LETTER TO SHAREHOLDERS

SINGAPORE TECHNOLOGIES ENGINEERING LTD

(Incorporated in the Republic of Singapore)
Company Registration Number: 199706274H

Directors:

Mr Kwa Chong Seng *(Chairman and Independent Director)*
Mr Tan Pheng Hock *(President and CEO)*
Mr Koh Beng Seng *(Independent Director)*
MG Lim Cheng Yeow Perry *(Non-Executive Director)*
Mr Ng Chee Khern *(Non-Executive Director)*
Mr Quek Tong Boon *(Non-Executive Director)*
Mr Venkatachalam Krishnakumar *(Independent Director)*
Mr Davinder Singh s/o Amar Singh *(Independent Director)*
Dr Stanley Lai Tze Chang *(Independent Director)*
Mr Khoo Boon Hui *(Independent Director)*
Mr Quek See Tiat *(Independent Director)*
Ms Olivia Lum Ooi Lin *(Independent Director)*
Dr Beh Swan Gin *(Independent Director)*
Mr Lim Sim Seng *(Independent Director)*
Mr Lim Ah Doo *(Independent Director)*
COL Alan Goh Kim Hua *(Alternate Director to MG Lim Cheng Yeow Perry)*
Mr Vincent Chong Sy Feng *(Alternate Director to Mr Tan Pheng Hock)*

Registered Office:

ST Engineering Hub
1 Ang Mo Kio
Electronics Park Road
#07-01
Singapore 567710

24 March 2016

To: The Shareholders of
Singapore Technologies Engineering Ltd (the "**Company**")

Dear Sir/Madam

1. INTRODUCTION

1.1 **Background**. We refer to:

(a) the Notice of the 19th Annual General Meeting ("**AGM**") of the Company dated 24 March 2016 (the "**Notice**"), accompanying the Annual Report for the financial year ended 31 December 2015, convening the 19th AGM of the Company to be held on 21 April 2016 (the "**2016 AGM**");

(b) Ordinary Resolution No. 14 relating to the proposed renewal of the Shareholders Mandate for Interested Person Transactions (as defined in paragraph 2.1 below), as proposed in the Notice;

(c) Ordinary Resolution No. 15 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 3.1 below), as proposed in the Notice; and

(d) Special Resolution No. 16 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. 14 and 15 and Special Resolution No. 16, 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.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS MANDATE

2.1 **Shareholders Mandate**. At the extraordinary general meeting of the Company held on 23 April 2015 (the "**2015 EGM**"), approval of the Shareholders was obtained for the renewal of a shareholders mandate (the "**Shareholders Mandate**") to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the listing manual of the SGX-ST (the "**Listing Manual**")) to enter into certain interested person transactions ("**Interested Person Transactions**") with the classes of interested persons as set out in the Shareholders Mandate. Particulars of the Shareholders Mandate are set out in the Appendix to the Circular to Shareholders dated 27 March 2015 (the "**2015 Circular**").

2.2 **Proposed Renewal**. The Shareholders 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 21 April 2016. Accordingly, the Directors of the Company (the "**Directors**") propose that the Shareholders Mandate be renewed at the 2016 AGM, to take effect until the Twentieth AGM of the Company. The particulars of the Interested Person Transactions in respect of which the Shareholders Mandate is sought to be renewed remain unchanged.

2.3 **Appendix 1**. The Shareholders Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices and other general information relating to Chapter 9 of the Listing Manual, are set out in Appendix 1 to this Letter.

2.4 **Audit Committee's Statement**. The Audit Committee (currently comprising Mr Koh Beng Seng, Mr Venkatachalam Krishnakumar, Dr Stanley Lai Tze Chang, Mr Quek See Tiat and Mr Lim Ah Doo) confirms that:

(a) the methods or procedures for determining transaction prices under the Shareholders Mandate 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 transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 **Share Purchase Mandate**. Shareholders had approved the renewal of the mandate (the "**Share Purchase Mandate**") to enable the Company to purchase or otherwise acquire ordinary shares of the Company ("**Shares**") at the 2015 EGM. The authority and limitations on the Share Purchase Mandate were set out in the 2015 Circular and Ordinary Resolution 2 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 Ordinary Resolution 2 at the 2015 EGM and will expire on the date of the forthcoming 2016 AGM to be held on 21 April 2016. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 2016 AGM.

As at 29 February 2016, being the latest practicable date prior to the printing of this Letter (the "**Latest Practicable Date**"), the Company had purchased or acquired an aggregate of 11,739,800 Shares by way of Market Purchases (as defined in paragraph 3.3.3 below) pursuant to the Share Purchase Mandate approved by Shareholders at the 2015 EGM. The highest and lowest price paid was $3.29 and $2.75 per Share respectively and the total consideration paid for all purchases was $35.0 million, excluding commission, brokerage and goods and services tax.

As at the Latest Practicable Date, 21,911,037 Shares purchased or acquired by the Company are held as treasury shares.

3.2 **Rationale**. 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 (the "**Group**"), management strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways through which the return on equity of the Group may be enhanced.

(b) The Share Purchase Mandate is an available option for the Company to return surplus cash which is in excess of the financial and possible investment needs of the Group to its Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.

(c) Repurchased Shares which are held in treasury may be transferred for the purposes of employee share schemes implemented by the Company. The use of treasury shares in lieu of issuing Shares would also mitigate the dilution impact on existing Shareholders.

The approval of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 2% limit described in paragraph 3.3.1 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 2% limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would or may materially adversely affect the financial condition of the Company.

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

3.3.1 ***Maximum Number of Shares***

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 2% of the total number of issued Shares as at the date of the 2016 AGM. Any of the Shares which are held as treasury shares will be disregarded for purposes of computing the 2% limit.

Based on 3,122,495,197 issued Shares as at the Latest Practicable Date and disregarding the 21,911,037 Shares held in treasury as at the Latest Practicable Date, and assuming no further Shares are issued, and no Shares are purchased or acquired by the Company, and no further Shares purchased or acquired by the Company are held as treasury shares, on or prior to the 2016 AGM, the purchase by the Company of up to the maximum limit of 2% of its issued Shares will result in the purchase or acquisition of 62,011,683 Shares.

3.3.2 ***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 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.

3.3.3 ***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 the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, Chapter 50 (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 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 containing at least the following information:

(1) terms and conditions of the offer;

(2) period and procedures for acceptances; and

(3) information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

3.3.4 ***Purchase Price***

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors.

The purchase price to be paid for the Shares must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(b) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"**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 listing rules of the SGX-ST for any corporate action which 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 an Off-Market Purchase, stating therein the purchase price (which shall not be more than 110% of the Average Closing Price of the Shares (excluding related expenses of the purchase or acquisition) for each Share) and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 **Status of Purchased Shares**. Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. 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.

3.5 **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:

3.5.1 ***Maximum Holdings***

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

3.5.2 ***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. A subdivision or consolidation of any treasury share is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.5.3 ***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 Rule 704(28) of 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.

3.6 **Source of Funds**. The Company may purchase or acquire its Shares out of capital, as well as from its distributable profits.

The Company will use the internal sources of funds of the Group to finance the Company's purchase or acquisition of the Shares. The Company does not intend to obtain or incur any external borrowings to finance such purchase or acquisition. The Directors do not propose to exercise the Share Purchase Mandate to such extent that it would materially affect the working capital requirements of the Group.

3.7 **Financial Effects**. The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015, are based on the assumptions set out below.

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

Purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

3.7.2 ***Number of Shares Acquired or Purchased***

Based on the number of issued and paid-up Shares as at the Latest Practicable Date and on the assumptions set out in paragraph 3.3.1 above, the purchase by the Company of up to the maximum limit of 2% of its issued Shares will result in the purchase or acquisition of 62,011,683 Shares.

3.7.3 ***Maximum Price Paid for Shares Acquired or Purchased***

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 62,011,683 Shares at the maximum price of $2.9610 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 62,011,683 Shares is $183,616,593.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 62,011,683 Shares at the maximum price of $3.1020 for one Share (being the price equivalent to 10% above the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 62,011,683 Shares is $192,360,241.

3.7.4 ***Illustrative Financial Effects***

The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, whether the purchase or acquisition is made out of profits and/or capital, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are cancelled or held in treasury.

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 3.7.2 and 3.7.3 above, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 are set out below and assuming the following:

(a) the purchase or acquisition of 62,011,683 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made entirely out of profits and/or capital and either cancelled or held in treasury; and

(b) the purchase or acquisition of 62,011,683 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made entirely out of profits and/or capital and either cancelled or held in treasury.

