. and 12.00 noon on every business day by Members without charge or by any other person, upon a maximum payment of five Bermuda dollars (BD\$5.00), at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of ten Singapore dollars (S\$10.00) (or the equivalent Hong Kong dollars) at the Registration Office or at the office of a share transfer agent of the Company. The Register including any overseas or local or other branch register of Members may, <del>after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect,</del> be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.</p>	<p>The existing Bye-law 44 is being amended to reflect the current interpretation of section 66 of the Bermuda Companies Act as to closure of register of members.</p>
11.	<p>Bye-law 48</p> <p>(1) The Board may, in its absolute discretion and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share (not being a fully paid up share) on which the Company has a lien or, except in the case of a transfer to executors, administrators or trustees of the estate of a deceased Member, a transfer of any share to more than three (3) joint holders.</p>	<p>Bye-law 48</p> <p>(1) The Board may, in its absolute discretion and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share (not being a fully paid up share) on which the Company has a lien or, <del>except in the case of a transfer to executors, administrators or trustees of the estate of a deceased Member,</del> a transfer of any share to more than <del>three (3)</del> <u>four (4)</u> joint holders.</p>	<p>The existing Bye-law 48(1) is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>



12.	<p>Bye-law 49</p> <p>Without limiting the generality of the last preceding Bye-law, the Board may decline to recognise any instrument of transfer unless:-</p> <p>(a) a fee of such sum (not exceeding two Singapore dollars (S\$2.00) (or the equivalent Hong Kong dollars) or such other maximum sum as the Designated Stock Exchange may determine to be payable) as the Board may from time to time require is paid to the Company in respect thereof;</p>	<p>Bye-law 49</p> <p>Without limiting the generality of the last preceding Bye-law, the Board may decline to recognise any instrument of transfer unless:-</p> <p>(a) a fee of such sum (not exceeding two Singapore dollars (S\$2.00) (or the equivalent Hong Kong dollars) or such other maximum sum as the Designated Stock Exchange may determine to be payable) as the Board may from time to time require is paid to the Company in respect thereof;</p>	<p>The existing Bye-law 49(a) is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>
13.	<p>Bye-law 55</p> <p>An annual general meeting of the Company shall be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules or regulations of the Designated Stock Exchange, if any) and place as may be determined by the Board. In addition, for so long as the shares of the Company are listed on the Designated Stock Exchange, the interval between the close of the Company's financial year and the date of the Company's annual general meeting shall not exceed four (4) months or such other period as may be prescribed or permitted by the Designated Stock Exchange.</p>	<p>Bye-law 55</p> <p>An annual general meeting of the Company shall be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules or regulations of the Designated Stock Exchange, if any) and place as may be determined by the Board. <del>In addition, for so long as the shares of the Company are listed on the Designated Stock Exchange, the interval between the close of the Company's financial year and the date of the Company's annual general meeting shall not exceed four (4) months or such other period as may be prescribed or permitted by the Designated Stock Exchange.</del></p>	<p>The existing Bye-law 55 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>

