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PACC OFFSHORE SERVICES HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 200603185Z)

LETTER TO SHAREHOLDERS DATED 5 APRIL 2016

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE;**
- (2) THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS;
AND**
- (3) THE PROPOSED ADOPTION OF THE NEW CONSTITUTION**

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LETTER TO SHAREHOLDERS

PACC OFFSHORE SERVICES HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200603185Z)

Board of Directors:

Kuok Khoon Ean (*Chairman and Non-Executive Director*)
Seow Kang Hoe, Gerald (*Chief Executive Officer and Executive Director*)
Wu Long Peng (*Non-Executive Director*)
Jude Philomen Benny (*Lead Independent Director*)
Ma Kah Woh (*Independent Director*)
Ahmad Sufian @ Qurnain Bin Abdul Rashid (*Independent Director*)
Wee Joo Yeow (*Independent Director*)

Registered Office:

1 Kim Seng Promenade
#07-02
Great World City
Singapore 237994

5 April 2016

To: The Shareholders of
PACC Offshore Services Holdings Ltd. (the "**Company**").

Dear Sir/Madam

1. INTRODUCTION

1.1 Background. We refer to:

- (a) the Notice of Annual General Meeting ("**AGM**") of the Company dated 5 April 2016 (the "**Notice**"), accompanying the Annual Report for the financial year ended 31 December 2015, convening the 10th AGM of the Company to be held on 27 April 2016 (the "**2016 AGM**");
- (b) Ordinary Resolution No. 10 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 2.1 below), as proposed in the Notice;
- (c) Ordinary Resolution No. 11 relating to the proposed renewal of the IPT Mandate (as defined in paragraph 3.1 below), as proposed in the Notice; and
- (d) Special Resolution No. 12 relating to the proposed adoption of the New Constitution (as defined in paragraph 4.2 below), as proposed in the Notice.

1.2 **Letter to Shareholders.** The purpose of this Letter is to provide shareholders of the Company ("**Shareholders**") with information relating to Ordinary Resolution Nos. 10 and 11 and Special Resolution No. 12 proposed in the Notice (collectively, the "**Proposals**").

1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

1.4 **Advice to Shareholders.** Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 **Background.** Shareholders had approved a mandate (the “**Share Purchase Mandate**”) to enable the Company to purchase or otherwise acquire its issued ordinary shares (“**Shares**”) at the Extraordinary General Meeting of the Company held on 27 April 2015 (the “**2015 EGM**”). The authority and limitations on the Share Purchase Mandate were set out in the Circular to Shareholders dated 10 April 2015 (the “**2015 Circular**”) and the Ordinary Resolution set out in the Notice of the 2015 EGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of the Ordinary Resolution at the 2015 EGM and will expire on the date of the forthcoming 2016 AGM which is scheduled to be held on 27 April 2016. Accordingly, Shareholders’ approval is being sought for the renewal of the Share Purchase Mandate at the 2016 AGM.

2.2 **Rationale for the Share Purchase Mandate.** The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) In managing the business of the Company and its subsidiaries, management will strive to increase Shareholders’ value by improving, amongst others, the return on equity (“**ROE**”) of the Company. In addition to growth and expansion of the business, share purchases or acquisitions may be considered by the Company’s board of directors (“**Board of Directors**”) as one of the ways through which the ROE of the Company may be enhanced.
- (b) The Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
- (c) The Share Purchase Mandate will provide the Company greater flexibility to control, amongst others, the Company’s share capital structure with a view to enhance the earnings per Share of the Company and give the directors of the Company (“**Directors**”) the ability to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.
- (d) Repurchased Shares which are held in treasury may be transferred for the purposes of or pursuant to employees’ share schemes implemented by the Company. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

The purchase or acquisition of Shares will only be undertaken when the Directors are of the view that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit described in paragraph 2.3.1 below. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Company and its subsidiaries (collectively, the “**Group**”) as a whole.

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2.3 **Authority and Limits of the Share Purchase Mandate.** The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2016 AGM, are the same as previously approved by Shareholders at the 2015 EGM. These are summarised below:

2.3.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the 2016 AGM at which the proposed renewal of the Share Purchase Mandate is approved. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 1,811,985,100 Shares in issue as at 18 March 2016, being the latest practicable date prior to the printing of this Letter (the "**Latest Practicable Date**"), and disregarding 8,014,900 Shares held in treasury as at the Latest Practicable Date, and assuming that:

- (a) no further Shares are issued; and
- (b) no further Shares are purchased or acquired by the Company and no Shares purchased or acquired by the Company are held as treasury shares,

on or prior to the 2016 AGM, not more than 181,198,510 Shares (representing 10% of the total number of issued Shares (disregarding the 8,014,900 Shares held in treasury)) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire part of or the entire 10% of the total number of issued Shares. In particular, as further described in paragraph 2.9 below, the Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if such purchase or acquisition will result in the number of Shares remaining in the hands of the public to fall to such a level as to cause market illiquidity or to affect the listing status or orderly trading of the Shares on the SGX-ST.

2.3.2 *Duration of Authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2016 AGM, at which the proposed renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
- (c) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

2.3.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**") transacted on the SGX-ST through one or more duly licensed dealers appointed by the Company for the purpose; and/or

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- (b) off-market purchases ("**Off-Market Purchases**") in accordance with an equal access scheme effected pursuant to Section 76C of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**").

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual of the SGX-ST (the "**Listing Manual**") and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase in accordance with an equal access scheme must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same (except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares).

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (I) the terms and conditions of the offer;
- (II) the period and procedures for acceptances; and
- (III) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

2.3.4 **Maximum Purchase Price**

The purchase price to be paid for a Share as determined by the Directors (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) (the "**Maximum Price**") must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares.

For the above purposes and paragraph 2.7.3 below:

"Average Closing Price" means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the rules of the Listing Manual for any corporate action that occurs after the relevant five-day period; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating therein 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.

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2.4 **Status of Purchased or Acquired Shares.** Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to those Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

2.5 **Treasury Shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

2.5.1 *Maximum Holdings*

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 *Voting and Other Rights*

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed and any such shares so allotted shall be treated, for the purposes of the Companies Act, as if they were purchased by the Company at the time they were allotted, in circumstances in which Section 76H of the Companies Act applied. A subdivision or consolidation of any treasury share into treasury shares is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 *Disposal and Cancellation*

Where Shares are held as treasury shares, the Company may at any time but subject always to the Singapore Code on Take-overs and Mergers (the "**Take-over Code**"):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

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- 2.6 **Sources of Funds.** The Company may purchase or acquire its own Shares out of the Company's capital, as well as from its profits, so long as the Company is solvent.

The Company may use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares pursuant to the Share Purchase Mandate.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the financial position of the Group would be materially adversely affected.

- 2.7 **Financial Effects.** The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, amongst others, the number of Shares purchased or acquired and the price paid for such Shares. The financial effects on the Company and the Group, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015, are based on the assumptions set out below:

2.7.1 *Purchase or Acquisition out of Capital and/or Profits*

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (the "**Purchase Price**") and the amount available for the distribution of cash dividends by the Company will not be reduced;
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price and correspondingly reduce the amount available for the distribution of cash dividends by the Company; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

2.7.2 *Number of Shares Purchased or Acquired*

Based on the number of issued and paid-up Shares as at the Latest Practicable Date (and disregarding the Shares held in treasury) and on the assumptions set out in paragraph 2.3.1 above, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 181,198,510 Shares.

2.7.3 *Maximum Price Paid for Shares Purchased or Acquired*

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 181,198,510 Shares at the Maximum Price of S\$0.380 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the Main Board of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 181,198,510 Shares is approximately S\$68.9 million.

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In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 181,198,510 Shares at the Maximum Price of S\$0.398 for each Share (being the price equivalent to 110% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the Main Board of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 181,198,510 Shares is approximately S\$72.1 million.

2.7.4 *Illustrative Financial Effects*

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, amongst others, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.7.2 and 2.7.3 above as well as the following:

- (a) the Share Purchase Mandate had been effective on 1 January 2015;
- (b) there was no issuance of Shares after the Latest Practicable Date;
- (c) such Share purchases or acquisitions are funded solely by external borrowings; and
- (d) the maximum amount of funds required for the purchase or acquisition of 181,198,510 Shares for Market Purchases and Off-Market Purchases is US\$50.8 million and US\$53.2 million respectively, based on an exchange rate of US\$1.00 to S\$1.355,

the financial effects on the consolidated financial statements of the Company for the financial year ended 31 December 2015, based on a purchase or acquisition of Shares by the Company of up to 10% of the total number of issued Shares would have been as follows:

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(1) Market Purchases

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
	US\$'000	Held as Treasury Shares US\$'000	Cancelled US\$'000	US\$'000	Held as Treasury Shares US\$'000	Cancelled US\$'000
As at 31 December 2015						
Share capital	827,201	827,201	776,386	827,201	827,201	776,386
Retained profits	235,213	234,503	234,503	218,079	217,369	217,369
Other reserves	298	298	298	–	–	–
	1,062,712	1,062,002	1,011,187	1,045,280	1,044,570	993,755
Treasury shares	(1,669)	(52,484)	(1,669)	(1,669)	(52,484)	(1,669)
Total shareholders' equity ⁽¹⁾	1,061,043	1,009,518	1,009,518	1,043,611	992,086	992,086
Goodwill	168,303	168,303	168,303	–	–	–
Intangible assets	29	29	29	1	1	1
Net tangible assets ⁽²⁾	892,711	841,186	841,186	1,043,610	992,085	992,085
Current assets	176,237	176,237	176,237	1,204,024	1,204,024	1,204,024
Current liabilities	672,429	723,954	723,954	635,125	686,650	686,650
Total borrowings ⁽³⁾	559,730	611,255	611,255	559,730	611,255	611,255
Loss attributable to shareholders	(130,959)	(131,669)	(131,669)	(55,350)	(56,060)	(56,060)
Number of Shares (in '000)	1,812,705	1,631,507	1,631,507	1,812,705	1,631,507	1,631,507
Weighted average number of shares (in '000)	1,818,095	1,675,122	1,675,122	1,818,095	1,675,122	1,675,122
Financial Ratio						
Net tangible assets per Share (US cent)	49.25	51.56	51.56	57.57	60.81	60.81
Gearing ⁽⁴⁾ (times)	0.53	0.61	0.61	0.54	0.62	0.62
Current ratio (times)	0.26	0.24	0.24	1.90	1.75	1.75
EPS ⁽⁵⁾ (US cent)	(7.20)	(7.86)	(7.86)	(3.04)	(3.35)	(3.35)