Scenario 1

Market Purchases of up to a maximum of 2% out of profits and/or capital and either cancelled or held in treasury

	Group		Company	
	Before Share Purchase $'000	**After Share Purchase $'000**	**Before Share Purchase $'000**	**After Share Purchase $'000**
As at 31 December 2015				
Share Capital & Reserves	2,132,052	1,948,435	1,450,246	1,266,629
NTA	1,390,256	1,206,639	1,450,246	1,266,629
Current Assets	4,791,101	4,607,484	557,766	374,149
Current Liabilities	3,719,861	3,719,861	27,889	27,889
Net Cash	252,069	68,452	267,899	84,282
Number of Shares (excluding treasury shares) ('000)	3,100,584	3,038,572	3,100,584	3,038,572
Financial Ratios				
Basic EPS ($)	0.17	0.17	0.16	0.16
NTA per Share ($)	0.45	0.40	0.47	0.42
Net Gearing (times)	Net Cash	Net Cash	Net Cash	Net Cash
Current Ratio (times)	1.3	1.2	20.0	13.4

Notes:

(1) The figures for the Group and the Company are based on the audited financial statements as at 31 December 2015.

(2) Net Gearing is equal to net borrowings divided by Share Capital & Reserves.

Scenario 2

Off-Market Purchases of up to a maximum of 2% out of profits and/or capital and either cancelled or held in treasury

	Group		Company	
	Before Share Purchase $'000	**After Share Purchase $'000**	**Before Share Purchase $'000**	**After Share Purchase $'000**
As at 31 December 2015				
Share Capital & Reserves	2,132,052	1,939,692	1,450,246	1,257,886
NTA	1,390,256	1,197,896	1,450,246	1,257,886
Current Assets	4,791,101	4,598,741	557,766	365,406
Current Liabilities	3,719,861	3,719,861	27,889	27,889
Net Cash	252,069	59,709	267,899	75,539
Number of Shares (excluding treasury shares) ('000)	3,100,584	3,038,572	3,100,584	3,038,572
Financial Ratios				
Basic EPS ($)	0.17	0.17	0.16	0.16
NTA per Share ($)	0.45	0.39	0.47	0.41
Net Gearing (times)	Net Cash	Net Cash	Net Cash	Net Cash
Current Ratio (times)	1.3	1.2	20.0	13.1

Notes:

(1) The figures for the Group and the Company are based on the audited financial statements as at 31 December 2015.

(2) Net Gearing is equal to net borrowings divided by Share Capital & Reserves.

The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 2% of the issued Shares (excluding any Shares held in treasury), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 2% of the issued Shares (excluding any Shares held in treasury). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

3.8 **Reporting Requirements**. Rule 886(1) of 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 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), 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 proposed 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, 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, as well as the announcement of the Company's annual results.

3.9 **Listing Status**. The Listing Manual requires a listed company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. As at the Latest Practicable Date, Temasek Holdings (Private) Limited ("**Temasek**"), a substantial Shareholder, has a direct and deemed interest in approximately 51.36% of the issued Shares (excluding treasury shares) as at that date. Approximately 42.10% of the issued Shares are held by public Shareholders.

The Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 2% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

3.10 **Shareholding Limits**. The constitution of the Company currently prescribes a limit of 15% (or such higher percentage as the holder of the special share (the "**Special Share**") of the Company (the "**Special Member**") may from time to time prescribe) (the "**Prescribed Limit**") of the issued Shares in which any person or related group of persons (other than a person or persons approved by the Special Member) may have an interest. Temasek has been approved by the Special Member to have an interest in the issued Shares in excess of the Prescribed Limit.

The constitution empowers the Directors, if it shall come to their notice that the interest of any person or related group of persons (other than a person or persons approved by the Special Member) in the Shares has reached or exceeded the Prescribed Limit, to require the affected person or persons to dispose of the affected Shares within 21 days of the giving of the notice requiring such disposal (or such longer period as the Directors consider reasonable) to a person qualified to have an interest in such Shares.

The Company wishes to draw the attention of Shareholders to the following consequences of a purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, if the renewal of the Share Purchase Mandate is approved by Shareholders at the 2016 AGM:

A PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY MAY INADVERTENTLY CAUSE THE INTEREST IN THE SHARES OF ANY PERSON OR RELATED GROUP OF PERSONS TO REACH OR EXCEED THE PRESCRIBED LIMIT (IN PARTICULAR, A PERSON WHOSE INTEREST IN SHARES IS CURRENTLY CLOSE TO THE PRESCRIBED LIMIT). THE DIRECTORS ARE EMPOWERED TO SERVE NOTICE ON SUCH PERSON REQUIRING A DISPOSAL OF THE AFFECTED SHARES WITHIN 21 DAYS OF THE GIVING OF SUCH NOTICE OR SUCH LONGER PERIOD AS THE DIRECTORS CONSIDER REASONABLE TO A PERSON QUALIFIED TO HAVE AN INTEREST IN THE AFFECTED SHARES.

3.11 **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.

3.11.1 ***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. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

3.11.2 ***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*, the following individuals and companies to be persons acting in concert with each other:

(a) the following companies:

(i) a company;

(ii) the parent company of (i);

(iii) the subsidiaries of (i);

(iv) the fellow subsidiaries of (i);

(v) the associated companies of any of (i), (ii), (iii) or (iv);

(vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and

(vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and

(b) 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).

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.

3.11.3 ***Effect of Rule 14 and Appendix 2***

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 under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if 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.

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 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 the resolution authorising the Share Purchase Mandate.

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, 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 by the Company of the maximum limit of 2% of its issued 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 take-over offer would arise by reason of any share purchases by the Company.

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 CPF 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.

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 new provision stating that the expressions "Depositor", "Depository", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289 (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 definition of "relevant intermediary" and 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 7(B).*** Article 7(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 10 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 17 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.

(e) ***Article 61 (Article 59 of Existing Constitution).*** Article 61, 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 69(B) (Article 67 of Existing Constitution).*** Article 69(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 73, 79 and 81(A) (Articles 71, 77 and 79 of Existing Constitution)***. Articles 73, 79 and 81(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 79(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 79(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 73 and 79(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 73 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 81(A). This is in line with section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act.

(h) ***Article 92 (Article 90 of Existing Constitution)***. Article 92, which relates to the declaration of conflicts of interests, has been extended to the Chief Executive Officer (or a person holding an equivalent position), and additionally provides that every Director and Chief Executive Officer may make such declaration by sending a written notice to the Company setting out the fact, and the nature, character and extent of the conflict. This is in line with section 156 of the Companies Act, as amended pursuant to the Amendment Act.

(i) ***Article 102 (Article 100 of Existing Constitution)***. Article 102, 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.

(j) ***Article 119 (Article 117 of Existing Constitution)***. Article 119, 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, additionally, under the direction or supervision of, the Directors. This is in line with section 157A of the Companies Act, as amended pursuant to the Amendment Act.

(k) ***Articles 128, 145 and 146 (Articles 126, 141 and 142 of Existing Constitution)***. Article 146, 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 146.

The references to the Company's "accounts", "profit and loss account(s)" and Directors' "reports" have also been updated/substituted in articles 128, 145 and 146 with references to "financial statements" and Directors' "statements", as appropriate, for consistency with the updated terminology in the Companies Act.

(l) ***Article 149 (Article 145 of Existing Constitution)***. Article 149, 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.

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 149) to facilitate these regimes, while Shareholders who are not supportive of the new regimes may vote against it.

Article 149 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 149 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.

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.

(m) ***Article 156 (Article 153 of Existing Constitution)***. Article 156, 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 clauses***

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, including but not limited to playing a strategic role, and supplying products and services, in support of the defence of Singapore; 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.

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 articles have 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:

(a) ***Article 7(A)***. Article 7(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.

(b) ***Article 10(A) (Article 7(A) of Existing Constitution).*** Article 10(A), which relates to the variation of rights attached to shares, additionally clarifies that preference capital other than redeemable preference capital may be repaid either with the sanction of a Special Resolution or the consent in writing of the preference shareholders concerned. This additional clarification is in line with paragraph (5) of Appendix 2.2 of the Listing Manual.

(c) ***Article 11(A) (Article 9(A) of Existing Constitution).*** Article 11(A), which relates to the offer of new shares to members, makes it clear (*inter alia*) that, unless otherwise permitted under the listing rules of the SGX-ST, such shares shall, before issue, be offered to members in proportion to their existing shareholdings. This requirement is in line with paragraph (1)(f) of Appendix 2.2 of the Listing Manual.

(d) ***Article 20 (Article 18 of Existing Constitution).*** Article 20, which provides that the Company is not bound to register more than three persons as the holders of any share, states that this excludes the case of executors or administrators or, additionally, trustees, of the estate of a deceased member. This additional clarification is in line with paragraph (4)(d) of Appendix 2.2 of the Listing Manual.