14.	<p>Bye-law 58</p> <p>...</p> <p>(2) At least fourteen (14) days' notice of any general meeting shall be given by advertisement in an English daily newspaper in circulation in Singapore and in writing to the Designated Stock Exchange and by such other means as the Board may decide in accordance with these Bye-laws and the rules of the Designated Stock Exchange.</p> <p>(3) The period of notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day on which the meeting is to be held, and the Notice shall specify the day, time and place of the meeting and, in case of special business, the general nature of the business. Any Notice of a general meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.</p>	<p>Bye-law 58</p> <p>...</p> <p><del>(2) At least fourteen (14) days' notice of any general meeting shall be given by advertisement in an English daily newspaper in circulation in Singapore and in writing to the Designated Stock Exchange and by such other means as the Board may decide in accordance with these Bye-laws and the rules of the Designated Stock Exchange. [Deleted]</del></p> <p>(3) The period of notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day on which the meeting is to be held, and the Notice shall specify the day, time and place of the meeting and, in case of special business, the general nature of the business. <del>Any Notice of a general meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.</del>The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.</p>	<p>The existing Bye-law 58(2) was included solely for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision was not required by Bermuda law to be included in the Bye-laws and its removal does not contravene Bermuda law.</p> <p>The existing Bye-law 58(3) is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>
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15.	<p>Bye-law 87</p> <p>A person who is not a retiring Director shall be eligible for election to office of Director at any general meeting if a Member intending to propose him has, at least eleven (11) clear days before the meeting, left at the Office a Notice duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him. In the case of a person recommended by the Directors for election, nine (9) clear days' Notice only shall be necessary. Notice of each and every candidature for election to the Board shall be served on the Members at least seven (7) days prior to the meeting at which the election is to take place provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notice(s) are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.</p>	<p>Bye-law 87</p> <p><del>A No person who is not (other than a retiring Director or a person recommended by the Board) shall be eligible for election to office of Director at any general meeting if a Member intending to propose him has, at least eleven (11) clear days before the meeting, left at the Office a Notice duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him. In the case of a person recommended by the Directors for election, nine (9) clear days' Notice only shall be necessary. Notice of each and every candidature for election to the Board shall be served on the Members at least seven (7) days prior to the meeting at which the election is to take place provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notice(s) are submitted after the dispatch of the notice of the general meeting appointed for such election) the</del> <u>unless notice in writing of the intention to propose him for election as Director and notice in writing by him of his willingness to be elected shall have been lodged at the Office or at the Registration Office at least seven days before the date of such general meeting. The period for lodgment of such Notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.</u></p>	<p>The existing Bye-law 87 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The amendment of the provision does not contravene Bermuda law.</p>
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16.	<p>Bye-law 89</p> <p>(1) The Board may from time to time appoint any one or more of its body to be a managing director or a person holding an equivalent position, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Bye-law shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause. Where the appointment is for a fixed term, such term shall not exceed five (5) years.</p> <p>(2) A managing director or a person holding an equivalent position shall at all times be subject to the control of the Board but subject thereto the Board may from time to time entrust to and confer upon a managing director for the time being such of the powers exercisable under these Bye-laws by the Board as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.</p>	<p>Bye-law 89</p> <p>(1) The Board may from time to time appoint any one or more of its body to be a managing director or a person holding an equivalent position, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Bye-law shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause. <del>Where the appointment is for a fixed term, such term shall not exceed five (5) years.</del></p> <p>(2) <del>A managing director or a person holding an equivalent position shall at all times be subject to the control of the Board but subject thereto the</del> <u>The</u> Board may from time to time entrust to and confer upon a managing director for the time being such of the powers exercisable under these Bye-laws by the Board as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.</p>	<p>The existing Bye-law 89 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>
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17.	<p>Bye-law 90</p> <p>Notwithstanding Bye-laws 95, 96, 97 and 98, an executive director appointed to an office under Bye-law 89 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director, but he shall not in any circumstances be remunerated by a commission on or a percentage of turnover.</p>	<p>Bye-law 90</p> <p>Notwithstanding Bye-laws 95, 96, 97 and 98, an executive director appointed to an office under Bye-law 89 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director, <del>but he shall not in any circumstances be remunerated by a commission on or a percentage of turnover.</del></p>	<p>The existing Bye-law 90 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The existing provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision is not required by Bermuda law to be included in the Bye-laws and its amendment does not contravene Bermuda law.</p>
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18.	<p>Bye-law 91</p> <p>Any Director may at any time by Notice delivered to the Office or head office or at a meeting of the Directors appoint any person (other than another Director) to be his alternate Director. Such appointment, unless previously approved by a majority of the Board, shall have effect only upon and subject to being so approved. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the person who appointed him or by the Board and, subject thereto, the office of alternate Director shall continue until the Director for whom such alternate Director was appointed ceases for any reason to be a Director. Any appointment or removal of an alternate Director may be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may not act as alternate to more than one Director. An alternate Director shall be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Bye-laws shall apply as if he were a Director.</p>	<p>Bye-law 91</p> <p>Any Director may at any time by Notice delivered to the Office or head office or at a meeting of the Directors appoint any person (<del>other than</del> <u>including</u> another Director) to be his alternate Director. Such appointment, unless previously approved by a majority of the Board, shall have effect only upon and subject to being so approved. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the person who appointed him or by the Board and, subject thereto, the office of alternate Director shall continue until the Director for whom such alternate Director was appointed ceases for any reason to be a Director. Any appointment or removal of an alternate Director may be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may not act as alternate to more than one Director. An alternate Director shall be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Bye-laws shall apply as if he were a Director.</p>	<p>The existing Bye-law 91 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. These provisions were not required by Bermuda law to be included in the Bye-laws and their amendment does not contravene Bermuda law.</p>
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19.	<p>Bye-law 95</p> <p>The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the general meeting, and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.</p>	<p>Bye-law 95</p> <p>The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, <del>shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the general meeting,</del> and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.</p>	<p>The existing Bye-law 95 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. These provisions were not required by Bermuda law to be included in the Bye-laws and their amendment does not contravene Bermuda law.</p>
20.	<p>Bye-law 97(2)</p> <p>The remuneration (including any remuneration under Bye-law 97(1) above) in the case of a Director other than an executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no director whether an executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.</p>	<p>Bye-law 97(2)</p> <p><del>The remuneration (including any remuneration under Bye-law 97(1) above) in the case of a Director other than an executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no director whether an executive Director or otherwise shall be remunerated by a commission on or percentage of turnover. [Deleted]</del></p>	<p>The existing Bye-law 97(2) was included solely for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. The provision was not required by Bermuda law to be included in the Bye-laws and its removal does not contravene Bermuda law.</p>
21.	<p>Bye-law 113</p> <p>The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes (except where only two (2) Directors are present and form the quorum or when only two (2) Directors are competent to vote on the matter at issue) the chairman of the meeting shall have an additional or casting vote.</p>	<p>Bye-law 113</p> <p>The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes <del>(except where only two (2) Directors are present and form the quorum or when only two (2) Directors are competent to vote on the matter at issue)</del> the chairman of the meeting shall have an additional or casting vote.</p>	<p>The existing Bye-law 113 is being amended to reflect the provision common to Bermuda companies listed on the SEHK. The provision was included for the purposes of complying with Appendix 2.2 of the Listing Manual at the time the Company sought a listing of its shares on the SGX-ST. These provisions were not required by Bermuda law to be included in the Bye-laws and their amendment does not contravene Bermuda law.</p>

22.	<p>Bye-law 167</p> <p>(1) For so long as the shares of the Company are listed on the Singapore Exchange Securities Trading Limited, each Director shall, upon his appointment to the Board, give an undertaking to the Company that, for so long as he remains a Director, he shall forthwith notify the Secretary of the particulars of the shares beneficially owned by him at the time of his appointment and of any change in such particulars.</p>	<p><del>Bye-law 167</del></p> <p><del>(1) For so long as the shares of the Company are listed on the Singapore Exchange Securities Trading Limited, each Director shall, upon his appointment to the Board, give an undertaking to the Company that, for so long as he remains a Director, he shall forthwith notify the Secretary of the particulars of the shares beneficially owned by him at the time of his appointment and of any change in such particulars.</del></p>	<p>The existing Bye-law 167 relates to the disclosure by Directors and Substantial Shareholders of their shareholding interest in the Company and any change of such interest. The Company proposes to delete Bye-law 167 in its entirety because Part VII of the SFA which provides for, <i>inter alia</i>, disclosure of interests in the shares of a corporation by its directors, chief executive officer and substantial shareholders, and the corporation's obligation to announce such notifications received does not apply to foreign corporations with a secondary listing on the SGX-ST, and will therefore not be applicable upon completion of the Proposed Conversion.</p>
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<p>(2) For so long as the shares of the Company are listed on the Singapore Exchange Securities Trading Limited, each Member shall, (a) upon becoming a substantial shareholder of the Company, (b) for so long as he remains a substantial shareholder of the Company, upon a change in the percentage level of his interest or interests in the Company and (c) upon ceasing to be a substantial shareholder of the Company, give the Secretary a notice in writing of (i) the particulars of the shares beneficially owned by him, or (ii) the particulars of the change in interests (including the date of change and the circumstances by reason of which that change has occurred), or (iii) the particulars of the date and circumstances of the cessation of substantial shareholding, as the case may be, within two (2) business days after (aa) becoming a substantial shareholder, (bb) the date of change in the percentage level of his interests, or (cc) the date of cessation, as the case may be. For the purposes of this Bye-law 167(2), the term “substantial shareholder” shall have the same meaning ascribed to it in Section 81(1) and 81(2) of the Companies Act, Chapter 50 of Singapore (the “Singapore Companies Act”), the term “interest” or “interests” shall have the same meaning ascribed to it in Section 7 of the Singapore Companies Act and the term “percentage level” shall have the meaning ascribed to it in Section 83(3) of the Singapore Companies Act. The requirement to give notice under this Bye-law 167(2) shall not apply to the Depository.</p> <p>(3) For so long as the shares of the Company are listed on the Singapore Exchange Securities Trading Limited, the provisions of Section 92 of the Singapore Companies Act, giving the Company power to require disclosure of beneficial interest in its shares, shall apply.</p>	<p><del>(2) For so long as the shares of the Company are listed on the Singapore Exchange Securities Trading Limited, each Member shall, (a) upon becoming a substantial shareholder of the Company, (b) for so long as he remains a substantial shareholder of the Company, upon a change in the percentage level of his interest or interests in the Company and (c) upon ceasing to be a substantial shareholder of the Company, give the Secretary a notice in writing of (i) the particulars of the shares beneficially owned by him, or (ii) the particulars of the change in interests (including the date of change and the circumstances by reason of which that change has occurred), or (iii) the particulars of the date and circumstances of the cessation of substantial shareholding, as the case may be, within two (2) business days after (aa) becoming a substantial shareholder, (bb) the date of change in the percentage level of his interests, or (cc) the date of cessation, as the case may be. For the purposes of this Bye-law 167(2), the term “substantial shareholder” shall have the same meaning ascribed to it in Section 81(1) and 81(2) of the Companies Act, Chapter 50 of Singapore (the “Singapore Companies Act”), the term “interest” or “interests” shall have the same meaning ascribed to it in Section 7 of the Singapore Companies Act and the term “percentage level” shall have the meaning ascribed to it in Section 83(3) of the Singapore Companies Act. The requirement to give notice under this Bye-law 167(2) shall not apply to the Depository.</del></p> <p><del>(3) For so long as the shares of the Company are listed on the Singapore Exchange Securities Trading Limited, the provisions of Section 92 of the Singapore Companies Act, giving the Company power to require disclosure of beneficial interest in its shares, shall apply.</del></p>	
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**APPENDIX 3 – PROPOSED AMENDED BYE-LAWS OF THE COMPANY  
TO BE ADOPTED**