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(2) Off-Market Purchases

	Group			Company		
	Before Share Buy-back	After Share Buy-back	Cancelled	Before Share Buy-back	After Share Buy-back	Cancelled
	US\$'000	Held as Treasury Shares US\$'000	US\$'000	US\$'000	Held as Treasury Shares US\$'000	US\$'000
As at 31 December 2015						
Share capital	827,201	827,201	773,978	827,201	827,201	773,978
Retained profits	235,213	234,470	234,470	218,079	217,336	217,336
Other reserves	298	298	298	–	–	–
	1,062,712	1,061,969	1,008,746	1,045,280	1,044,537	991,314
Treasury shares	(1,669)	(54,892)	(1,669)	(1,669)	(54,892)	(1,669)
Total shareholders' equity⁽¹⁾	1,061,043	1,007,077	1,007,077	1,043,611	989,645	989,645
Goodwill	168,303	168,303	168,303	–	–	–
Intangible assets	29	29	29	1	1	1
Net tangible assets ⁽²⁾	892,711	838,745	838,745	1,043,610	989,644	989,644
Current assets	176,237	176,237	176,237	1,204,024	1,204,024	1,204,024
Current liabilities	672,429	726,395	726,395	635,125	689,091	689,091
Total borrowings ⁽³⁾	559,730	613,696	613,696	559,730	613,696	613,696
Loss attributable to shareholders	(130,959)	(131,702)	(131,702)	(55,350)	(56,093)	(56,093)
Number of Shares (in '000)	1,812,705	1,631,507	1,631,507	1,812,705	1,631,507	1,631,507
Weighted average number of shares (in '000)	1,818,095	1,675,122	1,675,122	1,818,095	1,675,122	1,675,122
Financial Ratio						
Net tangible assets per Share (US cent)	49.25	51.41	51.41	57.57	60.66	60.66
Gearing ⁽⁴⁾ (times)	0.53	0.61	0.61	0.54	0.62	0.62
Current ratio (times)	0.26	0.24	0.24	1.90	1.75	1.75
EPS ⁽⁵⁾ (US cent)	(7.20)	(7.86)	(7.86)	(3.04)	(3.35)	(3.35)

Notes:

For the purposes of the above calculations:

- (1) "Total shareholders' equity" means the aggregate amount of issued share capital, other reserves and retained profits.
- (2) "Net tangible assets" as disclosed above excludes goodwill and intangible assets.
- (3) "Total borrowings" means the aggregate borrowings from banks and financial institutions.
- (4) "Gearing" represents the ratio of total borrowings to total shareholders' equity.
- (5) "EPS" is calculated based on profit/(loss) attributable to shareholders and weighted average number of shares.

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Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical numbers for the financial year ended 31 December 2015, and is not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares), the Company may not necessarily purchase or acquire part of or the entire 10% of the total number of issued Shares (excluding treasury shares). In addition, the Company may cancel all or part of the Shares repurchased in treasury.

The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

- 2.8 **Tax Implications.** Shareholders who are in doubt as to their respective tax positions or the tax implications of share repurchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.
- 2.9 **Listing Rules.** The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a market purchase, on the market day following the day of purchase or acquisition of any of its shares and (b) in the case of an off-market purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis) and expressed as a percentage of the listed company's issued shares (excluding treasury shares), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced.

In particular, in conformity with the best practices on dealing with securities under the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of two weeks immediately preceding the announcement of the Company's results for each of the first three quarters of the financial year, and during the period of one month immediately preceding the announcement of the Company's annual results.

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is held by public shareholders at all times. As at the Latest Practicable Date, approximately 16.41% of the issued Shares (excluding Shares held in treasury) is held by public Shareholders. Assuming that the Company purchases or acquires through Market Purchases 181,198,510 Shares, being 10% of its issued Shares (excluding Shares held in treasury) as at the Latest Practicable Date, 7.12% of the issued Shares (excluding Shares held in treasury) will be held by public Shareholders. Accordingly, the purchases or acquisitions by the Company of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate may result in the number of issued Shares held by public Shareholders to fall below 10%. In view of the foregoing, the Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if such purchase or acquisition will result in the number of Shares remaining in the hands of the public to fall to such a level as to cause market illiquidity or to affect the listing status or orderly trading of the Shares on the SGX-ST.

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2.10 **Previous Purchases.** As at the Latest Practicable Date, the Company had purchased or acquired an aggregate of 8,014,900 Shares by way of Market Purchases pursuant to the Share Purchase Mandate approved by Shareholders at the 2015 EGM. The highest and lowest price paid was S\$0.286 and S\$0.346 per Share respectively. The total consideration (excluding goods and services tax) paid for all of the purchases was S\$2.5 million.

2.11 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.11.1 *Obligation to Make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

2.11.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, that the following individuals and companies will be presumed to be persons acting in concert with each other:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.11.3 *Effect of Rule 14 and Appendix 2 of the Take-over Code*

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

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Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Takeover Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of Ordinary Resolution No. 10 relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2016 AGM.

Based on Substantial Shareholder notifications received by the Company under Division 1, Part VII of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**") as at the Latest Practicable Date as set out in paragraph 5 below, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of the total number of its issued Shares (excluding treasury shares) as at the Latest Practicable Date.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a takeover offer would arise by reason of any share purchases or acquisitions by the Company.

3. THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

3.1 **Background.** At the 2015 EGM, Shareholders had approved the renewal of the general mandate for interested person transactions (the "**IPT Mandate**"). The terms of the IPT Mandate were set out in the 2015 Circular.

The IPT Mandate enables the Company, its subsidiaries and associated companies that are considered to be "entities at risk" within the meaning of Chapter 9 of the Listing Manual (the "**Entity at Risk Group**"), to enter in the ordinary course of business into any of the mandated transactions with specified classes of the Company's interested persons, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

3.2 **Annual Renewal of the IPT Mandate.** The IPT Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the 2016 AGM which is scheduled to be held on 27 April 2016. Accordingly, the Directors propose that the IPT Mandate be renewed at the 2016 AGM, to take effect until the conclusion of the next AGM of the Company.

3.3 **Particulars of the IPT Mandate to be renewed.** The nature of the interested person transactions and the classes of interested persons in respect of which the IPT Mandate is sought to be renewed remain unchanged. Particulars of the IPT Mandate, including the rationale for the IPT Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of interested persons, are set out in paragraph 3.6 of this Letter.

3.4 **Audit Committee's Confirmation.** Pursuant to Rule 920(1)(c) of the Listing Manual, the audit committee of the Company ("**Audit Committee**"), comprising Ma Kah Woh, Wee Joo Yeow, Ahmad Sufian @ Qurnain Bin Abdul Rashid and Jude Philomen Benny, confirms (with Ahmad Sufian @ Qurnain Bin Abdul Rashid abstaining) that:

- (a) the methods or procedures for determining the transaction prices have not changed since the 2015 EGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the mandated transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

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3.5 Chapter 9 of the Listing Manual

- 3.5.1 Chapter 9 of the Listing Manual governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be “at risk”, with the listed company’s interested persons.
- 3.5.2 Except for any transaction which is below S\$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company’s latest audited consolidated net tangible assets (“NTA")), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:
- (a) 5% of the listed company’s latest audited consolidated NTA; or
 - (b) 5% of the listed company’s latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the “same interested person” (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015, the consolidated NTA of the Group was US\$892.7 million. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Listing Manual, in the current financial year and until the audited consolidated financial statements of the Group for the financial year ending 31 December 2016 are published, 5% of the Group’s latest audited consolidated NTA would be US\$44.6 million.

- 3.5.3 Chapter 9 of the Listing Manual, however, allows the Company to seek a mandate from its Shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of the Company’s day-to-day operations.
- 3.5.4 For the purposes of Chapter 9 of the Listing Manual:
- (a) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;
 - (b) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
 - (c) an “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

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- (d) an **"entity at risk"** means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the **"listed group"**), or the listed group and its interested person(s), has control over the associated company;
- (e) an **"interested person"** means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
- (f) an **"interested person transaction"** means a transaction between an entity at risk and an interested person;
- (g) a **"transaction"** includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether or not entered into directly or indirectly; and
- (h) in interpreting the term **"same interested person"** for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905 and 906 of Chapter 9 of the Listing Manual, the following applies:
 - (i) 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; and
 - (ii) 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.

3.6 Renewal of the IPT Mandate

3.6.1 Introduction

The Company anticipates that the Entity at Risk Group would, in the ordinary course of business, continue to enter into certain transactions with its interested persons (as such term is defined in the Listing Manual and/or in accordance with the directions of the SGX-ST), including but not limited to those categories of transactions described below. In view of the time-sensitive nature of commercial transactions, it would be advantageous for the Company to obtain a Shareholders' mandate to enter into certain interested person transactions in the Entity at Risk Group's normal course of business, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Chapter 9 of the Listing Manual allows a listed company to obtain a mandate from its shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of its day-to-day operations.