(e) ***Article 36 (Article 34 of Existing Constitution).*** Article 36, which relates to the Company's lien on shares, clarifies that such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, in addition to such amount as the Company may be called upon by law to pay in respect of those shares. This clarification is in line with paragraph (3)(a) of Appendix 2.2 of the Listing Manual.

(f) ***Articles 69, 70, 71 and 72 (Articles 67, 68, 69 and 70 of Existing Constitution).*** Article 69, which relates to the method of voting at general meetings, has new provisions to make it clear that, if required by the listing rules of the SGX-ST, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the SGX-ST). Consequential changes have been made to articles 70, 71 and 72. These changes are in line with Rule 730A of the Listing Manual.

(g) ***Articles 99 and 102 (Articles 97 and 100 of Existing Constitution).*** Article 99, which relates to the vacation of office of a Director in certain events, additionally provides that a Director shall cease to hold office if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. Consequential changes have been made to article 102, which relates to the filling of the office vacated by a retiring Director in certain default events, to provide that a retiring Director is deemed to be re-elected in certain default circumstances except, additionally, where he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. These changes are in line with paragraph (9)(n) of Appendix 2.2 of the Listing Manual.

(h) ***Article 104 (Article 102 of Existing Constitution).*** Article 104, which relates to the notice of intention to appoint a Director other than a Director retiring at a meeting, clarifies that such notice of intention, or notice from the person to be proposed giving his consent to the nomination and signifying his candidature for the office, must be lodged at the registered office of the Company not less than 11 nor more than 42 clear days before the date appointed for the meeting. This is in line with paragraph 9(h) of Appendix 2.2 of the Listing Manual.

(i) ***Article 107(A) (Article 105(A) of Existing Constitution).*** Article 107(A), which relates to the appointment of Alternate Directors, clarifies that the appointment of an Alternate Director must, in addition to being approved by the Special Member, be approved by the Directors. This is in line with paragraph 9(l) of Appendix 2.2 of the Listing Manual.

(j) ***Article 111 (Article 109 of Existing Constitution)***. Article 111, which relates to when a Director is prohibited from voting in respect of contracts or arrangements in which he has an interest, provides that he cannot vote in respect of such contracts or arrangements in which he has any "personal material" interest, directly or indirectly. This is in line with paragraph (9)(e) of Appendix 2.2 of the Listing Manual.

(k) ***Article 112 (Article 110 of Existing Constitution)***. Article 112, which relates to the proceedings of Directors in case of vacancies in their body, has additional provisions to make it clear that where the number of Directors is reduced to below the minimum number, the continuing Directors(s) may act only for the purpose of filling up such vacancies or of summoning general meetings, except in an emergency. This additional clarification is in line with paragraph (9)(k) 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 158 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 46(A) (Article 44(A) of Existing Constitution)***. Article 46(A), which contains interpretation provisions for determining when a person has an interest in issued Shares in order to ascertain when this interest has reached or exceeded the Prescribed Limit, has been updated to substitute the reference to "interest in Shares" under the Companies Act to the current "interest in securities" under the SFA.

(b) ***Article 57 (Article 55 of Existing Constitution)***. Article 57, 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.

(c) ***Article 64 (Article 62 of Existing Constitution)***. Article 64, which relates to the quorum for general meetings, provides, additionally, that a proxy representing more than one member shall only count as one member, and that where a member is represented by more than one proxy such proxies shall count as only one member, for the purpose of determining the quorum.

(d) ***Articles 80 and 81 (Article 78 and 79 of Existing Constitution)***. Article 80, 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 81, 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.

(e) ***Articles 83 and 99 (Articles 81 and 97 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 himself or his affairs, following the enactment of the Mental Health (Care and Treatment) Act, Chapter 178A, which repealed and replaced the Mental Disorders and Treatment Act.

(f) ***Articles 95, 96, 97 and 98 (Articles 93, 94, 95 and 96 of Existing Constitution)***. Articles 95, 96, 97 and 98, which regulate the appointment, resignation, remuneration and power of the Chief Executive Officer, have been updated to expand the reference to "Chief Executive Officer" to also include a person holding an equivalent position.

(g) ***Article 100 (Article 98 of Existing Constitution)***. Article 100, which relates to the retirement of Directors by rotation, clarifies that the Directors who are to retire by rotation are to be selected in accordance with article 101 and are in addition to any Director retiring pursuant to article 106.

(h) ***Article 108(B) (Article 106(B) of Existing Constitution).*** Article 108(B), which relates to participation in Directors' meetings by telephone or video conference, contains additional provisions regulating the proceedings at such meetings.

(i) ***Article 114 (Article 112 of Existing Constitution).*** Article 114, which relates to Directors' resolutions in writing, provides (*inter alia*) that a resolution in writing signed by a majority (previously, all) of the Directors shall be as effective as a resolution duly passed at a meeting of the Directors.

(j) ***Article 143 (Article 139A of Existing Constitution).*** Article 143, 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 2 and 3.** 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 2 to this Letter and the main differences are blacklined. The existing objects clauses in the Existing Constitution which are proposed to be deleted and replaced with a general provision in the New Constitution as described in paragraph 4.3.2 above are set out in Appendix 3 to this Letter. The proposed adoption of the New Constitution is subject to Shareholders' approval.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 **Directors' Interests**. The interests of the Directors in the Shares, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date are set out below:

	Number of Shares				Number of Shares comprised in outstanding Share Options/ Awards granted by the Company
Director	**Direct Interest**	**%(1)**	**Deemed Interest**	**%(1)**	
Kwa Chong Seng	571,600	0.02	–	–	–
Tan Pheng Hock	4,892,937	0.16	–	–	2,167,926 (3)
Koh Beng Seng	223,805	0.01	–	–	–
MG Lim Cheng Yeow Perry	–	–	–	–	–
Ng Chee Khern	–	–	–	–	–
Quek Tong Boon	–	–	–	–	–
Venkatachalam Krishnakumar	250,109	0.01	–	–	–
Davinder Singh s/o Amar Singh	70,237	nm(2)	–	–	–
Dr Stanley Lai Tze Chang	90,240	nm(2)	3,000	nm(2)	–
Khoo Boon Hui	–	–	–	–	–
Quek See Tiat	14,300	nm(2)	–	–	–
Olivia Lum Ooi Lin	5,100	nm(2)	–	–	–
Dr Beh Swan Gin	–	–	–	–	–
Lim Sim Seng	–	–	–	–	–
Lim Ah Doo	30,000	nm(2)	–	–	–
COL Alan Goh Kim Hua	–	–	–	–	–
Vincent Chong Sy Feng	713,937	0.02	–	–	1,046,014(4)

Notes:

(1) The percentage of issued Shares is calculated based on the number of issued Shares of the Company (excluding any Shares held in treasury) as at the Latest Practicable Date.

(2) Not meaningful.

(3) Of the 2,167,926 Shares:

(a) 400,000 Shares are comprised in share options granted to Tan Pheng Hock pursuant to the Singapore Technologies Engineering Share Option Plan;

(b) up to 297,500 Shares are comprised in a conditional award of performance shares granted to Tan Pheng Hock, subject to performance targets set over a three-year period from 2013 to 2015, pursuant to the Singapore Technologies Engineering Performance Share Plan 2010 ("**PSP 2010**"). A minimum threshold performance is required for any performance share to be released and the actual number of performance shares to be released is capped at 170% of the conditional award;

(c) up to 425,000 Shares are comprised in a conditional award of performance shares granted to Tan Pheng Hock, subject to performance targets set over a three-year period from 2014 to 2016, pursuant to the PSP 2010. A minimum threshold performance is required for any performance share to be released and the actual number of performance shares to be released is capped at 170% of the conditional award;

(d) up to 640,900 Shares are comprised in a conditional award of performance shares granted to Tan Pheng Hock, subject to performance targets set over a three-year period from 2015 to 2017, pursuant to the PSP 2010. A minimum threshold performance is required for any performance share to be released and the actual number of performance shares to be released is capped at 170% of the conditional award;

(e) 21,936 Shares are unvested restricted shares for the performance period from 1 January 2012 to 31 December 2013 to be released according to the stipulated vesting periods pursuant to the Singapore Technologies Engineering Restricted Share Plan 2010 ("**RSP 2010**");

(f) 27,090 Shares are unvested restricted shares for the performance period from 1 January 2013 to 31 December 2014 to be released according to the stipulated vesting periods pursuant to the RSP 2010;

(g) up to 144,000 Shares are comprised in a conditional award of restricted shares granted to Tan Pheng Hock, subject to performance targets set over a two-year period from 2014 to 2015, pursuant to the RSP 2010. A minimum threshold performance is required for any restricted share to be released. The actual number of restricted shares to be released is capped at 150% of the conditional award and will be delivered in phases according to the stipulated vesting periods; and

(h) up to 211,500 Shares are comprised in a conditional award of restricted shares granted to Tan Pheng Hock, subject to performance targets set over a one-year period from 1 January 2015 to 31 December 2015, pursuant to the RSP 2010. A minimum threshold performance is required for any restricted share to be released. The actual number of restricted shares to be released is capped at 150% of the conditional award and will be delivered in phases according to the stipulated vesting periods.