**BYE-LAWS**

**OF**

**China Kangda Food Company Limited**  
(Adopted pursuant to a special resolution passed  
by the shareholders on 30 October 2008)

INDEX  
SUBJECT      Bye-Law No.

## INTERPRETATION

1. In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

WORD	MEANING
“Act”	the Companies Act 1981 of Bermuda as amended from time to time.
“associate”	the meaning attributed to it under the rules of the Designated Stock Exchange.
“Auditor”	the auditor of the Company for the time being and may include any individual or partnership.
“Bye-laws”	these Bye-laws in their present form or as supplemented or amended or substituted from time to time.
“Board”	the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum.
“capital”	the share capital from time to time of the Company.
“clear days”	in relation to the period of notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
“clearing house”	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.
“Company”	China Kangda Food Company Limited.
“debenture” and “debenture holder”	include debenture stock and debenture stockholder respectively.
“Depositor” and “Depository”	the meanings attributed to them respectively in the Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time.
“Designated Stock Exchange”	the Singapore Exchange Securities Trading Limited for so long as the shares of the Company are listed or quoted on the Singapore Exchange Securities Trading Limited, The Stock Exchange of Hong Kong Limited for so long as the shares of the Company are listed or quoted on The Stock Exchange of Hong Kong Limited or such other stock exchange which is an appointed stock exchange for the purposes of the Act in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.
“Director”	a director of the Company and shall include an alternate director;
“head office”	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
“market day”	a day on which the Designated Stock Exchange is open for trading in securities.

“Member” or “shareholder”	a duly registered holder from time to time of the shares in the capital of the Company.
“month”	a calendar month.
“Notice”	written notice as further provided in these Bye-laws unless otherwise specifically stated.
“Office”	the registered office of the Company for the time being.
“paid up”	paid up or credited as paid up.
“Register”	the principal register of Members and where applicable, any branch register of Members to be kept pursuant to the provisions of the Act.
“Registration Office”	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
“Seal”	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in Bermuda or in any place outside Bermuda.
“Secretary”	any person firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
“Securities Account”	the securities account maintained by a person with the Depository.
“Statutes”	the Act and every other act of the Legislature of Bermuda for the time being in force applying to or affecting the Company, its memorandum of association and/or these Bye-laws.
“year”	a calendar year.

2. In these Bye-laws, unless there be something within the subject or context inconsistent with such construction:–

- (a) words importing the singular include the plural and vice versa;
- (b) words denoting the masculine gender include the feminine and neuter genders;
- (c) words importing persons include companies, associations and bodies of persons whether corporate or not;
- (d) the words:–
  - (i) “may” shall be construed as permissive;
  - (ii) “shall” or “will” shall be construed as imperative;
- (e) expressions referring to writing or its cognates shall, unless the contrary intention appears, be construed as including facsimile printing, lithography, photography, electronic mail and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;

- (f) references to any act, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;
- (g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Bye-laws;
- (h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members, as being entitled so to do, voting in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than twenty-one (21) clear days' Notice, specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution, has been duly given; App.13A1
- (i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members, being entitled so to do, voting in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than fourteen (14) clear days' Notice has been duly given;
- (j) a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Bye-laws or the Statutes; and
- (k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.

#### **SHARE CAPITAL**

- 3. (1) The share capital of the Company at the date on which these Bye-laws come into effect shall be divided into shares of a par value of HK\$0.25 each. App.39
- (2) Any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit and shall also be subject to the Act, the Company's memorandum of association and, for so long as the shares of the Company are listed on the Designated Stock Exchange, the prior approval of the Members in general meeting for such purchase or acquisition. Such approval of the Members shall remain in force until (i) the conclusion of the annual general meeting of the Company following the passing of the resolution granting the said authority or (ii) the date by which such annual general meeting is required to be held or (iii) it is revoked or varied by ordinary resolution of the Company in general meeting, whichever is the earliest, and may thereafter be renewed by the Members in general meeting. For so long as the shares of the Company are listed on the Designated Stock Exchange, the Company shall make an announcement to the Designated Stock Exchange of any purchase or acquisition by the Company of its own shares on the market day following the day of such purchase or acquisition.
- (3) Neither the Company nor any of its subsidiaries shall give, whether directly or indirectly, whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of the acquisition or proposed acquisition by any person of any shares in the Company, but nothing in this Bye-law shall prohibit transactions permitted under the Act.