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The IPT Mandate will take effect from the passing of Ordinary Resolution No. 11, being the Ordinary Resolution relating thereto, and will continue in force until the conclusion of the next AGM of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of the Company of its continued application to the Mandated Transactions (as defined below).

3.6.2 *Entities at Risk*

For the purposes of the IPT Mandate, an “**Entity At Risk**” means:

- (a) the Company;
- (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or
- (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Company and its interested person(s), have control over the associated company.

3.6.3 *Classes of Mandated Interested Persons*

The IPT Mandate will apply to the transactions that are carried out with the following persons (the “**Mandated Interested Persons**”):

- (a) the Company’s Controlling Shareholders (as such term is defined in the Listing Manual), namely, Kuok (Singapore) Limited (“**KSL**”) and Malaysian Bulk Carriers Berhad (“**MBC**”), and the associates of KSL (including Pacific Carriers Limited (“**PCL**”) and MBC; and
- (b) Raffles Bunkering Pte. Ltd., an associated company of Wilmar International Limited in which various members of the Kuok Group (comprising KSL, Kerry Holdings Limited and Kuok Brothers Sdn Bhd, together with their related companies) own, directly or indirectly, interests aggregating to more than 30%.

3.6.4 *Categories of Mandated Interested Person Transactions*

The types of transactions to which the IPT Mandate will apply (the “**Mandated Transactions**”) are set out below:

- (a) the provision of shipbuilding (together with the provision of related refundment guarantees in favour of the Entity at Risk Group), ship repair, ship conversion and maintenance and dry-docking services, to the Entity at Risk Group;
- (b) the provision of management services relating to vessels including inspection of vessels, periodic drydocking supervision, routine and casualty repairs, engagement and provision of crew, to and/or by the Entity at Risk Group;
- (c) the sale and/or purchase of vessel parts, equipment, bunkers, consumables and such other vessel supplies required by the vessels (including the provision of services for the sale and/or purchase of such vessel supplies), to and/or by the Entity at Risk Group;

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- (d) the provision of:
 - (i) services as crewing agents for the Entity at Risk Group's vessels to recruit and provide crew for employment on the vessels and ancillary services; and
 - (ii) manning services including acting as crew manager, dealing with engagement and provision of crew for the vessels, attending to all matters pertaining to discipline, labour relations, welfare and amenities of such crew and ensuring that such crew are suitably qualified,
 to and/or by the Entity at Risk Group;
- (e) the provision and/or obtaining of vessel chartering services (including vessel chartering services relating to harbour towage operations and marine salvage operations), to and/or by the Entity at Risk Group;
- (f) the provision of shipping agency services, to the Entity at Risk Group;
- (g) the provision of shared services, including the following services, to the Entity at Risk Group (other than as envisaged in any agreement in force between the Entity at Risk Group and the Mandated Interested Persons):
 - (i) strategic and commercial management services;
 - (ii) human resources and personnel administration services;
 - (iii) office administration services;
 - (iv) legal and corporate secretarial services;
 - (v) treasury services;
 - (vi) back office processes;
 - (vii) information technology services;
 - (viii) internal audit;
 - (ix) insurance services; and
 - (x) bunker procurement services;
- (h) the leasing and/or rental for the use of properties; and
- (i) the provision or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in sub-paragraphs (a) to (h) above.

3.6.5 ***Rationale for and Benefits of the IPT Mandate***

The IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential interested person transactions with a specific class of Mandated Interested Persons arise, thereby substantially reducing administrative time and expenses in convening such meetings, without compromising the corporate objectives or any strategic advantage and adversely affecting the business opportunities available to the Entity at Risk Group. These transactions may be constrained by their time-sensitive and confidential nature, and it may be impractical to seek Shareholders' approval on a case-by-case basis before entering into them.

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The Entity at Risk Group should have access to all available markets, products and services with Mandated Interested Persons and other parties. The Entity at Risk Group benefits from the Mandated Transactions through the synergies that are derived from the Mandated Interested Persons' global network and expertise. Transacting with the Mandated Interested Persons enhances the Entity at Risk Group's ability to explore beneficial business opportunities. As such, the IPT Mandate is important to the success and viability of the Entity at Risk Group.

The IPT Mandate is intended to facilitate transactions in the normal course of the Entity at Risk Group's business which are transacted from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out on the Entity at Risk Group's normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will: (a) disclose in the Company's annual report the aggregate value of (i) shipbuilding and ship conversion services ("**Shipbuilding and Ship Conversion Services**"), and (ii) transactions (other than Shipbuilding and Ship Conversion Services) ("**Other Mandated Transactions**"), conducted with Mandated Interested Persons pursuant to the IPT Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT Mandate continues to be in force). Such disclosure will be in the form set out in Rule 907 of the Listing Manual; and (b) announce the aggregate value of (i) Shipbuilding and Ship Conversion Services; and (ii) Other Mandated Transactions, conducted with Mandated Interested Persons pursuant to the IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report. Such disclosure will also be in the form set out in Rule 907 of the Listing Manual. The Company will also provide background information on the relevant number and type of vessels with respect to Shipbuilding and Ship Conversion Services provided to the Entity at Risk Group.

3.6.6 ***Review Procedures for Mandated Transactions with Mandated Interested Persons***

The Company has an internal control system in place to ensure that Mandated Transactions with the Mandated Interested Persons are made on normal commercial terms and consistent with the Entity at Risk Group's usual policies and practices.

In particular, the following review procedures have been implemented:

- (a) The employees of the Entity at Risk Group will be notified of the identities of the Mandated Interested Persons and will be required, prior to entering into such transactions, to ensure that all the Mandated Transactions are consistent with the Entity at Risk Group's normal business practices and policies, and (in the case of services provided by the Entity at Risk Group) on terms not more favourable to the Mandated Interested Persons than those generally available to the public or (in the case of services provided by the Mandated Interested Persons) on terms not less favourable to the Entity at Risk Group than those generally available to the public, as the case may be, and are not detrimental to the minority shareholders.
- (b) The transaction prices and terms will be determined as follows:

Shipbuilding and Ship Conversion Services

The transaction prices and terms will be determined based on the prevailing market rates which will, in turn, be determined by market forces, demand and supply, specifications and other relevant factors. These factors will include, but will not be limited, to the ability of the relevant shipyard to construct vessels of required specifications, to accept orders and to deliver on time, the quality of the vessels constructed by the relevant shipyard, and the financial capability of the relevant shipyard. The transaction price will also be determined based on benchmarking information. Such information may be based on available market intelligence on vessels with comparable specifications. Generally, benchmarking will be made by comparing publicly-available information including

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industry databases operated by independent third parties and transaction prices for other similar transactions by unrelated third parties, to the extent that such prices have been announced or are publicly available, or against previous similar transactions that the Entity at Risk Group has entered into in the past. The transaction price and terms will be no less favourable to the relevant Entity At Risk than what is available in the market, having regard to all relevant factors. The transaction price and terms will be subject to the prior approval of the Audit Committee (unless the transaction is of a value of less than US\$1,000,000 as further described below). In assessing and considering the proposed transaction, the Audit Committee may request for additional information. For instance, if the relevant benchmarking information is not publicly available, the Audit Committee may request for market benchmarking information from subscription-based industry databases or valuation guidance from independent third party brokers or valuers.

Other Mandated Transactions

The transaction prices and terms are determined based on the prevailing market rates which are determined by market forces, demand and supply, specifications and other relevant factors. Where practical and feasible, quotations may be obtained from unrelated third parties for similar or substantially similar transactions, products or services to determine whether the price and terms offered to/by the Mandated Interested Persons are fair and reasonable. The transaction price and terms will be no more favourable to the relevant Mandated Interested Person (where products or services are provided to the Mandated Interested Person) or, as the case may be, no less favourable to the relevant Entity At Risk (where products or services are obtained from the Mandated Interested Person) than what is available in the market, having regard to all relevant factors. Where it is impracticable or unfeasible for quotes to be obtained from unrelated third parties, the transaction price will be based on prevailing market rates agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms to ensure that the transaction is not detrimental to the Entity at Risk Group.

As an illustration, where services are provided by the Entity at Risk Group, it may be impracticable or unfeasible to obtain quotations from unrelated third parties if the prevailing market rates or prices are not available due to the nature of the services to be provided or due to the prevailing business conditions. Also as an illustration, where services or products are provided to the Entity at Risk Group, it may be impracticable or unfeasible to obtain quotations from unrelated third parties if there are no unrelated third party vendors of similar services or products, if the service or product is proprietary, if there are confidentiality issues or timing constraints over the provision of services or products by unrelated third party vendors, or if the prevailing market rates or prices are not available due to the nature of the services or products to be provided or due to the prevailing business conditions. For instance, in the case of shared services, there may be cases where there are no unrelated third party vendors who can provide a one-stop range of required shared services.

- (c) All transactions will be reviewed and approved according to the Entity at Risk Group's prevailing internal financial authority limit. In particular, any transaction of a value of up to US\$1,000,000 will be subject to the prior approval of the Chief Financial Officer of the Company and any transaction of a value exceeding US\$1,000,000 will be subject to the prior approval of the Audit Committee. All transactions will also be reviewed monthly by the Company's finance department to identify the Mandated Transactions and ensure that they are within the IPT Mandate. If any person has an interest in a transaction, he will abstain from any deliberation and decision-making in respect of the said transaction.
- (d) The annual internal audit plan will incorporate a quarterly review of the Mandated Transactions entered into pursuant to the IPT Mandate to ensure that the review procedures in respect of the Mandated Transactions are adhered to.

