

YHS

YEO HIAP SENG LIMITED

(Registration No: 195500138Z)
(Incorporated in Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixtieth Annual General Meeting of the Company will be held at The Auditorium, Yeo Hiap Seng Limited, 3 Senoko Way, Singapore 758057 on Friday, 22 April 2016, at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS

- To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2015 and the report of the Auditors. **Ordinary Resolution 1**
- To declare a first and final one-tier tax exempt dividend of \$0.02 per ordinary share for the financial year ended 31 December 2015. **Ordinary Resolution 2**
- To approve the payment of \$1,090,926 as Directors' fees for the financial year ended 31 December 2015. (2014: \$953,000) **Ordinary Resolution 3**
- (i) To re-elect the following Directors:
(a) Dato' Mohamed Nizam bin Abdul Razak;
(b) Encik Razman Hafidz bin Abu Zarim; and
(c) Dr. Tan Chin Nam,
each of whom retires by rotation pursuant to Articles 97 and 98 of the Constitution of the Company. **Ordinary Resolution 4**
Ordinary Resolution 5
Ordinary Resolution 6
- (ii) To re-appoint the following Directors:
(a) Mr. Ngiam Tong Dow;
(b) Dato' N. Sadasivan a/l N.N. Pillay; and
(c) Mr. S. Chandra Das,
each of whom is over 70 years of age and retires under the respective resolutions passed at last year's Annual General Meeting pursuant to Section 153(6) of the Companies Act, Cap. 50 (which was then in force), as Directors of the Company. **Ordinary Resolution 7**
Ordinary Resolution 8
Ordinary Resolution 9
- To re-appoint KPMG LLP as Auditors and to authorise the Directors to fix their remuneration. **Ordinary Resolution 10**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, of which Resolutions 11 to 14 will be proposed as Ordinary Resolutions and Resolution 15 will be proposed as a Special Resolution:

- That authority be and is hereby given to the Directors of the Company to:
(i) (a) issue shares of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
(b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
(ii) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,
provided that:
(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50 per cent. of the total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 20 per cent. of the total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below);
(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares excluding treasury shares shall be calculated based on the total number of issued shares excluding treasury shares of the Company at the time that this Resolution is passed after adjusting for:
(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
(ii) any subsequent bonus issue, consolidation or subdivision of shares;
(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. **Ordinary Resolution 11**
- That:
(a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
(i) market purchase(s) on the Singapore Exchange Securities Trading Limited ("SGX-ST") and/or any other stock exchange on which the Shares may for the time being be listed and quoted ("Other Exchange"); and/or
(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,
and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");
(b) unless varied or revoked by the Company in General Meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
(i) the date on which the next Annual General Meeting of the Company is held;
(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
(c) in this Resolution:
"Maximum Limit" means that number of Shares representing 10% of the issued Shares (excluding any Shares held as treasury shares) as at the date of the passing of this Resolution;
"Maximum Price" in relation to a Share to be purchased, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) not exceeding:
(i) in the case of a Market Purchase of a Share, 105% of the Average Closing Price; and
(ii) in the case of an Off-Market Purchase of a Share, 120% of the Average Closing Price,
where:
"Average Closing Price" means the average of the closing market prices of the Shares over the last five Market Days on which the Shares were transacted on the SGX-ST or, as the case may be, Other Exchange, before the date of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to an Off-Market Purchase, as deemed to be adjusted for any corporate action that occurs after the relevant five-day period;
"date of the making of the offer" means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and
"Market Day" means a day on which the SGX-ST (or, as the case may be, Other Exchange) is open for trading in securities; and
(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. **Ordinary Resolution 12**
- That the Directors be and are hereby authorised to grant options and/or awards in accordance with the provisions of the YHS Share Incentive Plan (the "Plan") and allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the Plan and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Plan, provided that the aggregate number of new shares to be issued pursuant to options granted (or to be granted) under the Plan and the vesting of awards granted (or to be granted) under the Plan shall not exceed 10% of the total number of issued shares excluding treasury shares of the Company from time to time. **Ordinary Resolution 13**
- That pursuant to Section 161 of the Companies Act, Cap. 50, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares in the Company as may be required to be allotted and issued pursuant to the Yeo Hiap Seng Limited Scrip Dividend Scheme. **Ordinary Resolution 14**
- That the regulations contained in the new Constitution submitted to this Meeting and, for the purpose of identification, subscribed to by a Company Secretary, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution. **Special Resolution 15**

BY ORDER OF THE BOARD

Joanne Lim Swee Lee
Sau Eau Nee
Company Secretaries
Singapore, 31 March 2016

Notes:

- (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.
- A proxy need not be a member of the Company.
- The instrument appointing a proxy must be deposited at the office of the Company's share registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than 48 hours before the meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), 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 or service providers) 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.

Notice of Books Closure

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2016 for the purposes of determining shareholders' entitlements to the proposed first and final dividend.

Duly completed and stamped transfers of the ordinary shares of the Company ("Shares") received by the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 5 May 2016 will be registered before shareholders' entitlements to the first and final dividend are determined.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 5 May 2016 will rank for the proposed first and final dividend.