## ALTERATION OF CAPITAL

4. The Company may from time to time by ordinary resolution in accordance with Section 45 of the Act:–
- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
  - (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
  - (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;
  - (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
  - (e) change the currency denomination of its share capital;
  - (f) make provision for the issue and allotment of shares which do not carry any voting rights; and
  - (g) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.
5. The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Bye-law and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company’s benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or any share premium account or other undistributable reserve in any manner permitted by law.
7. Except so far as otherwise provided by the conditions of issue, or by these Bye-laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Bye-laws with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

App. 3  
10(1)  
10(2)

## SHARE RIGHTS

8. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine. App. 3  
12
9. (1) In the event of preference shares being issued, the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears. App. 3  
6(1)
- (2) Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike. App. 3  
8(1)  
8(2)
- (3) [Deleted]

## VARIATION OF RIGHTS

10. Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting and all adjournments thereof all the provisions of these Bye-laws relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and at any adjourned meeting, two holders present in person (or in the case of a Member being a corporation, its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Bye-law shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied. App. 3  
6(2)  
App. 13A  
2(1)

11. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

## SHARES

12. (1) Subject to the Act, no shares may be issued by the Board without the prior approval of the Company in general meeting but subject thereto and to these Bye-laws and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount, provided always that:-
- (a) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the Members in general meeting;
  - (b) (subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the rules or regulations of the Designated Stock Exchange) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Bye-law 12(2) with such adaptations as are necessary shall apply; and
  - (c) any other issue of shares, the aggregate of which would exceed the limits referred to in Bye-law 12(3), shall be subject to the approval of the Company in general meeting.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

- (2) [Deleted]
- (3) Notwithstanding Bye-law 12(2) above but subject to the Statutes, the Company in general meeting may by ordinary resolution grant to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the said ordinary resolution, for further issues of shares where the aggregate number of shares to be issued pursuant to such authority does not exceed fifty per cent. (50%) (or such other limit, if any, as may be prescribed by the Designated Stock Exchange) of the issued share capital of the Company at the time of the passing of the said ordinary resolution, of which the aggregate number of shares to be issued other than on a pro rata basis to Members does not exceed twenty per cent. (20%) (or such other limit, if any, as may be prescribed by the Designated Stock Exchange) of the issued share capital of the Company at the time of the passing of the said ordinary resolution Provided that such general authority shall only remain in force until (i) the conclusion of the annual general meeting of the Company following the passing of the resolution granting the said authority or (ii) the date by which such annual general meeting is required to be held or (iii) it is revoked or varied by ordinary resolution of the Company in general meeting, whichever is the earliest.



- (4) The Board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine, Provided that such issue must be specifically approved by the Company in general meeting if required by the rules or regulations of the Designated Stock Exchange. Where warrants are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and the Company has received an indemnity in such form as the Directors shall think fit with regard to the issue of any such replacement certificate. App. 3 2(2)
13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Bye-laws or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
15. (1) Subject to the terms and conditions of any application for shares, the Board shall allot shares applied for within ten (10) market days of the closing date of any such application (or such other period as may be approved by the Designated Stock Exchange).
- (2) Subject to the Act and these Bye-laws, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

#### **SHARE CERTIFICATES**

16. Every share certificate shall be issued under the Seal or a facsimile thereof and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person. App. 3 2(1)
17. (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.
- (2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of these Bye-laws, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.
- (3) Where a share stands in the names of two or more persons, any request relating to cancellation or issue of share certificates may be made by any one of the registered joint holders.
18. (1) Every person whose name is entered as a Member in the Register shall be entitled, without payment, to receive one certificate for all shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such fee as is provided in Bye-law 18(2).

- (2) The fee payable in respect of share certificates referred to in this Bye-law and Bye-law 19 shall be an amount not exceeding such maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time waive such fee or determine a lower amount for such fee.
19. (1) Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him.
- (2) Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such Member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Board in its absolute discretion may require and such fee as is provided in Bye-law 18(2).
20. Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Board in its absolute discretion may require, every person whose name is entered as a Member in the Register shall be entitled to receive within ten (10) market days of the date of allotment (or such other period as may be approved by the Designated Stock Exchange) or within ten (10) market days after the date of lodgement of a registrable transfer (or such other period as may be approved by the Designated Stock Exchange) one certificate for all his shares, or, if he shall so request, in a case where the allotment or transfer where the allotment or transfer is of a number of shares in excess of the number for the time being forming a stock exchange board lot for the purposes of the stock exchange on which the shares are listed, upon payment, in the case of a transfer, of such sum (not exceeding such sum as the relevant Designated Stock Exchange may from time to time permit, and in the case of any other shares, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise such other sum as the Company may by Ordinary Resolution determine) for every certificate after the first as the Board may from time to time determine, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question.
21. If any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be replaced on payment of such fee (as the Designated Stock Exchange may from time to time permit, and, in the case of any other capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise such sum as the Company may by Ordinary Resolution determine) and on such terms and conditions, if any, as to publication of notices, evidence and indemnity as the Board thinks fit, and (in case of defacement or wearing out) on delivery of the old certificate. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company any exceptional costs and the reasonable out-of-pocket expenses incidental to the investigations by the Company of the evidence of such destruction or loss and of such indemnity.

#### LIEN

22. The Company shall have a first and paramount lien on all the shares not fully paid up registered in the name of a Member (whether solely or jointly with others). Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Bye-law.

App. 3  
1(2)

23. Subject to these Bye-laws, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
24. The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

### **CALLS ON SHARES**

25. Subject to these Bye-laws and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
26. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.
27. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.
28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.
29. No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
30. On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Bye-laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
31. Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Bye-laws shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

32. On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
33. The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

App. 3  
(3)(1)

### **FORFEITURE OF SHARES**

34. (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:-
- (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and
  - (b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.
- (2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.
35. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.
36. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-laws to forfeiture will include surrender.
37. Until cancelled in accordance with the requirements of the Act, a forfeited share shall be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.
38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Bye-law any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

39. A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.
40. Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
41. The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
42. The provisions of these Bye-laws as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **REGISTER OF MEMBERS**

43. (1) The Company shall keep in one or more books a Register and shall enter therein particulars required by the Act.  
(2) Subject to the Act, the Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.
44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10.00 a.m. and 12.00 noon on every business day by Members without charge or by any other person, upon a maximum payment of five Bermuda dollars (BD\$5.00), at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of ten Singapore dollars (S\$10.00) (or the equivalent Hong Kong dollars) at the Registration Office or at the office of a share transfer agent of the Company. The Register including any overseas or local or other branch register of Members may be closed at such times or for such periods as the Board may determine and either generally or in respect of any class of shares.