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- (e) The Audit Committee will review the report on Mandated Transactions prepared on a quarterly basis by the Company's finance department to ascertain that relevant procedures, guidelines and policies established to monitor the Mandated Transactions have been complied with.
- (f) The Board of Directors and the Audit Committee will have the overall responsibility for the determination of the review procedures, including any addition or variation thereto, where applicable. The Board of Directors and the Audit Committee may also appoint individuals or committees within the Company to examine the Mandated Transactions as they deem appropriate. If a member of the Board of Directors or the Audit Committee has an interest in a transaction, he will abstain from any deliberation and decision-making by the Board of Directors or the Audit Committee in respect of the said transaction.
- (g) A register of Mandated Transactions carried out with Mandated Interested Persons (recording the basis, including quotations (if available) or, in the case of Shipbuilding and Ship Conversion Services, benchmarking information or such other additional information as may be requested by the Audit Committee (such as market benchmarking information or valuation guidance) (as further described above) obtained to support such basis, on which they are entered into) will be maintained by the Company's finance department to capture, on a monthly basis, all Mandated Transactions which are entered into pursuant to the IPT Mandate.
- (h) Disclosure will be made in the quarterly announcements and the annual report of the Company in respect of the Mandated Transactions in accordance with Chapter 9 of the Listing Manual.

If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group, its joint ventures or the Mandated Interested Persons are conducted, or the review procedures for Mandated Transactions are not sufficient to ensure that the Mandated Transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to Shareholders for a fresh general mandate based on new review procedures so that Mandated Transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4. THE PROPOSED ADOPTION OF THE NEW CONSTITUTION

- 4.1 **Companies (Amendment) Act 2014.** The Companies (Amendment) Act 2014 (the "**Amendment Act**"), which was passed in Parliament on 8 October 2014 and took effect in phases on 1 July 2015 and 3 January 2016 respectively, introduced wide-ranging changes to the Companies Act. The changes aim to reduce regulatory burden on companies, provide for greater business flexibility and improve the corporate governance landscape in Singapore. The key changes include the introduction of a multiple proxies regime to enfranchise indirect investors and Central Provident Fund investors, provisions to facilitate the electronic transmission of notices and documents, and the merging of the memorandum and articles of association of a company into one document called the "constitution".
- 4.2 **New Constitution.** The Company is accordingly proposing to adopt a new constitution (the "**New Constitution**"), which will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016 (the "**Existing Constitution**"), and incorporate amendments to take into account the changes to the Companies Act introduced pursuant to the Amendment Act. At the same time, the existing objects clauses will be replaced with a general provision giving the Company full capacity to carry on or undertake any business or activity, do any act or enter into any transaction. The proposed New Constitution also contains updated provisions which are consistent with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual. In addition, the Company is taking this opportunity to include provisions in the New Constitution to address the personal data protection regime in Singapore, and also to streamline and rationalise certain other provisions.

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4.3 **Summary of Principal Provisions.** The following is a summary of the principal provisions of the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions:

4.3.1 **Companies Act**

The following articles include provisions which are in line with the Companies Act, as amended pursuant to the Amendment Act:

- (a) **Article 1 (Article 2 of Existing Constitution).** Article 1, which is the interpretation section of the New Constitution, includes the following additional/revised provisions:
 - (i) a revised definition of "in writing" to make it clear that this expression includes any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether physical or electronic. This would facilitate, for example, a proxy instrument being in either physical or electronic form;
 - (ii) new definitions of "registered address" and "address" to make it clear that these expressions mean, in relation to any Shareholder, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly specified;
 - (iii) a revised provision stating that the expressions "Depositor", "Depository", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in the SFA. This follows the migration of the provisions in the Companies Act which relate to the Central Depository System to the SFA pursuant to the Amendment Act; and
 - (iv) a new provision stating that the expressions "current address", "electronic communication" and "relevant intermediary" shall have the meanings ascribed to them respectively in the Companies Act. This follows the introduction of new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Amendment Act.
- (b) **Article 6(B).** Article 6(B) is a new provision which provides that new shares may be issued for no consideration. This is in line with new section 68 of the Companies Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company.
- (c) **Article 12 (Article 9 of Existing Constitution).** Article 12, which relates to the Company's power to alter its share capital, has new provisions which:
 - (i) empower the Company, by Ordinary Resolution, to convert its share capital or any class of shares from one currency to another currency. This is in line with new section 73 of the Companies Act, which sets out the procedure for such re-denominations; and
 - (ii) empower the Company, by Special Resolution, to convert one class of shares into another class of shares. This is in line with new section 74A of the Companies Act, which sets out the procedure for such conversions.
- (d) **Article 19 (Article 16 of Existing Constitution).** The requirement to disclose the amount paid on the shares in the share certificate relating to those shares has been removed in article 19, which relates to share certificates. A share certificate need only state (*inter alia*) the number and class of the shares, whether the shares are fully or partly paid up, and the amount (if any) unpaid on the shares. This follows the amendments to section 123(2) of the Companies Act pursuant to the Amendment Act.

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- (e) **Article 56 (Article 53 of Existing Constitution).** Article 56, which relates to the routine business that is transacted at an AGM, has been revised to:
- (i) substitute the references to “accounts” with “financial statements”, and references to “reports of the Directors” with “Directors’ statement”, for consistency with the updated terminology in the Companies Act;
 - (ii) expand the routine business items to include, in addition to the re-appointment of the retiring Auditor, the appointment of a new Auditor; and
 - (iii) clarify the types of Directors’ remuneration which will be subject to Shareholder approval as routine business.
- (f) **Article 64(B) (Article 61(B) of Existing Constitution).** Article 64(B), which relates to the method of voting at a general meeting where mandatory polling is not required, has been revised to reduce the threshold for eligibility to demand a poll from 10% to 5% of the total voting rights of the members having the right to vote at the meeting, or of the total sum paid up on all the shares conferring that right. This is in line with section 178 of the Companies Act, as amended pursuant to the Amendment Act.
- (g) **Articles 68, 74 and 76(A) (Articles 65, 71 and 73 of Existing Constitution).** Articles 68, 74 and 76(A), which relate to the voting rights of Shareholders and the appointment and deposit of proxies, have new provisions which cater to the multiple proxies regime introduced by the Amendment Act. The multiple proxies regime allows “relevant intermediaries”, such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, to appoint more than two proxies to attend, speak and vote at general meetings. In particular:
- (i) article 74(A) provides that save as otherwise provided in the Companies Act, a Shareholder who is a “relevant intermediary” may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder, and where such Shareholder’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the form of proxy. This is in line with new section 181(1C) of the Companies Act;
 - (ii) article 74(B) provides that the Company will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. Consequential changes have also been made in articles 68 and 74(B) to make it clear that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant general meeting. This is in line with new section 81SJ(4) of the SFA;
 - (iii) article 68 provides that in the case of a Shareholder who is a “relevant intermediary” and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with new section 181(1D) of the Companies Act; and
 - (iv) the cut-off time for the deposit of proxies has been extended from 48 to 72 hours before the time appointed for holding the general meeting in article 76(A). This is in line with section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act.

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- (h) **Article 96 (Article 93 of Existing Constitution).** Article 96, which relates to the filling of the office vacated by a retiring Director in default circumstances except in certain cases, has been revised to remove the event of a Director attaining any applicable retiring age as an exception to a deemed re-election to office. This follows the repeal of section 153 of the Companies Act and removal of the 70-year age limit for directors of public companies and subsidiaries of public companies.
- (i) **Article 113 (Article 110 of Existing Constitution).** Article 113, which relates to the general powers of the Directors to manage the Company's business, clarifies that the business and affairs of the Company are to be managed by, or under the direction of or, additionally, under the supervision of, the Directors. This is in line with section 157A of the Companies Act, as amended pursuant to the Amendment Act.
- (j) **Articles 122, 141 and 142 (Articles 119, 138 and 139 of Existing Constitution).** Article 142, which relates to the sending of the Company's financial statements and related documents to Shareholders, additionally provides that such documents may, subject to the listing rules of the SGX-ST, be sent less than 14 days before the date of the general meeting with the agreement of all persons entitled to receive notices of general meetings. This is in line with new section 203(2) of the Companies Act, which provides that the requisite financial statements and other related documents may be sent less than 14 days before the date of the general meeting at which they are to be laid if all the persons entitled to receive notice of general meetings of the company so agree. Notwithstanding this proviso, the Company is currently required to comply with Rule 707(2) of the Listing Manual, which provides that 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. The requirement to send these documents to debenture holders has also been removed in article 142.

The references to the Company's "accounts", "profit and loss account(s)" and Directors' "reports" have also been updated/substituted in articles 122, 141 and 142 with references to "financial statements" and Directors' "statements", as appropriate, for consistency with the updated terminology in the Companies Act.

- (k) **Article 145 (Article 142 of Existing Constitution).** Article 145, which relates to the service of notices to Shareholders, has new provisions to facilitate the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to new section 387C of the Companies Act.

Under new section 387C, notices and documents may be given, sent or served using electronic communications with the express, implied or deemed consent of the member in accordance with the constitution of the company.

There is express consent if a shareholder expressly agrees with the company that notices and documents may be given, sent or served on him using electronic communications. There is deemed consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders will be given an opportunity to elect, within a specified period of time, whether to receive electronic or physical copies of such notices and documents, and the shareholder fails to make an election within the specified period of time. There is implied consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders agree to receive such notices or documents by way of electronic communications and do not have a right to elect to receive physical copies of such notices and documents. Certain safeguards for the use of the deemed consent and implied consent regimes are prescribed under new regulation 89C of the Companies Regulations.