Subject to shareholders' approval at the Sixtieth Annual General Meeting to be held on 22 April 2016, the payment of the first and final dividend of 2 cents per Share will be made on 18 May 2016.

Additional information relating to items of Ordinary and Special Business:

Ordinary Resolution 4 – Subject to his re-election, Dato' Mohamed Nizam bin Abdul Razak, who is an independent Director, will continue to serve as a member of the Nominating Committee.

Ordinary Resolution 5 – Subject to his re-election, Encik Razman Hafidz bin Abu Zarim, who is an independent Director, will continue to serve as a member of the Remuneration Committee.

Ordinary Resolution 6 – Subject to his re-election, Dr. Tan Chin Nam, who is an independent Director, will continue to serve as a member of the Audit & Risk Committee.

Ordinary Resolution 7 – Subject to his re-appointment, Mr. Ngiam Tong Dow, who is an independent Director, will continue to serve as chairman of the Remuneration Committee and a member of the Nominating Committee.

Ordinary Resolution 8 – Subject to his re-appointment, Dato' N. Sadasivan a/l N.N. Pillay, who is an independent Director, will continue to serve as a member of the Audit & Risk Committee.

Ordinary Resolution 9 – Subject to his re-appointment, Mr. S. Chandra Das, who is an independent Director, will continue to serve as chairman of the Nominating Committee and a member of the Audit & Risk Committee, the Remuneration Committee and the Executive Committee and as the Company's Deputy Chairman and Lead Independent Director.

Ordinary Resolution 4 to Resolution 9 – Please refer to "Profile of the Board of Directors & Management" section and the "Board Independence" section in the Report on Corporate Governance in the Annual Report 2015 for more information on the Directors seeking re-election/re-appointment at the Annual General Meeting.

Ordinary Resolution 7 to Resolution 9 – If passed, will approve and authorise the Director in office, as a Director of the Company, from the date of this Annual General Meeting onwards without limitation in tenure save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution. This is consequent upon the repeal of Section 153 of the Companies Act, Cap. 50, with effect from 3 January 2016. The respective resolutions passed pursuant to Section 153(6) at last year's Annual General Meeting (as Section 153 was then still in force) could only permit the re-appointment of the relevant Director, being over 70 years of age, to hold office as a Director of the Company, only until this Annual General Meeting.

Ordinary Resolution 11 – If passed, will authorise the Directors from the date of this Annual General Meeting up to the next Annual General Meeting, to issue shares in the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, for such purposes as they consider would be in the interests of the Company, up to a number not exceeding 50 per cent. of the issued shares excluding treasury shares, of which up to 20 per cent. may be issued other than on a *pro rata* basis to shareholders. The aggregate number of shares which may be issued shall be calculated based on the total number of issued shares excluding treasury shares of the Company at the time that the Ordinary Resolution is passed, after adjusting for the conversion or exercise of any convertible securities and share options or vesting of share awards that have been issued or granted (provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual) and which are outstanding or subsisting at the time that the Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

Ordinary Resolution 12 – If passed, will empower the Directors to exercise the power of the Company to purchase or acquire its issued ordinary shares, until the date of the next Annual General Meeting. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. The amount of financing required for the Company to purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, whether the shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of shares purchased or acquired, and the consideration paid at the relevant time. Purely for illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company of 57,598,111 shares on 8 March 2016 representing approximately 10% of the issued shares (excluding treasury shares) as at that date, at a purchase price equivalent to the Maximum Price per share, in the case of a market purchase and an off-market purchase respectively, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 and certain assumptions, are set out in Paragraph 2.7 of the Company's letter to shareholders dated 31 March 2016.

Ordinary Resolution 13 – If passed, will empower the Directors to grant options and/or awards under the YHS Share Incentive Plan, and to allot and issue shares pursuant to the exercise of options and/or the vesting of awards granted pursuant to this Plan provided that the aggregate number of new shares to be issued pursuant to this Plan does not exceed 10% of the total number of issued shares excluding treasury shares of the Company from time to time.

Ordinary Resolution 14 – If passed, will authorise the Directors to issue shares in the Company pursuant to the Yeo Hiap Seng Limited Scrip Dividend Scheme to participating shareholders who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

Special Resolution 15 – If passed, is to adopt a new Constitution in substitution for, and replacement of, the Company's existing Constitution. The new Constitution contains regulations that take into account the wide-ranging changes to the Companies Act, Cap. 50, introduced by the Companies (Amendment) Act 2014 and other updates to the regulatory framework. Please refer to the Company's letter to shareholders dated 31 March 2016 for more details.

Yeo Hiap Seng Limited will provide a complimentary shuttle bus service from Sembawang MRT Station for shareholders attending its 60th Annual General Meeting ("60th AGM") on Friday, 22 April 2016. The shuttle bus will be parked at the bus stop of Sembawang MRT Station. Please look out for this sign "YHS 60th AGM" on the bus. The pick-up times will be at 3.00 p.m. and 3.30 p.m. Return trips will be from 5.15 p.m. to 5.30 p.m. after the 60th AGM.