#### **RECORD DATES**

45. Notwithstanding any other provision of these Bye-laws the Company or the Directors may fix any date as the record date for:–
  - (a) determining the Members entitled to receive any dividend, distribution, allotment or issue and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made; and
  - (b) determining the Members entitled to receive notice of and to vote at any general meeting of the Company.

## TRANSFER OF SHARES

46. Subject to these Bye-laws, any Member may transfer all or any of his shares by an instrument of transfer in the form acceptable to the Board provided always that the Company shall accept for registration an instrument of transfer in a form approved by the Designated Stock Exchange.
47. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided always that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository and provided further that when a corporation executes an instrument of transfer under seal, the affixation and attestation of the corporation's seal may be accepted as compliance with the requirements of this Bye-law. The Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Bye-laws shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.
48. (1) The Board may, in its absolute discretion and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share (not being a fully paid up share) on which the Company has a lien or a transfer of any share to more than four (4) joint holders. App. 3  
1(3)
- (2) No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.
- (3) The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.
- (4) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act. App. 3  
1(1)
- (5) Save as provided in the Bye-laws, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the rules or regulations of the Designated Stock Exchange). App. 3  
1(2)
49. Without limiting the generality of the last preceding Bye-law, the Board may decline to recognise any instrument of transfer unless:—
- (a) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable) as the Board may from time to time require is paid to the Company in respect thereof; App. 3  
1(1)
- (b) the instrument of transfer is in respect of only one class of share;

- (c) the instrument of transfer is lodged at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
  - (d) if applicable, the instrument of transfer is duly and properly stamped.
50. If the Board refuses to register a transfer of any share, it shall, within one (1) month after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.
51. The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in an appointed newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

### **TRANSMISSION OF SHARES**

52. In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member. Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.
53. Subject to Section 52 of the Act, any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Bye-laws relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.
54. A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-law 74(2) being met, such a person may vote at meetings.

### **UNTRACEABLE MEMBERS**

- 54A. (1) Without prejudice to the rights of the Company under paragraph (2) of this Bye-law, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

App. 3  
13(1)  
13(2)(a)  
13(2)(b)

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

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

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

#### **GENERAL MEETINGS**

55. An annual general meeting of the Company shall be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules or regulations of the Designated Stock Exchange, if any) and place as may be determined by the Board.
56. Each general meeting, other than an annual general meeting, shall be called a special general meeting. General meetings may be held in any part of the world as may be determined by the Board.
57. The Board may whenever it thinks fit call special general meetings, and, subject to the Act, Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.

App. 13A  
4(2)



## NOTICE OF GENERAL MEETINGS

58. (1) An annual general meeting and any special general meeting at which the passing of a special resolution is to be considered shall be called by not less than twenty-one (21) clear days' Notice. All other special general meetings may be called by not less than fourteen (14) days' Notice but a general meeting may be called by shorter notice if it is so agreed:–
- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.
- (2) [Deleted]
- (3) The period of notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day on which the meeting is to be held, and the Notice shall specify the day, time and place of the meeting and, in case of special business, the general nature of the business. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-laws or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.
- (4) The Secretary may postpone any general meeting called in accordance with the provisions of these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Bye-laws.
59. The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

App. 13A  
3

## PROCEEDINGS AT GENERAL MEETINGS

60. (1) Members may participate in any general meeting by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
- (2) All business shall be deemed special that is transacted at a special general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring a dividend, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.
- (3) No business, other than the appointment of a chairman of a meeting, shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two (2) Members present in person (or in the case of a Member being a corporation by its duly authorized representative) or by proxy shall form a quorum, provided that if the Company shall at any time have only one Member, one Member present in person or by proxy, or being a corporation by its representative duly authorized, shall form a quorum for the transaction of business at any general meeting of the Company held during such time. For the purposes of this Bye-law Member includes a person attending as a proxy or as a duly authorized representative of a corporation which is a Member.

61. If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Board may determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.
62. The president of the Company or the chairman shall preside as chairman at every general meeting. If at any meeting the president or the chairman, as the case may be, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman.
63. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' Notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.
64. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

## VOTING

65. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting (i) on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and the chairman of the meeting shall determine which proxy shall be entitled to vote where a Member (other than a Member which is the Depository or a clearing house (or its nominee(s)), is represented by two proxies, and (ii) on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder or which he represents and in respect of which all calls due to the Company have been paid, but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member which is the Depository or a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:—
  - (a) by the chairman of such meeting; or
  - (b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
  - (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

- (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) where the Depository is a Member, by at least three proxies representing the Depository; or
- (f) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.

- 66. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.
- 67. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 68. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.
- 69. The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
- 70. On a poll votes may be given either personally or by proxy.
- 71. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
- 72. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
- 73. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Bye-law be deemed joint holders thereof.
- 74. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or poll, as the case may be.

(2) Any person entitled under Bye-law 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

75. (1) No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.

App. 3  
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(2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

76. If:-

- (a) any objection shall be raised to the qualification of any voter; or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

### PROXIES

77. (1) Any Member entitled to attend and vote at a meeting of the Company who is the holder of two or more shares shall be entitled to appoint not more than two proxies to attend and vote instead of him at the same general meeting provided that if the Member is the Depository or a clearing house (or its nominee(s)):-

- (a) the Depository or clearing house (or its nominee(s)) may appoint more than two proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of the Depository or the clearing house (or its nominee(s)) as the Depository or the clearing house (or its nominee(s)) could exercise, including, notwithstanding Bye-law 65, the right to vote individually on a show of hands;
- (b) unless the Depository specifies otherwise in a written notice to the Company, the Depository shall be deemed to have appointed as the Depository's proxies to vote on behalf of the Depository at a general meeting of the Company each of the Depositors who are individuals and whose names are shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company and notwithstanding any other provisions in these Bye-laws, the appointment of proxies by virtue of this Bye-law 77(1)(b) shall not require an instrument of proxy or the lodgement of any instrument of proxy;