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New section 387C was introduced to give effect to recommendations by the Steering Committee for Review of the Companies Act to ease the rules for the use of electronic transmission and to make them less prescriptive, and these recommendations were accepted by the Ministry of Finance (“**MOF**”). In accepting these recommendations, the MOF noted the concerns of some shareholders who would prefer to have an option to receive physical copies of the notices and documents, notwithstanding that the company adopts the implied consent regime, and indicated that such shareholders could highlight their concerns when a company proposes amendments to its constitution to move to an implied consent regime.

Shareholders who are supportive of the new deemed consent and implied consent regimes for electronic communications may vote in favour of the adoption of the New Constitution, which incorporates new provisions (contained in article 144) to facilitate these regimes, while Shareholders who are not supportive of the new regimes may vote against it.

Article 145 provides that:

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

Article 145 additionally provides for when service is effected in the case of notices or documents sent by electronic communications. In particular, where a notice or document is made available on a website, it is deemed served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Companies Act and/or other applicable regulations or procedures. Further, in the case of service on a website, the Company must give separate notice of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by (1) sending such separate notice to Shareholders personally or by post, and/or (2) sending such separate notice to Shareholders’ current addresses (which may be email addresses), and/or (3) by way of advertisement in the daily press, and/or (4) by way of announcement on the SGX-ST.

Under new regulation 89D of the Companies Regulations, notices or documents relating to take-over offers and rights issues are excluded from the application of section 387C and therefore cannot be transmitted by electronic means pursuant to section 387C.

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As at the Latest Practicable Date, the outcome of a public consultation by the SGX-ST on (*inter alia*) whether listed issuers should be allowed to send notices and documents to shareholders electronically under the new regimes permitted under the Companies Act is not known yet. In its consultation, the SGX-ST had also asked for comments on additional safeguards in relation to the new regimes. There is no certainty that the listing rules will be amended to allow electronic transmission of notices and documents under the new regimes. Going forward, for so long as the Company is listed on the SGX-ST, the Company will not make use of the new regimes to transmit notices or documents electronically to Shareholders unless the SGX-ST's listing rules allow it, and the Company will comply with the SGX-ST's listing rules on the subject.

- (l) **Article 152 (Article 149 of Existing Constitution).** Article 152, which relates to Directors' indemnification, has been expanded to permit the Company, subject to the provisions of and so far as may be permitted by the Companies Act, to indemnify a Director against losses "to be incurred" by him in the execution of his duties. This is in line with new sections 163A and 163B of the Companies Act, which permit a company to lend, on specified terms, funds to a director for meeting expenditure incurred "or to be incurred" by him in defending court proceedings or regulatory investigations.

4.3.2 **Objects clause**

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

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

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

By deleting the existing objects clauses (which sets out an extensive list of the activities which the Company has capacity or power to engage in) and taking advantage of the flexibility afforded by section 23, the Company will have all the powers of a natural person, with full capacity and ability to carry on or undertake any business or activity, and to enter into any transaction. This will facilitate the Company in adapting to the rapidly changing business environment, and to undertake various business activities and enter into business transactions for the benefit of the Company and its Shareholders. The proposed change will also remove any uncertainty as to whether the Company has the power to act in a particular way or to engage in a particular transaction arising from unduly restrictive provisions in the specific objects clauses.

Notwithstanding the deletion of the existing objects clauses, the Company will still be required to comply with the Companies Act and the Listing Manual in carrying on its business and undertaking business activities. For example, if required by Chapter 10 of the Listing Manual, the Company will have to obtain Shareholders' approval to enter into a transaction for the acquisition or disposal of assets. Also, if required by Rule 104 of the Listing Manual, a change in the principal business of the Company will be subject to the SGX-ST's approval if in the SGX-ST's opinion, the integrity of the market may be adversely affected, or it is in the interests of the public to do so.

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4.3.3 *Listing Manual*

Rule 730(2) of the Listing Manual provides that if an issuer amends its articles or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of amendment.

The following article has been updated to ensure consistency with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual: **Article 6(A)**. Article 6(A) is a new provision which provides that the rights attaching to shares of a class other than ordinary shares must be expressed in the constitution. This is in line with paragraph (1)(b) of Appendix 2.2 of the Listing Manual.

4.3.4 *PDPA*

In general, under the Personal Data Protection Act 2012, an organisation can only collect, use or disclose the personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has made known to the individual. The new article 154 specifies, *inter alia*, the purposes for which the Company and/or its agents and service providers would collect, use and disclose personal data of Shareholders and their appointed proxies or representatives.

4.3.5 *General*

The following articles have been updated, streamlined and rationalised generally:

- (a) **Article 52 (Article 49 of Existing Constitution)**. Article 52, which relates to the time-frame for holding AGMs, has been revised to make it clear that an AGM shall be held once in every year within a period of not more than 15 months after the last preceding AGM, but that this is save as otherwise permitted under the Companies Act. This will provide the Company with the flexibility, if the need to do so should arise, to apply for an extension of the 15-month period between AGMs in accordance with the provisions of the Companies Act, notwithstanding that the period may extend beyond the calendar year.
- (b) **Articles 75 and 76 (Articles 72 and 73 of Existing Constitution)**. Article 75, which relates to the execution of proxies, has new provisions to facilitate the appointment of a proxy through electronic means online. In particular, it provides that a Shareholder can elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate Shareholder's common seal.

For the purpose of accommodating the deposit by Shareholders, and receipt by the Company, of electronic proxy instructions by Shareholders who elect to use the electronic appointment process, article 76, which relates to the deposit of proxies, has new provisions which authorise the Directors to prescribe and determine the manner of receipt by the Company of the instrument appointing a proxy through digital means.

- (c) **Articles 78 and 93(e) (Articles 75 and 90(e) of Existing Constitution)**. These articles have been updated to substitute the references to insane persons and persons of unsound mind with references to persons who are mentally disordered and incapable of managing themselves or their affairs, following the enactment of the Mental Health (Care and Treatment) Act, Chapter 178A of Singapore, which repealed and replaced the Mental Disorders and Treatment Act.

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- (d) **Article 139 (Article 136 of Existing Constitution).** Article 139, which relates to the Directors' power to issue free shares and/or to capitalise reserves for share-based incentive plans, has been expanded to empower the Directors to do the same for the benefit of non-executive Directors as part of their Directors' remuneration. This will enable the Company, if it so desires, to remunerate its non-executive Directors by way of Directors' fees in the form of shares, or in a combination of cash and shares, using these methods.

- 4.4 **Appendices 1 and 2.** The text of the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, is set out in Appendix 1 to this Letter and the main differences are blacklined. The general provision in the New Constitution which replaces the existing objects clauses in the Existing Constitution as described in paragraph 4.3.2 above is set out in Appendix 2 to this Letter and the main differences are blacklined. The proposed adoption of the New Constitution is subject to Shareholders' approval.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings and the interests of the Substantial Shareholders in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below.

Name	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Kuok Khoon Ean	–	–	1,725,000 ⁽²⁾	0.0952
Seow Kang Hoe, Gerald	7,444,043	0.41	3,750,000 ⁽³⁾	0.21
Wu Long Peng	5,626,542	0.31	2,812,500 ⁽⁴⁾	0.16
Jude Philomen Benny	250,000	0.014	38,000 ⁽⁵⁾	0.002
Ma Kah Woh	200,000	0.01	–	–
Ahmad Sufian @ Qurnain Bin Abdul Rashid	1,020,000	0.056	–	–
Wee Joo Yeow	500,000	0.03	–	–
Substantial Shareholders				
KSL	1,084,184,065	59.83	399,625,645 ⁽⁶⁾	22.05
PCL	–	–	386,385,645 ⁽⁷⁾	21.32
MBC	–	–	386,385,645 ⁽⁸⁾	21.32
Lightwell Shipping Inc.	386,385,645	21.32	–	–

Notes:

- (1) Based on the issued and paid-up share capital of the Company comprising 1,811,985,100 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Kuok Khoon Ean is deemed to have an interest in the 1,725,000 Shares held by his associate, Balkane Investment Pte Ltd.
- (3) Seow Kang Hoe, Gerald has been granted options by PCL to acquire Shares held by PCL during a period commencing from 5 August 2015 and ending on 4 August 2018, which options were subsequently novated by PCL to KSL. Accordingly, Seow Kang Hoe, Gerald is deemed to have an interest in 3,750,000 Shares held by KSL.
- (4) Wu Long Peng has been granted options by PCL to acquire Shares held by PCL during a period commencing from 5 August 2015 and ending on 4 August 2018, which options were subsequently novated by PCL to KSL. Accordingly, Wu Long Peng is deemed to have an interest in 2,812,500 Shares held by KSL.
- (5) Jude Philomen Benny is deemed to have an interest in the 38,000 Shares held by his spouse.
- (6) KSL holds the entire issued share capital of PCL and Camsward Pte Ltd ("**Camsward**"). Accordingly, KSL is deemed to have an interest in:
- (i) the 13,240,000 Shares held by Camsward directly; and
- (ii) the 386,385,645 Shares that PCL is deemed interested in.
- (7) PCL holds more than 20% of the entire issued share capital of MBC. Accordingly, PCL is deemed to have an interest in the 386,385,645 Shares held by MBC's subsidiary, Lightwell Shipping Inc.
- (8) MBC owns the entire issued share capital of Lightwell Shipping Inc. Accordingly, MBC is deemed to have an interest in the 386,385,645 Shares held by Lightwell Shipping Inc.