(4) Of the 1,046,014 Shares:

(a) up to 214,200 Shares are comprised in a conditional award of performance shares granted to Vincent Chong Sy Feng, subject to performance targets set over a three-year period from 2015 to 2017, pursuant to the PSP 2010. A minimum threshold performance is required for any performance share to be released and the actual number of performance shares to be released is capped at 170% of the conditional award;

(b) 720,814 Shares are unvested time-based restricted shares to be released according to the stipulated vesting periods pursuant to the RSP 2010; and

(c) up to 111,000 Shares are comprised in a conditional award of restricted shares granted to Vincent Chong Sy Feng, subject to performance targets set over a one-year period from 1 January 2015 to 31 December 2015, pursuant to the RSP 2010. A minimum threshold performance is required for any restricted share to be released. The actual number of restricted shares to be released is capped at 150% of the conditional award and will be delivered in phases according to the stipulated vesting periods.

5.2 **Substantial Shareholders' Interests**. The interests of the substantial Shareholders in the Shares, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date, are set out below:

	Number of Shares			
Substantial Shareholder	**Direct Interest**	**%[1]**	**Deemed Interest**	**%[1]**
Temasek	1,554,764,574	50.14	37,836,336[2]	1.22
Aberdeen Asset Management PLC	–	–	195,648,471[3]	6.31005
Aberdeen Asset Management Asia Limited	–	–	179,159,171[4]	5.77823

Notes:

(1) The percentage of issued Shares is calculated based on the number of issued Shares of the Company (excluding Shares held in treasury) as the Latest Practicable Date.

(2) Includes deemed interests held through subsidiaries and associated companies.

(3) Includes interests held by Aberdeen Asset Management PLC and its subsidiaries, including Aberdeen Asset Management Asia Limited.

(4) Details of their deemed interests are not available.

6. DIRECTORS' RECOMMENDATIONS

6.1 **The Proposed Renewal of the Shareholders Mandate**. All the Directors are interested persons (as described in paragraph 4.1 of Appendix 1 to this Letter). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Resolution 14, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate to be proposed at the 2016 AGM.

Temasek and each of the Directors will abstain from voting, and each has undertaken to ensure that its/his associates will abstain from voting, on Ordinary Resolution No. 14, being the Ordinary Resolution relating to the proposed renewal of the Shareholders Mandate at the 2016 AGM. Each of the Directors and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of Ordinary Resolution No. 14, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution No. 14.

6.2 **The Proposed Renewal of the Share Purchase Mandate**. The Directors 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. 15, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2016 AGM.

6.3 **Proposed Adoption of New Constitution**. The Directors are of the opinion that the proposed adoption of the New Constitution is in the best interests of the Company. They accordingly recommend that Shareholders vote in favour of Special Resolution No. 16, being the Special Resolution relating to the proposed adoption of the New Constitution to be proposed at the 2016 AGM.

7. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at ST Engineering Hub, 1 Ang Mo Kio Electronics Park Road #07-01, Singapore 567710 during normal business hours from the date of this Letter up to the date of the 2016 AGM:

(a) the Existing Constitution;

(b) the proposed New Constitution;

(c) the Annual Report of the Company for the financial year ended 31 December 2015; and

(d) the 2015 Circular.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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.

Yours faithfully

Kwa Chong Seng
Chairman
Singapore Technologies Engineering Ltd

APPENDIX 1

THE SHAREHOLDERS MANDATE

1. Chapter 9 of the Listing Manual

1.1 Chapter 9 of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") governs transactions by 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. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.

1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and hence are excluded from the ambit of Chapter 9, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated net tangible assets ("**NTA**")) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:

(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 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.

1.3 Based on the latest audited consolidated financial statements of Singapore Technologies Engineering Ltd ("**ST Engineering**") and its subsidiaries (the "**ST Engineering Group**") for the financial year ended 31 December 2015, the consolidated NTA of the ST Engineering Group was $1,390,256,000. In relation to ST Engineering, for the purposes of Chapter 9, in the current financial year and until such time as the consolidated audited financial statements of the ST Engineering Group for the financial year ending 31 December 2016 are published, 5% of the latest audited consolidated NTA of the ST Engineering Group would be $69,512,800.

1.4 Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

1.5 Under the Listing Manual:

(a) 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;

(b) 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;

(c) an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder means 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 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 controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, means 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;

(d) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9; and

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

2. Rationale for the Shareholders Mandate

2.1 It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group (as defined below) and ST Engineering's interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the EAR Group to ST Engineering's interested persons or the obtaining of goods and services from them.

2.2 In view of the time-sensitive nature of commercial transactions, the renewal of the Shareholders Mandate pursuant to Chapter 9 of the Listing Manual will enable:

(a) ST Engineering;

(b) subsidiaries of ST Engineering (excluding other subsidiaries listed on the SGX-ST or an approved exchange); and

(c) associated companies of ST Engineering (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the ST Engineering Group, or the ST Engineering Group and interested person(s) of ST Engineering has or have control,

(together, the "**EAR Group**"), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions ("**Interested Person Transactions**") set out in paragraph 5 below with the specified classes of ST Engineering's interested persons (the "**Interested Persons**") set out in paragraph 4.1 below, provided such Interested Person Transactions are made on normal commercial terms.

2.3 The Shareholders Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for ST Engineering to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives.

3. The Shareholders Mandate

3.1 The Shareholders Mandate covers the wide range of activities, including the following principal activities, undertaken by the ST Engineering Group:

(a) those relating to the sale, purchase, leasing, repair, modification, maintenance, servicing and/or overhaul of aircraft, aircraft engines, equipment, parts and components; trading and providing warehouse services for aircraft equipment, parts and components; development, marketing and maintenance of advance simulation and training system; the provision of engineering, marketing, engineering support, flight and flight training services; the provision of jet fuel services; manufacture and sale of investment castings, mold toolings and precision formings; and target towing services and investment holding ("**Aerospace Related Activities**");

(b) those relating to systems integration, engineering development, maintenance operations, facility management, digital media related products and sale of third party products which cover the areas of satellite and broadband communications, transportation systems, information & communication technology (ICT) products and solutions, training and simulation systems, telecommunications and defence electronics; and the provision of education, training and managed services ("**Electronics Related Activities**");

(c) those relating to the research and development, design, systems integration, manufacturing, assembly, testing, sale, trading, distribution, leasing, rental, training of users, after-sales support, maintenance, repair, overhaul, preservation, upgrading, disposal, know-how transfer of and/or provision of engineering consultancy for military vehicles, weapons, weapon systems, munitions and pyrotechnics, construction equipment, specialty vehicles and their sub-systems and accessories; the inspection of vehicles, the representation, marketing, sale and after-sales support of commercial vehicles, engines and related products; and defence and security related products; the provision of contract manufacturing services and industrial support services ("**Land Systems Related Activities**"); and

(d) those relating to the construction, maintenance, repair, overhaul, upgrading and sale of naval and commercial vessels, design and fabrication of engineering equipment, construction and repair of offshore platforms, the provision of engineering consultancy and technical services, and the provision of products and/or services in respect of environmental engineering business ("**Marine Related Activities**").

3.2 The Shareholders Mandate also includes certain other activities undertaken by the EAR Group, apart from those listed in paragraph 3.1 above ("**Other Activities**") which are necessary for the day-to-day operations of the EAR Group, such as, the provision of integrated logistics managed services and facilities engineering services, the obtaining or purchase of utilities, the leasing of premises and the obtaining of property maintenance services.

3.3 The Shareholders Mandate does not cover an Interested Person Transaction which has a value of below S$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such an Interested Person Transaction.

3.4 Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the Shareholders Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

3.5 The renewal of the Shareholders Mandate will take effect from the date of the passing of the Ordinary Resolution relating thereto to be proposed at the Annual General Meeting to be held on 21 April 2016 until the next Annual General Meeting of the Company. Thereafter, approval from Shareholders for a subsequent renewal of the Shareholders Mandate will be sought at each subsequent Annual General Meeting of the Company.