- (c) the Company shall accept as valid in all respects the form of instrument of proxy approved by the Depository (the “CDP Proxy Form”) for use at the date relevant to the general meeting in question naming a Depositor (the “Nominating Depositor”) and permitting that Nominating Depositor to nominate a person or persons other than himself as the proxy or proxies appointed by the Depository. The Company shall, in determining rights to vote and other matters in respect of a completed CDP Proxy Form submitted to it, have regard to the instructions given by and the notes (if any) set out in the CDP Proxy Form. The submission of any CDP Proxy Form shall not affect the operation of Bye-law 77(1)(b) and shall not preclude a Depositor appointed as a proxy by virtue of Bye-law 77(1)(b) from attending and voting at the relevant meeting but in the event of attendance by such Depositor the CDP Proxy Form submitted bearing his name as the Nominating Depositor shall be deemed to be revoked;
  - (d) the Company shall reject any CDP Proxy Form of a Nominating Depositor if his name is not shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company; and
  - (e) on a poll the maximum number of votes which a Depositor, or proxies appointed pursuant to a CDP Proxy Form in respect of that Depositor, is able to cast shall be the number of shares credited to the Securities Account of that Depositor as shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company, whether that number is greater or smaller than the number specified in any CDP Proxy Form or instrument of proxy executed by or on behalf of the Depository.
- (2) In any case where an instrument of proxy appoints more than one proxy (including the case when a CDP Proxy Form is used), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy.
  - (3) A proxy need not be a Member. In addition, subject to Bye-law 77(1), a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise, including, notwithstanding Bye-law 65, the right to vote individually on a show of hands. On a poll, a proxy need not use all the votes he is entitled to cast or cast all such votes in the same way. App. 13A  
2(2)
- 78. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same or, in the case of the Depository or a clearing house (or its nominee(s)) signed by its duly authorised officer by some method or system of mechanical signature as the Depository or the clearing house (or its nominee(s)) may deem appropriate. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact. App. 3  
11(2)
  - 79. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed on behalf of the appointor (which shall, for this purpose, include a Depositor), or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

80. Instruments of proxy shall be in any usual or common form (including any form approved from time to time by the Depository) or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
81. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.
82. Anything which under these Bye-laws a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Bye-laws relating to proxies and instruments appointing proxies shall apply mutatis mutandis in relation to any such attorney and the instrument under which such attorney is appointed.

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

83. (1) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Bye-laws be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- (2) Where a Member is the Depository or a clearing house (or its nominee(s)), in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Depository or clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the Depository or clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.
- (3) Any reference in these Bye-laws to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Bye-law.

#### **WRITTEN RESOLUTIONS OF MEMBERS**

84. (1) Subject to the Act, a resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Bye-laws, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

- (2) Notwithstanding any provisions contained in these Bye-laws, a resolution in writing shall not be passed for the purpose of removing a Director before the expiration of his term of office under Bye-law 85(4) or for the purposes set out in Bye-law 152(3) relating to the removal and appointment of the Auditor.

### **BOARD OF DIRECTORS**

85. (1) The Company may from time to time by ordinary resolution, determine the maximum number of directors and increase or reduce the number of Directors but so that the number of Directors shall never be less than two (2). All Directors shall be natural persons. The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter the Company may by ordinary resolution appoint any person to be a Director either as an additional Director or to fill a casual vacancy.
- (2) The Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or, where a maximum number of Directors has been determined by the Members and the Members have authorised the Board to appoint additional Directors, as an additional Director. App. 3  
4(2)
- (3) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.
- (4) Subject to any provision to the contrary in these Bye-laws the Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal. App. 3  
4(3)
- (5) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (4) above may be filled by the election or appointment by the Members at the meeting at which such Director is removed or, in the absence of such election or appointment, such general meeting may authorise the Board to appoint a Director to fill any vacancy in the number left unfilled.
- (6) Any Director appointed by the Board shall retire at the next annual general meeting of the Company and shall then be eligible for re-election at that meeting. App. 3  
4(2)

### **RETIREMENT OF DIRECTORS**

86. (1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.
- (2) A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 85(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

- (3) The Company at the meeting at which a Director retires under any provision of these Bye-laws may by ordinary resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:-
- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or
  - (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected.

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

87. No person (other than a retiring Director or a person recommended by the Board) shall be eligible for election to office of Director at any general meeting unless notice in writing of the intention to propose him for election as Director and notice in writing by him of his willingness to be elected shall have been lodged at the Office or at the Registration Office at least seven days before the date of such general meeting. The period for lodgment of such Notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. App. 3  
4(4)  
4(5)

#### **DISQUALIFICATION OF DIRECTORS**

88. The office of a Director shall be vacated if the Director:-
- (1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;
  - (2) becomes of unsound mind or dies;
  - (3) without special leave of absence from the Board, is absent from meetings of the Board for six (6) consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated; or
  - (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
  - (5) is prohibited by law from being a Director; or
  - (6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Bye-laws.

#### **EXECUTIVE DIRECTORS**

89. (1) The Board may from time to time appoint any one or more of its body to be a managing director or a person holding an equivalent position, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Bye-law shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.



- (2) The Board may from time to time entrust to and confer upon a managing director for the time being such of the powers exercisable under these Bye-laws by the Board as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.
90. Notwithstanding Bye-laws 95, 96, 97 and 98, an executive director appointed to an office under Bye-law 89 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

#### **ALTERNATE DIRECTORS**

91. Any Director may at any time by Notice delivered to the Office or head office or at a meeting of the Directors appoint any person (including another Director) to be his alternate Director. Such appointment, unless previously approved by a majority of the Board, shall have effect only upon and subject to being so approved. Any person so appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present. An alternate Director may be removed at any time by the person who appointed him or by the Board and, subject thereto, the office of alternate Director shall continue until the Director for whom such alternate Director was appointed ceases for any reason to be a Director. Any appointment or removal of an alternate Director may be effected by Notice signed by the appointor and delivered to the Office or head office or tendered at a meeting of the Board. An alternate Director may act as alternate to more than one Director. An alternate Director shall be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Bye-laws shall apply as if he were a Director.
92. An alternate Director shall only be a Director for the purposes of the Act and shall only be subject to the provisions of the Act insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.
93. If the appointor of an alternate director is for the time being absent from his usual place of residence or otherwise not available or unable to act, the signature of an alternate Director to any resolution in writing of the Board or a committee of the Board of which his appointor is a member shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.
94. An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director, however, such alternate Director or any other person may be re-appointed by the Directors to serve as an alternate Director PROVIDED always that, if at any meeting any Director retires but is re-elected at the same meeting, any appointment of such alternate Director pursuant to these Bye-laws which was in force immediately before his retirement shall remain in force as though he had not retired.