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6. ABSTENTION FROM VOTING

Kuok Khoon Ean, Seow Kang Hoe, Gerald, Wu Long Peng and Ahmad Sufian @ Qurnain Bin Abdul Rashid, who hold directorships and/or executive positions in the Mandated Interested Persons, will abstain from voting their shareholdings, if any, in respect of Ordinary Resolution No. 11, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the 2016 AGM. Each such Director will also decline to accept appointment as proxy for any Shareholders to vote in respect of Ordinary Resolution No. 11 unless that Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of Ordinary Resolution No. 11.

Lightwell Shipping Inc., MBC, PCL and KSL, being Mandated Interested Persons, will also abstain from voting, whether in person or by representative or proxy, and will procure that their respective associates will abstain from voting, their respective shareholdings, if any, in respect of Ordinary Resolution No. 11.

7. DIRECTORS' RECOMMENDATIONS

- 7.1 **Proposed Renewal of the Share Purchase Mandate.** The Directors, having carefully considered the terms and rationale of the Share Purchase Mandate, are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 10, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2016 AGM.
- 7.2 **Proposed Renewal of the General Mandate for Interested Person Transactions.** The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Ma Kah Woh, Jude Philomen Benny and Wee Joo Yeow. They are of the opinion that the entry by the Entity at Risk Group into the Mandated Transactions with the Mandated Interested Persons in the ordinary course of business will enhance the efficiency of the Entity at Risk Group, and is in the interests of the Company. For the reasons set out in paragraphs 3.6.1 and 3.6.5 above, they recommend that minority Shareholders vote in favour of Ordinary Resolution No. 11, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the 2016 AGM.
- 7.3 **Proposed Adoption of the New Constitution.** The Directors are of the opinion that the proposed adoption of the New Constitution is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Special Resolution No. 12, being the Special Resolution relating to the proposed adoption of the New Constitution to be proposed at the 2016 AGM.

8. RESPONSIBILITY STATEMENT BY DIRECTORS

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposals, and the Company and its subsidiaries which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

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9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 1 Kim Seng Promenade, #07-02 Great World City, Singapore 237994 during normal business hours from the date of this Letter up to and including the date of the 2016 AGM:

- (a) the annual report of the Company for the financial year ended 31 December 2015;
- (b) the 2015 Circular;
- (c) the Existing Constitution; and
- (d) the proposed New Constitution.

Yours faithfully
For and on behalf of the
Board of Directors

Seow Kang Hoe, Gerald
Chief Executive Officer and Executive Director

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THE PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION WHICH ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

Set out below are the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, with the main differences blacklined:

1. Article 1

21. ~~In these Articles~~ this Constitution (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively. Interpretation

“Act”	The Companies Act, Chapter 50.
“in writing”	<u>Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.</u>
“Market Day”	A day on which the Stock Exchange is open for trading in securities.
“month”	Calendar month.
“Office”	The registered office of the Company
“paid”	Paid or credited as paid.
<u>“registered address”</u> <u>or “address”</u>	<u>In relation to any member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.</u>
“Seal”	The Common Seal of the Company.

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“Stock Exchange”	Any stock exchange upon which shares in the Company may be listed.
“Statutes”	The Act and every other act for the time being in force concerning companies and affecting the Company.
<u>“Stock Exchange”</u>	<u>Any stock exchange upon which shares in the Company may be listed.</u>
“these Articles of Association” <u>“these Articles of Association”</u>	These Articles of Association <u>This Constitution</u> as from time to time altered.
“Year”	Calendar year.

The expressions “Depositor”, “Depository”, “Depository Agent”, and “Depository Register” ~~and “treasury shares”~~ shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289.

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

References in ~~these Articles~~ this Constitution to “holders” of shares or a class of shares shall:

- (a) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in ~~these Articles~~ this Constitution or where the term “registered holders” or “registered holder” is used in ~~these Articles~~ this Constitution;
- (b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and
- (c) except where otherwise expressly provided in ~~these Articles~~ this Constitution, exclude the Company in relation to shares held by it as treasury shares,

and “holding” and “held” shall be construed accordingly.

References in ~~these Articles~~ this Constitution to “member” shall, where the Act requires, exclude the Company where it is a member by reason of its holding of its shares as treasury shares.

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The expression “Secretary” shall include any person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.

All such of the provisions of ~~these Articles~~this Constitution as are applicable to paid-up shares shall apply to stock, and the words “share” and “shareholder” shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.

Any reference in ~~these Articles~~this Constitution to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Subject as aforesaid any words or expression defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in ~~these Articles~~this Constitution.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of ~~these Articles~~this Constitution.

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of ~~these Articles~~this Constitution.

2. Articles 6(A) and 6(B)

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

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

3. Article 12

912. (A) The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its shares;

(b) sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes and this Constitution), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of

Power to consolidate, sub-divide and ~~convert~~ redenominate shares

APPENDIX 1

the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and

- (c) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency.

(eB) The Company may by Special Resolution, subject to the provisions of and in accordance with the Statutes, convert any one class of shares into any other another class of shares.

Power to convert shares

4. Article 19

1619. Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates ~~and, whether the amount shares are fully or partly paid up, and the amount (if any) unpaid thereon~~ and shall bear the autographic or facsimile signatures of one Director and the Secretary or a second Director or some other person appointed by the Directors. The facsimile signatures may be reproduced by mechanical, electronic or other method approved by the Directors. No certificate shall be issued representing shares of more than one class.

Share certificates

5. Article 52

4952. ~~As~~ Save as otherwise permitted under the Act, an Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

Annual general meeting Meeting and extraordinary Extraordinary general General meeting Meeting

6. Article 56

5356. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:

Routine business

- (a) declaring dividends;
- (b) receiving and adopting the ~~accounts~~ financial statements, the reports of the Directors' statement, the Auditor's report and Auditors and other documents required to be attached ~~or annexed~~ to the ~~accounts~~ financial statements;
- (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

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- (d) ~~appointing or re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting)~~Auditor;
- (e) fixing the remuneration of the ~~Auditors~~Auditor or determining the manner in which such remuneration is to be fixed; and
- (f) fixing the remuneration of the Directors proposed to be paid in respect of their office as such under Article 79~~article 82 and/or article 83(A)~~.

7. Article 64(B)

~~64~~64. (A) ...

(B) Subject to ~~Article 61(A)~~article 64(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

Method of voting where mandatory polling not required

- (a) the chairman of the meeting; or
- (b) not less than two members present in person or by proxy and entitled to vote at the meeting; or
- (c) a member present in person or by proxy and representing not less than ~~one tenth~~five per cent. of the total voting rights of all the members having the right to vote at the meeting; or
- (d) a member present in person or by proxy and holding ~~not less than ten per cent. of the total number of paid-up shares of the Company (excluding treasury shares)~~shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent. of the total sum paid up on all shares conferring that right.

...

8. Article 68

~~65~~68. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to ~~Article 5~~article 13(C), each member entitled to vote may vote in person or by proxy. ~~On a show of hands, every~~Every member who is present in person or

How members may vote

APPENDIX 1

by proxy shall:

- (a) on a poll, have one vote for every share which he holds or represents; and
- (b) on a show of hands, have one vote ~~(provided that,~~
Provided always that:
 - (i) in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the Chairman ~~Chairman~~ of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands); and ~~on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents~~
 - (ii) in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at ~~48~~72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

9. Article 74

7474. (A) Save as otherwise provided in the Act:

Appointment
of proxies

- (a) Aa member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
- (b) a member who is a relevant intermediary may appoint more than two proxies to attend, speak and

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vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such 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.

~~(B)~~ ~~Provided that if~~ In any case where a member is a Depositor, the Company shall be entitled and bound:

Shares entered in Depository Register

- (a) to reject any instrument of proxy lodged ~~if the~~ by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at ~~4872~~ hours before the time of the relevant General Meeting as certified by the Depository to the Company; and
- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by ~~the~~ that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at ~~4872~~ hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

~~(BC)~~ The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

Notes and instructions

~~(C)~~ ~~In any case where a 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.~~

Proportion of shareholdings to be represented by proxies

(D) A proxy need not be a member of the Company.

Proxy need not be a member

10. Article 75

~~7275.~~ (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:

Execution of proxies

- (a) in the case of an individual, shall be:

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

The Directors may, for the purposes of articles 75(A)(a)(ii) and 75(A)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

(B) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to ~~the next following Article~~ article 76(A), failing which the instrument may be treated as invalid.

Witness and authority

- (C) The Directors may, in their absolute discretion:
- (a) approve the method and manner for an instrument appointing a proxy to be authorised; and
 - (b) designate the procedure for authenticating an instrument appointing a proxy,

Directors may approve method and manner, and designate procedure, for electronic communications

as contemplated in articles 75(A)(a)(ii) and 75(A)(b)(ii) for application to such members or class of members as they may determine. Where the Directors do not so approve and designate in relation to a member (whether of a class or otherwise), article 75(A)(a)(i) and/or (as the case may be) article 75(A)(b)(i) shall apply.

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11. Article 76

7376. (A) An instrument appointing a proxy:

Deposit of
proxies

- (a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); or
- (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting.

and in either case, not less than 4872 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided always that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this article 76 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

(B) The Directors may, in their absolute discretion, and in relation to such members or class of members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in article 76(A)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), article 76(A)(a) shall apply.