4. Classes of Interested Persons

4.1 The Shareholders Mandate applies to the Interested Person Transactions (as described in paragraph 5 below) which are carried out with the following classes of Interested Persons:

(a) Temasek Holdings (Private) Limited and its associates (the "**Temasek Group**"); and

(b) Directors, Chief Executive Officer(s) and controlling shareholders of the Company (other than the controlling shareholder described in sub-paragraph (a) above) and their respective associates.

4.2 Transactions with Interested Persons which do not fall within the ambit of the Shareholders Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

5. Interested Person Transactions

The Interested Person Transactions with the Interested Persons (as described in paragraph 4.1 above) which are covered by the Shareholders Mandate and the benefits to be derived therefrom are set out below:

(a) **General Transactions**

This category relates to General Transactions by the EAR Group relating to the provision to, or the obtaining from, Interested Persons of products and services in the normal course of the business of the EAR Group or which are necessary for the day-to-day operations of the EAR Group (but not in respect of the purchase or sale of assets, undertakings or businesses) comprising the following:

(i) *Aerospace Related Activities*

The products and services under this sub-category are:

(1) the sale, purchase, repair, modification, maintenance, servicing and/or overhaul of aircraft and aircraft engines, equipment, parts and components;

(2) the trading of, and provision of warehouse services for, aircraft equipment, parts and components;

(3) the development, marketing and maintenance of advance simulation and training systems;

(4) the provision of engineering, marketing, engineering and technical support, flight and flight training services;

(5) the leasing and rental (as lessor and lessee) of aircraft, aircraft engines, equipment, parts and components;

(6) the obtaining of repair, maintenance, training and technical services in respect of aircraft and aircraft engines, equipment, parts and components;

(7) the provision of jet fuel services;

(8) the manufacture and sale of investment castings, mold toolings and precision formings;

(9) the provision of target towing services; and

(10) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (1) to (9) above.

The transactions set out in sub-paragraphs (1) to (9) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (10) will be those which are necessary for the day-to-day operations of the EAR Group.

(ii) *Electronics Related Activities*

The products and services under this sub-category are:

(1) the sale of electronics, satellite and broadband communications, transportation systems and information & communication technology (ICT) products and solutions, spares, materials and electronics and engineering equipment;

(2) the sale of training and simulation products, solutions and associated services;

(3) the provision of repair and maintenance, engineering, technical, facility management and information technology services;

(4) the provision of education, training and managed services, the exploitation, production, distribution and licensing of digital media intellectual properties, and the distribution of games, and edutainment;

(5) the obtaining or purchase of electronics and ICT products and solutions, spares, materials, electronics and engineering equipment;

(6) the leasing and rental (as lessee) of equipment and motor vehicles;

(7) the obtaining of repair, maintenance and technical services in respect of electronics and ICT products and solutions and electronics and engineering equipment; and

(8) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (1) to (7) above.

The transactions set out in sub-paragraphs (1) to (7) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (8) will be those which are necessary for the day-to-day operations of the EAR Group.

(iii) *Land Systems Related Activities*

The products and services under this sub-category are:

(1) the research and development, design, systems integration, manufacturing, assembly, testing, marketing, sale, trading, distribution, training of users, after-sales support, maintenance, repair, overhaul, preservation, upgrading, disposal, know-how transfer of and/or provision of engineering consultancy for:

(a) military vehicles and their sub-systems;
(b) weapons systems and their accessories;
(c) munitions and pyrotechnics; and
(d) construction equipment, specialty vehicles and their sub-systems;

(2) the leasing, rental, management of dealers and after-sales network of construction equipment, specialty vehicles and their sub-systems;

(3) the inspection, evaluation and damage assessment of vehicles and motorcycles, and the provision of consultancy, testing, inspection, calibration, certification and related services for various industries;

(4) the provision of contract manufacturing and industrial support services;

(5) the representation, import, assembly, marketing, sale, provision of technical services, field services, repair and maintenance services of commercial vehicles, engines and related products;

(6) the representation, marketing and after-sales support of defence and security related products; and

(7) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (1) to (6) above.

The transactions set out in sub-paragraphs (1) to (6) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (7) will be those which are necessary for the day-to-day operations of the EAR Group.

(iv) *Marine Related Activities*

The products and services under this sub-category are:

(1) the sale of ships, spares and engineering equipment;

(2) the provision of shipbuilding, ship repair, engineering and technical services;

(3) the construction, sale and repair of offshore platforms;

(4) the obtaining of repair, maintenance and technical services in respect of ships, offshore platforms, spares and engineering equipment;

(5) the provision or obtaining of products and/or services in respect of environmental business; and

(6) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (1) to (5) above.

The transactions set out in sub-paragraphs (1) to (5) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (6) will be those which are necessary for the day-to-day operations of the EAR Group.

(v) *Other Activities*

The products and services under this sub-category are:

(1) the provision of integrated logistics managed services in areas of supply chain warehousing, freight services and specialised/project logistics;

(2) the provision of integrated facilities engineering services in areas of facilities managing agent services, facilities maintenance services and other facilities-based mechanical and electrical engineering services;

(3) the obtaining or the purchase of electronic and engineering equipment, security systems, computer maintenance and systems, components and equipment, software licences and information technology services, material handling systems, freight services, utilities and insurances;

(4) the leasing of premises and the obtaining of property maintenance services;

(5) the obtaining of fund management services, printing, publication and retail and distribution of products and services; and

(6) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (1) to (5) above.

The transactions set out in sub-paragraphs (1) to (5) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (6) will be those which are necessary for the day-to-day operations of the EAR Group.

The EAR Group will benefit from having access to competitive quotes from the different companies in the different industries within the Temasek Group in addition to obtaining quotes from, or transacting with, non-Interested Persons.

(b) **Treasury Transactions**

Treasury Transactions comprise (i) the placement of funds with any company within the Temasek Group on a short-term basis (up to a maximum of 12 months), (ii) the borrowing of funds from any company within the Temasek Group on a short-term basis, (iii) the entry into with any company within the Temasek Group of forex, swap and option transactions for hedging purposes and (iv) the subscription of debt securities or preference shares issued by Interested Persons and the issue of debt securities or preference shares to any Interested Person or the buying from, or the selling to, any Interested Person of debt securities or preference shares.

The EAR Group can benefit from competitive rates or quotes in an expedient manner on the placements of funds with, borrowings from, the entry into forex, swap and option transactions with any company within the Temasek Group, and the subscription of debt securities or preference shares issued by Interested Persons or the issue of debt securities or preference shares to, or the buying from, or the selling to, Interested Persons of debt securities or preference shares.

6. Review Procedures for Interested Person Transactions

6.1 The EAR Group has established the following procedures to ensure that Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms:

(a) **General Transactions**

Review Procedures

In general, there are procedures established by the EAR Group to ensure that General Transactions with Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been implemented.

(i) *Provision of services or the sale of products*

The review procedures are:

(1) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and

(2) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

(ii) *Obtaining of services or the purchasing of products*

The review procedures are:

(1) all contracts entered into or transactions with Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two other unrelated third party suppliers for similar quantities and/ or quality of services or products, prior to the entry into of the contract or transaction with the Interested Person, as a basis for comparison to determine whether the price and terms offered by the Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the price and terms offered by the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and

(2) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the senior management staff of the relevant company in the EAR Group (with no interest, direct or indirect in the transaction), will determine whether the price and terms offered by the Interested Person are fair and reasonable.

Threshold Limits

In addition to the review procedures, the EAR Group will monitor the General Transactions entered into by the EAR Group by categorising the transactions as follows:

(i) a Category 1 General Transaction is one where the value thereof is in excess of S$50,000,000; and

(ii) a Category 2 General Transaction is one where the value is below or equal to S$50,000,000.

Category 1 General Transactions must be approved by the Audit Committee prior to their entry. Category 2 General Transactions need not have the prior approval of the Audit Committee but shall be reviewed on a quarterly basis by the Audit Committee.

(b) **Treasury Transactions**

Placements

In relation to the placement with any company within the Temasek Group by the EAR Group of its funds, ST Engineering will require that quotations shall be obtained from the relevant company within the Temasek Group and at least two of the principal bankers of the EAR Group for rates for deposits with such bankers of an equivalent amount, and for the equivalent period, of the funds to be placed by the EAR Group. The EAR Group will only place its funds with the relevant company within the Temasek Group, provided that the interest rate quoted is not less than the highest of the rates quoted by such principal bankers.

Borrowings

In relation to the borrowing of funds from any company within the Temasek Group by the EAR Group, ST Engineering will require that quotations shall be obtained from the relevant company within the Temasek Group and at least two of the principal bankers of the EAR Group for rates for loans from such bankers of an equivalent amount, and for the equivalent period, of the funds to be borrowed. The EAR Group will only borrow funds from the relevant company within the Temasek Group, provided that the interest rate quoted is not more than the lowest of the rates quoted by such principal bankers.