## **DIRECTORS' FEES AND EXPENSES**

95. The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day.
96. Each Director shall be entitled to be repaid or prepaid all travelling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the Board or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of his duties as a Director.
97. (1) Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Bye-law.
- (2) [Deleted]
98. The Board shall obtain the approval of the Company in general meeting before making any payment to any Director or past Director of the Company by way of compensation for loss of office, or as consideration for or in connection with his retirement from office (not being payment to which the Director is contractually entitled).

App. 13A  
5

## **DIRECTORS' INTERESTS**

99. A Director may:—
- (a) hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and, subject to the relevant provisions of the Act, upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Bye-law; and/or
- (b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director; and/or
- (c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Bye-laws the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

100. Subject to the Act and to these Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Bye-law 101 herein.
101. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Bye-law, a general Notice to the Board by a Director to the effect that:—
- (a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm; or
  - (b) he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him;

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

102. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposed contract or arrangement in which he or any of his associates has directly or indirectly a material interest. Matters in which he or his associate(s) shall not be considered to have a material interest shall include the following:—
- (a) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
  - (b) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (c) any contract or arrangement in which he or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
  - (d) any contract or arrangement concerning any other company in which he or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director together with any of his associates is beneficially interested in (other than through his interest (if any) in the Company) five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest is derived); or

App. 3  
4(1)

- (e) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.
- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

#### **GENERAL POWERS OF THE DIRECTORS**

103. (1) The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) except powers that by the Statutes or by these Bye-laws are required to be exercised by the Company in general meeting. The general powers given by this Bye-law shall not be limited or restricted by any special authority or power given to the Board by any other Bye-law.
- (2) Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.
- (3) Without prejudice to the general powers conferred by these Bye-laws it is hereby expressly declared that the Board shall have the following powers:—
- (a) to give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed.
  - (b) to give to any Directors, officers or servants of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.

- (c) to resolve that the Company be discontinued in Bermuda and continued in a named country or jurisdiction outside Bermuda subject to the provisions of the Act.
104. The Board may establish any regional or local boards or agencies for managing any of the affairs of the Company in any place, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration (either by way of salary or by commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes) and pay the working expenses of any staff employed by them upon the business of the Company. The Board may delegate to any regional or local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.
105. The Board may by power of attorney appoint under the Seal any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Such attorney or attorneys may, if so authorised under the Seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the Seal.
106. The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.
107. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.
108. (1) The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such person.
- (2) The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.

## **BORROWING POWERS**

109. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
110. Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
111. Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
112. (1) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the Members or otherwise, to obtain priority over such prior charge.  
  
(2) The Board shall cause a proper register to be kept, in accordance with the provisions of the Act, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the Act in regard to the registration of charges and debentures therein specified and otherwise.

## **PROCEEDINGS OF THE DIRECTORS**

113. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.
114. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board of which notice may be given in writing or by telephone or in such other manner as the Board may from time to time determine whenever he shall be required so to do by the president or chairman, as the case may be, or any Director.
115. (1) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two (2). An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.  
  
(2) Directors may participate in any meeting of the Board by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.  
  
(3) Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
116. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board provided that if the number of Directors is reduced below the minimum number fixed by or in accordance with these Bye-laws as the quorum, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Bye-laws as the quorum or that there is only one continuing Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or summoning a general meeting of the Company. If there be no Directors or Director able or willing to act, then any two (2) Members may summon a general meeting for the purpose of appointing Directors.

117. The Board may elect a chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting neither the chairman nor any deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
118. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.
119. (1) The Board may delegate any of its powers, authorities and discretions to committees, consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any directions which may be imposed on it by the Board.  
  
(2) All acts done by any such committee in conformity with such directions, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board, and the Board shall have power, with the consent of the Company in general meeting, to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.
120. The meetings and proceedings of any committee consisting of two (2) or more members shall be governed by the provisions contained in these Bye-laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any directions imposed by the Board under the last preceding Bye-law.
121. A resolution in writing signed by the majority of Directors shall be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held provided that such number of Directors approving the resolution is sufficient to constitute a quorum and that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws and further provided that no Director approving the resolution is aware of or has received any objection to the resolution from any Director. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid.
122. All acts done in good faith by the Board or by any committee or by any person acting as a Director or members of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

#### **MANAGERS**

123. The Board may from time to time appoint a general manager, a manager or managers of the Company and may fix his or their remuneration either by way of salary or commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes and pay the working expenses of any of the staff of the general manager, manager or managers who may be employed by him or them upon the business of the Company.
124. The appointment of such general manager, manager or managers may be for such period as the Board may decide, and the Board may confer upon him or them all or any of the powers of the Board as it may think fit.

125. The Board may enter into such agreement or agreements with any such general manager, manager or managers upon such terms and conditions in all respects as the Board may in their absolute discretion think fit, including a power for such general manager, manager or managers to appoint an assistant manager or managers or other employees whatsoever under them for the purpose of carrying on the business of the Company.

### **OFFICERS**

126. (1) The officers of the Company shall consist of a president and vice-president or chairman and deputy chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Bye-laws.
- (2) The Board shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a president and a vice-president or a chairman and a deputy chairman; and if more than one (1) Director is proposed for either of these offices, the election to such office shall take place in such manner as the Board may determine.
- (3) The officers shall receive such remuneration as the Board may from time to time determine.
- (4) Where the Company appoints and maintains a resident representative ordinarily resident in Bermuda in accordance with the Act, the resident representative shall comply with the provisions of the Act.

The Company shall provide the resident representative with such documents and information as the resident representative may require in order to be able to comply with the provisions of the Act. The resident representative shall be entitled to have notice of, attend and be heard at all meetings of the Board or of any committee appointed by the Board or general meetings of the Company.

127. (1) The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two (2) or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.
- (2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act or these Bye-laws or as may be prescribed by the Board.
128. The president or the chairman, as the case may be, shall act as chairman at all meetings of the Members and of the Board at which he is present. In his absence or if he is not willing to act as chairman, a chairman shall be appointed or elected by those present at the meeting in accordance with these Bye-laws.
129. The officers of the Company shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.
130. A provision of the Act or of these Bye-laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

### **REGISTER OF DIRECTORS AND OFFICERS**

131. (1) The Board shall cause to be kept in one or more books at the Office a Register of Directors and Officers and shall enter therein the following particulars with respect to each Director and Officer, that is to say:—
- (a) in the case of an individual, his or her present first name, surname and address; and
- (b) in the case of a company, its name and registered office.