Directors may specify means for electronic communications

12. Article 78

7578. A vote cast by proxy shall not be invalidated by the previous death or insanitarymental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, Provided always that no intimation in writing of such death, insanitarymental disorder or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

Intervening death or insanitarymental disorder

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13. Article 93(e)

~~9093.~~ The office of a Director shall be vacated in any of the following events, namely:

When office of
Director to be
vacated

- (a) ...
- (b) ...
- (c) ...
- (d) ...
- (e) if he becomes ~~of unsound mind~~ mentally disordered and incapable of managing himself or his affairs or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or

14. Article 96

~~9396.~~ The Company at the meeting at which a Director retires under any provision of ~~these Articles~~ this Constitution 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:

Filling vacated
office

- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or
- (b) where such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or
- (d) where the default is due to the moving of a resolution in contravention of the next following ~~Article; or~~ article.

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- (e) ~~where such Director has attained any retiring age applicable to him as Director.~~

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.

15. Article 113

~~410~~113. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors may exercise all such powers of the Company as are not by the Statutes or by ~~these Articles~~ this Constitution required to be exercised by the Company in General Meeting. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in General Meeting. The general powers given by this ~~Article~~ article shall not be limited or restricted by any special authority or power given to the Directors by any other ~~Article~~ article.

General ~~power~~ powers of Directors to manage Company's business

16. Article 122

~~419~~122. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents ~~and~~ accounts and financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents ~~or~~ accounts or financial statements are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed, or as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to this ~~Article~~ article may be made by any electronic means approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

Power to authenticate documents

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17. Article 139

~~136~~139. In addition and without prejudice to the powers provided for by ~~Article 135~~article 138, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue;

Power to issue free shares and/or to capitalise reserves for ~~employee~~ share-based incentive plans and Directors' remuneration

- (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit; or
- (b) be held by or for the benefit of non-executive Directors as part of their remuneration under article 82 and/or article 83(A) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

18. Article 141

~~138~~141. In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such ~~profit and loss accounts~~financial statements, balance sheets, ~~group accounts (if any) and reports, statements and other documents~~ as may be necessary. The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months (or such other period as may be permitted by the Act).

Presentation of ~~accounts~~ financial statements

19. Article 142

~~139~~142. A copy of ~~every~~the financial statements and, if required, the balance sheet and ~~profit and loss account which is to be laid before a General Meeting of the Company~~ (including every document required by law to be ~~comprised therein or attached or annexed thereto~~), which is duly audited and which is to be laid before the Company in General Meeting accompanied by a copy of the Auditor's report thereon, shall not less than 14 days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of ~~these Articles~~this Constitution; Provided always that:

Copies of ~~accounts~~ financial statements

APPENDIX 1

- (a) these documents may, subject to the listing rules of the Stock Exchange, be sent less than 14 days before the date of the meeting if all persons entitled to receive notices of meetings from the Company so agree; and
- (b) this Article~~article~~ 142 shall not require a copy of these documents to be sent to more than one of any joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

20. Article 145

~~142~~145.(A) Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

Service of
notices

(B) Without prejudice to the provisions of ~~Article 142(A)~~article 145(A), but subject otherwise to the Act and any regulations made thereunder and (where applicable) the listing rules of the Stock Exchange, relating to electronic communications, any notice or document (including, without ~~limitations~~limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Act or under ~~these Articles~~this Constitution by the Company, or by the Directors, to a member ~~or an officer or Auditor of the Company~~ may be given, sent or served using electronic communications:

Electronic
communications

- (a) to the current address of that person; or
- (b) by making it available on a website prescribed by the Company from time to time,

in accordance with the provisions of, ~~or as otherwise provided by this Constitution,~~ the ~~Statutes~~Act and/or any other applicable regulations or procedures.

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(C) For the purposes of article 145(B) above, a member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.

Implied consent

(D) Notwithstanding article 145(C) above, the Directors may, at their discretion, at any time give a member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

Deemed consent

~~(E) Such notice or document shall be deemed to have been duly given, sent or served upon transmission of the electronic communication to the current address of such person or as otherwise provided under the Statutes and/or any other applicable regulations or procedures. Where a notice or document is given, sent or served by electronic communications:~~

When notice given by electronic communications deemed served

(a) to the current address of a person pursuant to article 145(B)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and

(b) by making it available on a website pursuant to article 145(B)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Act and/or any other applicable regulations or procedures.

(F) Where a notice or document is given, sent or served to a member by making it available on a website pursuant to article 145(B)(b), the Company shall give separate notice to the member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:

Notice to be given of service on website

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- (a) by sending such separate notice to the member personally or through the post pursuant to article 145(A);
- (b) by sending such separate notice to the member using electronic communications to his current address pursuant to article 145(B)(a);
- (c) by way of advertisement in the daily press; and/or
- (d) by way of announcement on the Stock Exchange.

21. Article 152

~~149~~152. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto ~~including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court.~~ Without prejudice to the generality of the foregoing, no Director, ~~Manager,~~ Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

Indemnity

22. Article 154

154. (A) A member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:

Personal data of members

APPENDIX 1

- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
- (b) internal analysis and/or market research by the Company (or its agents or service providers);
- (c) investor relations communications by the Company (or its agents or service providers);
- (d) administration by the Company (or its agents or service providers) of that member's holding of shares in the Company;
- (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
- (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
- (g) implementation and administration of, and compliance with, any provision of this Constitution;
- (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
- (i) purposes which are reasonably related to any of the above purpose.

(B) Any member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in articles 154(A)(f) and 154(A)(h), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.

Personal data of proxies and/or representatives

APPENDIX 2

THE GENERAL PROVISION IN THE NEW CONSTITUTION WHICH REPLACES THE EXISTING OBJECTS CLAUSES

Set out below is the general provision in the New Constitution which replaces the existing objects clauses in the Existing Constitution, with the main differences blacklined:

~~34. The objects for which the Company is established are all or any of the following, it being intended that all or any of the objects specified in each paragraph of this clause shall except and unless where otherwise expressed in such paragraph not be limited or restricted by reference to or inference from the terms of any other paragraph or group of paragraphs and shall be capable of being pursued as an independent object and either alone or in conjunction with all or any one or more of the other objects specified in the same or in any other paragraph or group of paragraphs and the discontinuance or abandonment of all or any of the business or objects hereinafter referred to shall not prevent the Company from carrying on any other business authorised to be carried on by the Company and it is hereby expressly declared that in the interpretation of this clause the meaning of any of the Company's objects shall not be restricted by reference to any other object or by the juxtaposition of two or more of them and that in the event of any ambiguity this clause shall be construed in such a way as to widen and not to restrict the powers of the Company. Subject to the provisions of the Act and any other written law and this Constitution, the Company has:~~

(a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction, including but not limited to the following:

(1i) ~~To~~ undertake and carry on all or any of the trades and businesses of ship owners, shippers, ship brokers, charterers, underwriters, ship managers, tug owners, crew agents, recruitment managers, loading brokers, freight contractors, carriers by land, air and water, transport, haulage and general contractors, barge owners, lightermen, shipping, railway and forwarding agents, dock owners, engineers, ice merchants, refrigerator store keepers, ship's store merchants, ship chandlers, ships husbands, stevedores, packers, storers, fishermen and trawlers, warehousemen, wharfingers, salvors, ship and boat builders, ship repairers, manufacturers of and dealers in rope, tarpaulins, waterproofs, machinery, engines, nautical instruments, ships' rigging gear, fittings and equipment of every description, importers and exporters of and dealers in goods, provisions, live and dead stock, commodities, articles, chattels, merchandise and property of every kind, general traders and merchants, and generally to carry on the said businesses either as principals or agents or on commission or otherwise;

(2i) ~~To~~ undertake and carry on all or any service activities ~~auxiliary~~ ancillary, incidental to or supporting oil and gas extraction, surveying, prospecting and exploring petroleum, mining, drilling, boring and prospecting services generally including all types of offshore exploration services of every kind and description;

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- (3iii) Feto construct, purchase, take on lease or otherwise acquire and work any railway or tramway, wharf, pier, dock, transport terminal, buildings or works capable of being advantageously used in connection with the business of the Company as a shipping company-;
- (4iv) Feto grant loans on ships and vessels or on goods and merchandise carried or to be carried in any vessels-;
- (5v) Feto purchase or otherwise acquire, take in exchange, charter, hire, build, construct, own, work, manage, operate and otherwise deal with any ship, boat, barge or other waterborne vessel, hovercraft, balloon, aircraft, helicopter or other flying machine, coach, wagon, carriage (however powered) or other vehicle, or any share or interest therein-;
- (6vi) Feto carry on the business of a holding company and for that purpose to purchase or otherwise acquire and undertake the whole or any part of the business, goodwill, assets and liabilities of any person, firm or company; to acquire an interest in, amalgamate with or enter into partnership, joint venture or profit-sharing arrangement with any person, firm or company; to promote, sponsor, establish, constitute, form, participate in, organise, manage, supervise and control any corporation, company, syndicate, fund, trust, business or institution-;
- (7vii) Feto import, export, buy, sell (wholesale and retail), exchange, barter, let on hire, distribute and otherwise deal in and turn to account goods, materials, commodities, produce and merchandise generally in their prepared, manufactured, semi-manufactured and raw state-;
- (8viii) Feto engage in the provision or processing of communications and telecommunications services, information retrieval and delivery, electronic message, electronic commerce, internet and database services-;
- (9ix) Feto purchase or otherwise acquire and hold, in any manner and upon any terms, shares, stocks, debentures, debenture stock, annuities and foreign exchange, foreign currency deposits and commodities, and from time to time to vary any of the same, and to exercise and enforce all rights and powers incidental to the Company's interest therein, and to invest or deal with the monies of the Company not immediately required for its operations in such manner as the Company may think fit-;
- (10x) Feto manufacture, construct, assemble, design, repair, refine, develop, alter, convert, refit, prepare, treat, render marketable, process and otherwise produce materials, fuels, chemicals,