Forex, Swaps and Options

In relation to forex, swap and option transactions with any company within the Temasek Group by the EAR Group, ST Engineering will require that rate quotations shall be obtained from the relevant company within the Temasek Group and at least two of the principal bankers of the EAR Group. The EAR Group will only enter into such forex, swap or option transactions with the relevant company within the Temasek Group provided that such rates quoted are no less favourable than the rates quoted by such bankers.

Debt Securities and Preference Shares

In relation to the subscription of debt securities and preference shares issued by, or purchase of debt securities or preference shares from, Interested Persons, the EAR Group will only enter into the subscription or purchase of such debt securities or preference shares issued provided that the price(s) at which the EAR Group subscribes for or purchases such debt securities or preference shares will not be higher than the price(s) at which such debt securities or preference shares are subscribed for or purchased by third parties.

In relation to the issue or sale to Interested Persons of debt securities or preference shares, the EAR Group will only issue or sell such debt securities or preference shares to Interested Persons provided that the price(s) at which the EAR Group issues or sells such debt securities or preference shares will not be lower than the price(s) at which such debt securities or preference shares are issued or sold to third parties. The EAR Group will also comply with all applicable laws and regulations in connection with the issue or sale of such debt securities or preference shares to Interested Persons.

For the purposes of the Shareholders Mandate, the preference shares to be subscribed or purchased from Interested Persons, or to be issued or sold to Interested Persons, will not carry any voting rights, except that they shall carry the right to attend any general meeting and in a poll thereat to at least one vote in respect of each such share held:

(i) during such period as the preferential dividend or any part thereof remains in arrear and unpaid, such period starting from a date not more than 12 months, or such lesser period as the constitution may provide, after the due date of the dividend;

(ii) upon any resolution which varies the rights attached to such shares; or

(iii) upon any resolution for the winding up of the Company.

In addition, the EAR Group will monitor the Treasury Transactions entered into by the EAR Group as follows:

Placements and Debt Securities and Preference Shares

Where the aggregate value of funds placed with, and debt securities or preference shares subscribed which are issued by, or purchased from, and debt securities or preference shares issued or sold to, the same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) shall at any time exceed:

(i) in the case of any company or companies within the Temasek Group, the equivalent of 100% of the consolidated shareholders' funds of ST Engineering (based on its latest audited financial statements); and

(ii) in the case of other Interested Persons, the equivalent of 25% of the consolidated shareholders' funds of ST Engineering (based on its latest audited financial statements),

each subsequent placement of funds with, or subscription or purchase of debt securities or preference shares issued by, or the issue or sale of debt securities or preference shares to, the same Interested Person shall require the prior approval of the Audit Committee.

Placements of funds with, and subscription of debt securities issued by or purchased from, or the issue or sale of debt securities to, the same Interested Person which do not in the aggregate exceed the respective limits set out above will not require the prior approval of the Audit Committee but shall be reviewed on a quarterly basis by the Audit Committee.

Forex, Swaps and Options

Where the aggregate of the principal amount of all forex, swap and option transactions entered into with the same Interested Person exceeds at any one time the equivalent of 100% of the consolidated shareholders' funds of ST Engineering (based on its latest audited financial statements), each subsequent forex, swap and option transaction entered into with the same Interested Person shall require the prior approval of the Audit Committee.

Entry into of forex, swap and option transactions with the same Interested Person where the principal amounts thereof do not in the aggregate exceed the limit set out above will not require the prior approval of the Audit Committee but shall be reviewed on a quarterly basis by the Audit Committee.

6.2 A register will be maintained by ST Engineering to record all Interested Person Transactions (and the basis including the quotations obtained to support such basis, on which they are entered into) which are entered into pursuant to the Shareholders Mandate. The annual internal audit plan of ST Engineering shall incorporate a review of all Interested Person Transactions entered into pursuant to the Shareholders Mandate.

6.3 The internal auditors of ST Engineering shall, on a quarterly basis, report to the Audit Committee on Interested Person Transactions, and the basis of such transactions, entered into by the EAR Group.

7. Benefit to Shareholders

7.1 The renewal of the Shareholders Mandate 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 Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the EAR Group.

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

7.3 ST Engineering will announce the aggregate value of transactions conducted with Interested Persons pursuant to the Shareholders Mandate for the quarterly financial periods which ST Engineering is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.

Disclosure will also be made in the annual report of ST Engineering of the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders Mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholders mandate is in force.

8. Audit Committee's Statements

8.1 The Audit Committee (currently comprising Mr Koh Beng Seng, Mr Venkatachalam Krishnakumar, Dr Stanley Lai Tze Chang, Mr Quek See Tiat and Mr Lim Ah Doo) has reviewed the terms of the Shareholders Mandate, as proposed to be renewed, and is satisfied that the review procedures for Interested Person Transactions, as well as the reviews to be made periodically by the Audit Committee (with internal audit assistance) in relation thereto, are sufficient to ensure that Interested Person Transactions will be made with the relevant class of Interested Persons in accordance with the EAR Group's normal commercial terms, and are hence not prejudicial to the interests of the Company and its minority shareholders.

8.2 If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established guidelines and procedures are not sufficient to ensure that the Interested Person Transactions will be on the EAR Group's normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders, ST Engineering will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Interested Persons.

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

Interpretation

~~2~~1. In these presents (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.

"The Act"	The Companies Act, Chapter 50.
"The Company"	Singapore Technologies Engineering Ltd.
"In writing"	Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in these presents or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
"market day"	A day on which the Singapore Exchange Securities Trading Limited is open for trading in securities.
"Month"	Calendar month.
"Office"	The registered office of the Company for the time being.
"Ordinary Shares"	The ordinary shares in the capital of the Company.
"Paid"	Paid or credited as paid.
"registered address" or "address"	In relation to any member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in these presents.
"relevant intermediary"	The entities and persons described in sub-paragraphs (a), (b) and (c) below and/or such other entities or person(s) as may from time to time be prescribed as a "relevant intermediary" under the Act:

(a) a banking corporation licensed under the Banking Act, Chapter 19 or a wholly-owned subsidiary of such banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

"Seal"	The Common Seal of the Company.
"Special Member"	The registered holder for the time being of the Special Share.
"Special Share"	The one special rights share in the capital of the Company.
"Temasek"	Temasek Holdings (Private) Limited.
"The Statutes"	The Act and every other ~~Act~~act for the time being in force concerning companies and affecting the Company.
"These presents"	~~These Articles of Association~~This Constitution 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" and "treasury shares" shall have the meanings ascribed to them respectively in the Act.

The expression "Permitted Person(s)" shall have the meaning ascribed to it in article 8(B).

The expressions "related group of persons" and "Prescribed Limit" shall have the meanings ascribed to them in articles 46(A)(a) and 46(A)(b) respectively.

References in these presents 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 presents or where the term "registered holders" or "registered holder" is used in these presents;

(b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and

(c) except where otherwise expressly provided in these presents, exclude the Company in relation to shares held by it as treasury shares,

and "holding" and "held" shall be construed accordingly.

References in these presents 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.

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 presents as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" shall be construed accordingly.

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

Any reference in these presents 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 presents.

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

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of these presents.

2. Articles 7(A) and 7(B)

7. (A) The rights attaching to shares of a class other than Ordinary Shares shall be expressed in these presents. — 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 10(A)

Variation of rights

~~7~~10. (A) Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid, and the special rights attached to any class may~~, subject to the provisions of the Statutes~~, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this ~~Article~~article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

4. Article 11(A)

Offer of new shares to members

~~9~~11. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Singapore Exchange Securities Trading Limited, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of ~~general meetings~~General Meetings in proportion, as ~~nearly~~far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this ~~Article 9~~article 11(A).

5. Article 12

Power to consolidate, sub-divide and redenominate shares

~~10~~12. (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 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 ~~unissued or~~ new shares; and

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

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

6. Article 19

~~17~~19. 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

7. Article 20

~~18~~20. (A) The Company shall not be bound to register more than three persons as the registered ~~holder~~holders of a share except in the case of executors or administrators (or trustees) of the estate of a deceased member. Joint holders

(B) In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all. Issue of certificate to joint holders

8. Article 36

~~34~~36. The Company shall have a first and paramount lien on every share (not being a fully paid share) ~~for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and for all moneys~~and dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this ~~Article~~article. Company to have paramount lien

9. Article 46(A)

~~44~~46. (A) In these presents:~~-~~ Interpretation

(a) the words "related group of persons" shall include such relationship, connection, commonality of interest or such other groups of persons, as the Directors, in their opinion, may determine or as the Special Member may determine from time to time, and in the event of any difference in determination between the Directors and the latter, the determination of the latter shall prevail;

(b) the words "Prescribed Limit" shall mean 15 per cent. or such higher percentage as the Special Member may from time to time prescribe; and

(c) for the purposes of determining whether a person has any interest in the issued shares of the Company, the Directors shall take into consideration the meaning assigned to the term "interest in ~~shares~~securities" by Section ~~7~~4 of the Securities and Futures Act, Chapter 289 except that the words "of not less than ~~15~~20%" appearing in Section ~~7(4)(c)~~4(5) ~~of the Act~~thereof shall be read instead as "at least 50%".