- (2) The Board shall within a period of fourteen (14) days from the occurrence of:–
  - (a) any change among the Directors and Officers; or
  - (b) any change in the particulars contained in the Register of Directors and Officers, cause to be entered on the Register of Directors and Officers the particulars of such change and of the date on which it occurred.
- (3) The Register of Directors and Officers shall be open to inspection by members of the public without charge at the Office between 10:00 a.m. and 12:00 noon on every business day.
- (4) In this Bye-law “Officer” has the meaning ascribed to it in Section 92A(7) of the Act.

#### **MINUTES**

132. (1) The Board shall cause Minutes to be duly entered in books provided for the purpose:–
  - (a) of all elections and appointments of officers;
  - (b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board;
  - (c) of all resolutions and proceedings of each general meeting of the Members and meetings of the Board.
- (2) Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the Office.

#### **SEAL**

133. (1) The Company shall have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal with the addition of the words “Securities Seal” on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Bye-laws, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in the manner provided by this Bye-law shall be deemed to be sealed and executed with the authority of the Board previously given. APP. 3  
2(1)
- (2) Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on the use thereof as may be thought fit. Wherever in these Bye-laws reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

#### **AUTHENTICATION OF DOCUMENTS**

134. Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office or the head office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person

so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

#### **DESTRUCTION OF DOCUMENTS**

135. (1) The Company shall be entitled to destroy the following documents at the following times:-
- (a) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;
  - (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate variation cancellation or notification was recorded by the Company;
  - (c) any instrument of transfer of shares which has been registered at any time after the expiry of seven (7) years from the date of registration;
  - (d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and
  - (e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to be made on the basis of any such documents so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that: (1) the foregoing provisions of this Bye-law shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim; (2) nothing contained in this Bye-law shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (1) above are not fulfilled; and (3) references in this Bye-law to the destruction of any document include references to its disposal in any manner.

- (2) Notwithstanding any provision contained in these Bye-laws, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Bye-law and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Bye-law shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.

#### **DIVIDENDS AND OTHER PAYMENTS**

136. The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend in any currency to be paid to the Members and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. The Company in general meeting may also, subject to these Bye-laws and in accordance with the Act, declare a dividend or such other distribution to be paid to the Members but no dividend or distribution shall be declared by the Company in general meeting in excess of the amount recommended by the Board.

137. Without prejudice to the generality of the above Bye-law 136 if at any time the share capital of the Company is divided into different classes, the Board may pay such dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of any dividend on any shares having deferred or non-preferential rights and may also pay periodically any fixed dividend which is payable on any shares of the Company.
138. No dividend shall be paid or distribution made if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than the aggregate of its liabilities and its issued share capital and share premium accounts.
139. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:—
- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Bye-law as paid up on the share; and
  - (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
140. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
141. No unpaid dividend or distribution or other moneys payable by the Company shall bear interest as against the Company.
142. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.
143. All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.
144. Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the

dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

145. (1) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:–
- (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:–
    - (i) the basis of any such allotment shall be determined by the Board;
    - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
    - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and
    - (iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“the non-elected shares”) and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
  - (b) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:–
    - (i) the basis of any such allotment shall be determined by the Board;
    - (ii) the Board, after determining the basis of allotment, shall give not less than two (2) weeks' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
    - (iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

- (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.
- (2) (a) The shares allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank *pari passu* in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (2) of this Bye-law in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Bye-law shall rank for participation in such distribution, bonus or rights.
  - (b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Bye-law, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Bye-law a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.
  - (4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Bye-law shall not be made available or made to any Members with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.
  - (5) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares. The provisions of this Bye-law shall *mutatis mutandis* apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

## RESERVES

146. Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

## CAPITALISATION

147. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Bye-law, a share premium account and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be issued to such Members credited as fully paid. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Act.
148. The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under the last preceding Bye-law and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

## ACCOUNTING RECORDS

149. The Board shall cause to be kept proper records of account with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place; all sales and purchases of goods by the Company; the assets and liabilities of the Company; and all other matters required by the Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions. App. 13A 4(1)
150. The records of account shall be kept at the Office or, subject to the Act, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.
151. (1) Subject to Section 88 of the Act and Bye-law 151(2), a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and laid before the Company in general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures. App. 3 5 App. 13A 4(2)

- (2) To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 151(1) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
- (3) The requirement to send to a person referred to in Bye-law 151(1) the documents referred to in that provision or a summary financial report in accordance with Bye-law 151(2) shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 151(1) and, if applicable, a summary financial report complying with Bye-law 151(2), on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

#### **AUDIT**

152. (1) Subject to Section 88 of the Act, at each annual general meeting or at a subsequent special general meeting in each year, the Members shall appoint an auditor to hold office until the close of the next annual general meeting, and if an appointment is not so made, the Auditor in office shall continue in office until a successor is appointed. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
  - (2) Subject to Section 89 of the Act, a person, other than an incumbent Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the incumbent Auditor.
  - (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by special resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.
153. Subject to Section 88 of the Act, the financial statements of the Company shall be audited at least once in every year.
  154. The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine.
  155. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Board may appoint an auditor to fill the vacancy. An Auditor appointed pursuant to this Bye-law shall, subject to these Bye-laws, hold office until close of the next annual general meeting.
  156. The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.

157. The financial statements of the Company shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such financial statements are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than Bermuda. If so, the financial statements and the report of the Auditor should disclose this fact and name such country or jurisdiction.

## NOTICES

158. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
159. Any Notice or other document:–
- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
  - (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company’s website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
  - (c) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and

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- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.
160. (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Bye-laws shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- (2) A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
- (3) Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

#### **SIGNATURES**

161. For the purposes of these Bye-laws, a cable or telex or facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received.

#### **WINDING UP**

162. (1) The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- (2) A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.
163. If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

## **INDEMNITY**

164. (1) The Directors, Secretary and other officers (such term to include any person appointed by the Board to hold an office in the Company and any person appointed to any committee by the Board) for the time being acting in relation to any of the affairs of the Company, the Auditor for the time being and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.
- (2) Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director, or the failure of such Director to take any action in the performance of his duties with or for the Company; PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

## **ALTERATION OF BYE-LAWS AND AMENDMENT TO MEMORANDUM OF ASSOCIATION AND NAME OF COMPANY**

165. No Bye-law shall be rescinded, altered or amended and no new Bye-law shall be made without the prior written approval of the Designated Stock Exchange (if required by the rules of the Designated Stock Exchange) and until the same has been approved by a resolution of the Board and confirmed by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company.

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## **INFORMATION**

166. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interests of the members of the Company to communicate to the public save as may be authorised by law or required by the rules or regulations of the Designated Stock Exchange.