APPENDIX 2

substances and industrial, commercial and consumer products of all kinds-;

- (~~14~~xi) ~~To~~ apply for, register, purchase or otherwise acquire and protect, prolong, and renew, in any part of the world, any intellectual and industrial property and technology of whatsoever kind or nature and licences, protections and concessions therefore, and to use, turn to account, develop, manufacture, experiment upon, test, improve and ~~license~~license the same-;
- (~~12~~xii) ~~To~~ purchase or otherwise acquire and to hold, own, ~~license~~license, maintain, work, exploit, farm, cultivate, use, develop, improve, sell, let, surrender, exchange, hire, convey or otherwise deal in lands, mines, natural resources, and mineral, timber and water rights, wheresoever situate, and any interest, estate and rights in any real, personal or mixed property and any franchises, rights, licences or privileges, and to collect, manage, invest, reinvest, adjust, and in any manner to dispose of the income, profits, and interest arising therefrom-;
- (~~13~~xiii) ~~To~~ improve, manage, develop, sell, let, exchange, invest, reinvest, settle, grant licences, easements, options, servitudes and other rights over, or otherwise deal with all or any part of the Company's property, undertaking and assets (present and future) including uncalled capital, and any of the Company's rights, interests and privileges-;
- (~~14~~xiv) ~~To~~ acquire, sell, own, lease, let out on hire, administer, manage, control, operate, construct, repair, alter, equip, furnish, fit out, decorate, improve and otherwise undertake and deal in engineering and construction works, buildings, projects, offices and structures of all kinds-;
- (~~15~~xv) ~~To~~ carry on business as consulting engineers in all fields including without limitation civil, mechanical, chemical, structural, marine, mining, industrial, aeronautical, electronic and electrical engineering, and to provide architectural, design and other consultancy services of all kinds-;
- (~~16~~xvi) ~~To~~ establish, maintain, and operate sea, air, inland waterway and land transport enterprises (public and private) and all ancillary services-;
- (~~17~~xvii) ~~To~~ carry on the business of advisers, consultants, researchers and analysts of whatsoever kind or nature in all branches of trade, commerce and industry subject to compliance with any restrictions imposed by law-;

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- (18xviii) Feto provide or procure the provision of every and any service or facility required by any person, firm or company, subject to compliance with any restrictions imposed by law-;
- (19xix) Feto provide agency, corporate, office, business and management consultancy services, and to act as consultants, analysts and advisors to any person, firm or company or any business, governmental or other undertaking in respect of management, administration, manufacture, marketing, sales, distribution, costing, design, research, and industrial relations-;
- (20xx) Feto carry on all or any of the businesses of hoteliers and restaurateurs and sponsors, managers and licencees of all kinds of sporting, competitive, social and leisure activities and of clubs, associations and social gatherings of all kinds and purposes-;
- (21xxi) Feto carry on business as auctioneers, appraisers, valuers and surveyors-;
- (22xxii) Feto carry on business as farmers, graziers, dealers in and breeders of livestock, horticulturists and market gardeners-;
- (23xxiii) Feto carry on all or any of the businesses of printers, publishers, designers, draughtsmen, journalists, press and literary agents, advertisers, advertising and marketing agents and contractors, personal and promotional representatives, artists, sculptors, decorators, illustrators, photographers, film makers, producers and distributors, publicity agents and display specialists-;
- (24xxiv) Feto provide for the giving and holding of seminars, lectures, exhibitions, and meetings for the promotion and advancement of products or education or the dissemination of knowledge generally-;
- (25xxv) Feto design, invent, develop, modify, adapt, alter, improve and apply any object, article, device, appliance, utensil or product for any use or purpose whatsoever-;
- (26xxvi) Feto develop, acquire, store, ~~license~~ license, apply, assign, exploit all and any forms of computer and other electronic software, programs and applications and information, databases and reference material and computer, digital and other electronic recording, retrieval, processing and storage media of whatsoever kind and nature-;
- (27xxvii) Feto carry on business as jewellers, goldsmiths, silversmiths and art dealers and to import, export, buy, sell and deal in (wholesale and retail) jewellery, gold and silver, gold and silver plate, articles of value, objects of art and such other articles and goods as the

APPENDIX 2

Company thinks fit, and to establish factories for culturing, processing and manufacturing goods for the above business-;

- (~~28~~xxviii) To carry on any other business or activity and do any act or thing which in the opinion of the Company is or may be capable of being conveniently carried on or done in connection with any of the above, or likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's property or assets or otherwise to advance the interests of the Company or its Members-;
- (~~29~~xxix) To enter into any commercial or other arrangements with any government, authority, corporation, company or person and to obtain or enter into any legislation, orders, charters, contracts, decrees, rights, privileges, licences, franchises, permits and concessions for any purpose and to carry out, exercise and comply with the same and to make, execute, enter into, commence, carry on, prosecute and defend all steps, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements, and schemes and to do all other acts, matters and things which shall at any time appear conducive or expedient for the advantage or protection of the Company-;
- (~~30~~xxx) To take out insurance in respect of any and all insurable risks which may affect the Company or any other company or person and to effect insurance (and to pay the premiums therefore) in respect of the life of any person and to effect re-insurance and counter-insurance, but no business amounting to fire, life or marine insurance business may be undertaken-;
- (~~34~~xxxi) To grant and provide credit and financial or other accommodation to any person, firm or company calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights-;
- (~~32~~xxxii) To borrow or raise money in such manner as the Company shall think fit and in particular by the issue (whether at par or at a premium or discount and for such consideration as the Company may think fit) of bonds, debentures or debenture stock (payable to bearer or otherwise), mortgages or charges, perpetual or otherwise, and if the Company thinks fit charged upon all or any of the Company's property (both present and future) and undertaking including its uncalled capital and further, if so thought fit, convertible into any stock or shares of the Company or any other company, and collaterally or further to secure any obligations of the Company by a trust deed or other assurance-;
- (~~33~~xxxiii) To enter into or to invest in any interest rate exchange contracts, currency exchange contracts, forward contracts,

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futures contracts, options (including, without limitation, interest rate or currency options) and other derivatives or financial instruments or products, whether or not entered into or acquired for the purpose of hedging against or ~~minimizing~~minimising any loss concerning the assets and business of the Company and in relation thereto, the Company may pay any margin or margin calls or other demands concerning any such contracts or instruments entered into or acquired by the Company;

- (~~34~~xxxiv) ~~To~~To guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or part of the undertaking, property, assets and rights (present and future) and uncalled capital of the Company or by both such methods or by any other means whatsoever, the liabilities and obligations of and the payment of any monies whatsoever (including but not limited to capital, principal, premiums, interest, dividends, costs and expenses on any stocks, shares or securities) by any person, firm or company whatsoever including but not limited to any company which is for the time being the holding company or a subsidiary (both as defined by Section 5 of the ~~Companies Act (Cap. 50)~~ of the Company or of the Company's holding company or is otherwise associated with the Company in its business, and to act as agents for the collection, receipt or payment of money, and to enter into any contract of indemnity or suretyship (but not in respect of fire, life and marine insurance business);
- (~~35~~xxxv) ~~To~~To draw, make, accept, endorse, negotiate, discount, execute, issue, purchase or otherwise acquire, exchange, surrender, convert, make advances upon, hold, charge, sell and otherwise deal in bills of exchange, cheques, promissory notes, and other negotiable instruments and bills of lading, warrants, and other instruments relating to goods;
- (~~36~~xxxvi) ~~To~~To give any remuneration or other compensation or reward (in cash or securities or in any other manner the Directors may think fit) to any person for services rendered or to be rendered in the conduct or course of the Company's business or in placing or procuring subscriptions of or otherwise assisting in the issue of any securities of the Company or any other company formed or promoted by the Company or in which the Company may be interested in or about the formation or promotion of the Company or any other company as aforesaid;
- (~~37~~xxxvii) ~~To~~To grant or procure pensions, allowances, gratuities and other payments and benefits of whatsoever nature to or for any person and to make payments towards insurances or other arrangements likely to benefit any person or advance the interests of the Company or of its Members, and to subscribe,

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guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its Members or for any national, charitable, benevolent, educational, social, public, general or useful object-;

(38xxxviii) ~~To~~ pay all expenses preliminary or incidental to the formation and promotion of the Company or any other company and the conduct of the business of the Company or any other company-;

(39xxxix) ~~To~~ procure the Company to be registered or recognised in any territory-;

(40xl) ~~To~~ cease carrying on and wind up any business or activity of the Company, and to cancel any registration of and to wind up and procure the dissolution of the Company in any territory-;

(44xli) ~~To~~ distribute any part of the undertaking, property and assets of the Company among its creditors and Members in specie or in kind but so that no distribution amounting to a reduction of capital may be made without the sanction (if any) for the time being required by law-;

(42xlili) ~~To~~ appoint agents, experts and attorneys to do any and all of the above matters and things on behalf of the Company or any thing or matter for which the Company act as agent or in any other way whatsoever interested or concerned in any part of the world-; and

(43xliv) ~~To~~ do all and any of the above matters or things in any part of the world and either as principal, agent, contractor, trustee, or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others, and generally upon such terms and in such manner and for such consideration and security (if any) as the Company shall think fit including the issue and allotment of securities of the Company in payment or part payment for any property acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose-; and

~~(44) To do all such acts or things as are incidental or conducive to the attainment of the above objects or any of them.~~

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

~~And it is hereby declared that the word "company" in this clause shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and whether domiciled in Singapore or elsewhere.~~

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