10. Article 57

~~55~~57. ~~An~~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 ~~fifteen~~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 and extraordinary general meeting

11. Article 61

~~59~~61. 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 Auditors' 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;

(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 85~~article 87 and/or article 88(A).

12. Article 64

~~62~~64. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy. Provided always that (i) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (ii) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum.

Quorum

13. Article 69

Mandatory polling

~~67~~69. (A) If required by the listing rules of any stock exchange upon which shares in the Company may be listed, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by such stock exchange).

Method of voting where mandatory polling not required

(B) ~~At~~Subject to article 69(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:~~-~~

(a) the chairman of the meeting; or

(b) not less than 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 10 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 the shares conferring that right.

~~Provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.~~

A demand for a poll made pursuant to this article 69(B) may be withdrawn only with the approval of the chairman of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

14. Article 70

Taking a poll

~~68~~70. ~~A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If~~ Where a poll is ~~required~~taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was ~~demanded~~taken. The chairman of the meeting may (and, if required by the listing rules of any stock exchange upon which shares in the Company may be listed or if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

15. Article 71

Timing for taking a poll

71. A poll on the choice of a chairman or on a question of adjournment shall be taken immediately. A poll ~~demanded~~ on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. ~~The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.~~

16. Article 72

Casting vote of chairman

~~69~~72. In the case of an equality of votes, whether on a poll or on a show of hands ~~or on a poll~~, the chairman of the meeting at which the poll or show of hands takes place ~~or at which the poll is demanded~~ shall be entitled to a casting vote.

17. Article 73

How members may vote

~~71~~73. 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 6A~~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 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~~, 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.

18. Article 79

~~77~~79. (A) Save as otherwise provided in the Act:

Appointment of proxies

(a) ~~A~~a 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 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.

Shares entered in Depository Register

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

(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 ~~48~~72 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 ~~48~~72 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.

Notes and instructions

(~~B~~C) 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.

~~(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.~~

Proxy need not be a member

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

19. Article 80

Execution of proxies

~~78~~80. (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:

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

(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 80(A)(a)(ii) and 80(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.

Witness and authority

(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 81(A), failing which the instrument may be treated as invalid.

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

(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,

as contemplated in articles 80(A)(a)(ii) and 80(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 80(A)(a)(i) and/or (as the case may be) article 80(A)(b)(i) shall apply.

20. Article 81

Deposit of proxies

~~79~~81. (A) An instrument appointing a proxy:

(a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the 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 ~~48~~72 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The 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 81 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 81(A)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), article 81(A)(a) shall apply.

Directors may specify means for electronic communications

21. Article 83

~~81~~83. A vote cast by proxy shall not be invalidated by the previous death or ~~insanity~~mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made ~~provided~~Provided always that no intimation in writing of such death, ~~insanity~~mental 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 mental disorder

22. Article 92

~~90~~92. ~~A~~Every Director and Chief Executive Officer (or person holding an equivalent position) who holds any office or possesses any property whereby, whether directly or indirectly ~~duties~~, any duty or ~~interests~~interest might be created in conflict with ~~his~~their duties or interests as Director or Chief Executive Officer (or equivalent position), as the case may be, shall declare at a meeting of the Directors of the Company the fact and the nature, character and extent of the conflict ~~at a meeting of the Directors of the Company~~, or send a written notice to the Company setting out the fact and the nature, character and extent of the conflict, in accordance with the Act.

Director and Chief Executive Officer to declare conflicts of interests

23. Article 95

~~93~~95. The Directors may from time to time appoint one or more of their body to be Chief Executive Officer(s) (or other equivalent position) of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Where an appointment is for a fixed term such term shall not exceed five years.

Appointment of Chief Executive Officer

24. Article 96

~~94~~96. A Chief Executive Officer (or person holding an equivalent position) who is a Director shall~~,~~ be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors of the Company.

Retirement, removal and resignation of Chief Executive Officer

25. Article 97

Remuneration of Chief Executive Officer

~~95~~97. The remuneration of a Chief Executive Officer (or person holding an equivalent position) shall from time to time be fixed by the Directors and may subject to these presents be by way of salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

26. Article 98

Powers of Chief Executive Officer

~~96~~98. A Chief Executive Officer (or person holding an equivalent position) shall at all times be subject to the control of the Directors but subject thereto the Directors may from time to time entrust to and confer upon a Chief Executive Officer (or person holding an equivalent position) for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

27. Article 99

When office of Director to be vacated

~~97~~99. The office of a Director shall be vacated in any of the following events, namely:~~-~~

(a) if he shall become prohibited by law from acting as a Director; or

(b) if he shall become disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or

(~~b~~c) if (not being a Director holding any executive office for a fixed term) he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer; or

(~~c~~d) if he shall have a ~~receiving~~bankruptcy order made against him or if he shall ~~compound~~make any arrangement or composition with his creditors generally; or

(~~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

(~~e~~f) if he is removed by the Company in General Meeting pursuant to ~~Article 103~~these presents.

28. Article 100

Retirement of Directors by rotation

~~98~~100. At each Annual General Meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third), selected in accordance with article 101, shall retire from office by rotation (in addition to any Director retiring pursuant to article 106).

29. Article 102

Filling vacated office

~~100~~102. Subject to ~~Article 4(C)(b)~~article 6(C)(d), the Company at the meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:~~-~~

(a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost;

(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;

(c) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds;

(~~c~~d) where the default is due to the moving of a resolution in contravention of the next following ~~Article~~article; or

~~(d) where such Director has attained any retiring age applicable to him as Director; or~~

(e) where the Special Member has not approved such re-election.

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.

30. Article 104

Notice of intention to appoint Director

~~102~~104. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than 11 nor more than 42 clear days (~~inclusive~~exclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election ~~and also~~or notice in writing signed by the person to be proposed ~~of his willingness to be elected~~giving his consent to the nomination and signifying his candidature for the office, Provided always that in the case of a person recommended by the Directors for election not less than nine clear days' notice shall be necessary and notice of each and every such person shall be served on the members at least seven days prior to the meeting at which the election is to take place.

31. Article 107(A)

Appointment of Alternate Directors

107. (A) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person approved by the Special Member and by the Directors (other than another Director) to be his Alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Special Member and by the Directors, shall have effect only upon and subject to being so approved. A person shall not act as Alternate Director to more than one Director at the same time.

32. Article 108(B)

~~106~~108.(B) Directors may participate in a meeting of the Directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, without a Director being in the physical presence of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting and subject to there being a requisite quorum in accordance with article 109, all resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. A meeting conducted by means of a conference telephone or similar communications equipment as aforesaid is deemed to be held at the place agreed upon by the Directors attending the meeting, Provided always that at least one of the Directors present at the meeting was at that place for the duration of the meeting.

Participation by telephone or video conference

33. Article 111

~~109~~111. A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

Directors not to vote on transactions in which they have an interest

34. Article 112

~~110~~112. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings, but not for any other purpose (except in an emergency). If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

Proceedings in case of vacancies

35. Article 114

~~112~~114. A resolution in writing signed by ~~all~~a majority of the Directors ~~constituting a quorum~~ shall be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form, each signed by one or more Directors. The expressions "in writing" and "signed" include approval by any such Director by telefax~~, telex, cable or telegram~~ or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

Resolutions in writing

36. Article 119

~~117~~119. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these presents required to be exercised by the Company in General Meeting. Provided always that:-

(a) 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; and

General powers of Directors to manage Company's business

(b) the Directors shall be under no duty or obligation to carry into effect any proposal in respect of which the approval of the Special Member was sought but was not granted. In exercising its discretion in this respect, the Special Member shall not be obliged to state any reason for not granting any approval sought from it.

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.

37. Article 128

~~126~~128. 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 from time to time for such purpose incorporating, if the Directors deem necessary, the use of security and/or identification procedures or devices approved by the Directors.

Power to authenticate documents

38. Article 143

~~139A~~143. In addition and without prejudice to the powers provided for by ~~Article 139~~article 142, 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 ~~unissued~~new shares, in each case on terms that such shares shall, upon issue~~,~~:

Power to issue free shares and/or to capitalise reserves for 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 in such manner 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 87 and/or article 88(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.

39. Article 145

Presentation of financial statements

~~141~~145. 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).

40. Article 146

Copies of financial statements

~~142~~146. 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 presents; Provided always that:

(a) these documents may, subject to the listing rules of any stock exchange upon which shares in the Company may be listed, 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 146 shall not require a copy of these documents to be sent to more than one ~~or~~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.

41. Article 149

Service of notices

~~145~~149.(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.

Electronic communications

~~145A.~~ (B) Without prejudice to the provisions of ~~Article 145~~article 149(A), but subject otherwise to the Act and any regulations made thereunder and (where applicable) the listing rules of any stock exchange upon which shares in the Company may be listed, 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 presents 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:

(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, the Statutes~~ these presents and/or any other applicable regulations or procedures. ~~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~~.

Implied consent

(C) For the purposes of article 149(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.

Deemed consent

(D) Notwithstanding article 149(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.

When notice given by electronic communications deemed served

(E) Where a notice or document is given, sent or served by electronic communications:

(a) to the current address of a person pursuant to article 149(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 149(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.

Notice to be given of service on website

(F) Where a notice or document is given, sent or served to a member by making it available on a website pursuant to article 149(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:

(a) by sending such separate notice to the member personally or through the post pursuant to article 149(A);

(b) by sending such separate notice to the member using electronic communications to his current address pursuant to article 149(B)(a);

(c) by way of advertisement in the daily press; and/or

(d) by way of announcement on any stock exchange upon which shares in the Company may be listed.

42. Article 156

Indemnity

~~153~~156. 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 incurred 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 ~~whatever~~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.

43. Article 158

Personal data of members

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

(a) implementation and administration of any corporate action by the Company (or its agents or service providers);

(b) internal analysis and/or market research by the Company (or its agents or service providers);

(c) investor relations communications by the Company (or its agents or 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 these presents;

(h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and

(i) purposes which are reasonably related to any of the above purpose.

Personal data of proxies and/or representatives

(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 158(A)(f) and 158(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.

THE EXISTING OBJECTS CLAUSES

The existing objects clauses in the Existing Constitution which are proposed to be deleted and replaced with a general provision in the New Constitution are set out below.

3. The objects for which the Company is established are:-

(1) To carry on in the Republic of Singapore and elsewhere the business of investment holding and engineering related activities.

(IA) To play a strategic role, and supply products and services, in support of the defence of Singapore.

(2) To invest the moneys of the Company in or otherwise to acquire and hold shares, stocks, debentures, debenture stock, scrip, loans, bonds, obligations, notes, securities and investments issued or guaranteed by any company, corporation, association, body or trust constituted or carrying on business in any part of the world, and in the funds or loans or other securities and investments of or issued or guaranteed by any government, state, or dominion, public body or authority, supreme, municipal, local or otherwise.

(3) To acquire and hold any such shares, stocks, debentures, debenture stock, scrip, loans, bonds, obligations, notes, securities and investments by original subscription, tender, purchase, participation in syndicates, exchange or otherwise, and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise, and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to vary or transpose by sale, exchange or otherwise from time to time as may be considered expedient, any of the Company's investments for the time being.

(4) To acquire by purchase, lease, exchange or otherwise and hold by way of investment land, buildings and immovable property of any tenure or description whatsoever in the Republic of Singapore or elsewhere and to mortgage, lease or let out the property of the Company or any part thereof for such consideration as the Company may think fit.

(5) To invest and deal with the moneys of the Company upon such securities, investments or properties and in such manner as may from time to time be determined.

(6) To carry on in the Republic of Singapore and elsewhere throughout the world the business of maintaining, servicing, repairing and over-hauling aeroplanes, seaplanes, flying boats, helicopters, autogyros, airships, balloons, aircraft of all kinds and aircraft engines, ships, automobiles and electronics equipment of all types.

(7) To manufacture, provide, erect, buy, sell, prepare, maintain, let on hire and deal in aeroplanes, ships, automobiles, electronics equipment, airships, and aerial conveyances of all kinds, and the component parts, fittings and accessories thereof (including wireless transmitting and receiving apparatus and radar and the component parts thereof and petrol, oil and all other fuels and lubricants), aerodromes, aerial landing stages and masts, hangars, garages, sheds and other buildings, and all kinds of machinery and apparatus for use in connection therewith (including wireless receiving and transmitting stations and apparatus), and to provide for the garaging, accommodation and servicing of all forms of aerial and other conveyances.

(8) To provide higher echelon maintenance, inspection and servicing for aircraft, and associated weapons equipment, ships, automobiles and electronics equipment.

(9) To carry out modifications, repairs, rework on aircraft, ships, automobiles and electronics equipment including fabrication of parts.

(10) To carry out overhauls, repairs, modifications and tests on aircraft, ship, automobiles and electronics component items.

(11) To establish purchase or otherwise acquire specialized and general workshop facilities and functions in support of the aforesaid objects.

(12) To carry on the business of manufacturers, designers, and constructors of, dealers in, hirers, repairers, reconditioners, cleaners, storers, and warehousers of aeroplanes, seaplanes, flying boats, helicopters, autogyros, airships, balloons and aircraft of all kinds, ships, motor boats, automobiles, motor cars, motor cycles, internal combustion, jet and turbo-jet engines, bicycles, carriage and vehicles of all kinds whether moved by mechanical power or not, electronics equipment, and all machinery, implements, utensils, appliances, apparatus, fuels, lubricants, cements, solutions, enamels, and all things capable of being used therewith or in the manufacture, maintenance and working thereof respectively.

(13) To design, manufacture, buy, sell, convert, repair and maintain ground support equipment and test equipment.

(14) To assess, procure, store and control aircraft, ships, automobiles and electronics equipment, spare parts and consumable items.

(15) To carry out maintenance, overhaul, servicing and test for other aerospace, ship, automobile and electronics related equipment.

(16) To give instruction in the driving and use of any of the machines aforesaid and to provide appropriate buildings and apparatus for such instructions.

(17) To provide all the above services for other commercial aviation, shipping, automobile and electronics customers.

(18) To establish, maintain, operate and work lines of aerial, shipping and automobile conveyances for passengers and goods between such places and countries throughout the world as may from time to time be selected by the Company.

(19) To carry on all or any of the business of brokers, insurance brokers, air transport company, railway company, railway contractors, managers of airfields and property connected therewith, managers of shipping property, freight contractors, carriers by air, land and sea, launch and barge owners, stevedores, aircraft builders, ship builders, ship repairers, all branches of engineering, forwarding agents, ice merchants, refrigerating storekeepers, warehousemen, wharfingers, general traders and hotel proprietors or managers, caterers.

(20) To carry on the business of manufacturers of machinery, tool makers, steel and brass founders, metal founders generally, metal workers, boiler makers, millwrights, machinists, smiths, wood-workers, builders, carriage builders, carriage body builders, painters, upholsterers, metallurgists, electric engineers, water supply engineers, suppliers of power, gas makers, printers, carriers and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire, ply for hire, and deal in machinery, motors, motor wagons, motor cars, motor carriages, motor wheels, motor cycles, motor road vehicles or autocars, ships, boats, horses, carts, aircraft, and implements and rolling stock of all kinds.

(21) To carry on the following business, namely, iron-masters, steel makers, iron and steel converters, smelters, engineers, iron founders, importers, exporters and manufacturers of, and dealers in ores, metal, chemicals and other preparations, processes and articles, merchants, warehousemen, ship-owners, ship or boat builders, wharfingers, storekeepers, charterers of ships and other vessels, lightermen, barge owners, carriers, agents, brokers, forwarding agents, bonded carmen and common carmen and contractors, or any other trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or auxilliary to the general business of the Company.

(22) To carry on the business or businesses of manufacturers and merchants of portable buildings and domestic offices, and business furniture and appliances of every description.

(23) To buy and sell merchandise for freighting the aircraft, ships, automobiles and vessels owned, chartered hired or operated by the Company.

(24) To carry on the business of manufacturing, supplying, converting, repairing, servicing and maintaining all kinds of electrical or electronic systems, equipment, apparatus, instruments and goods including any kind of goods, assemblies, components and materials used in or in connection with such systems, equipment, apparatus, instruments and goods.

(25) To carry on the business of electrical, electronic, and mechanical engineers, instrument makers, toolmakers, optical workers, metal workers, machinists, fitters, wire drawers, smiths, woodworkers, builders, painters, metallurgists, galvanisers, japanners, annealers, enamellers, electroplaters, carriers and merchants.

(26) To carry on the business of manufacturers of, dealers in, hirers, repairers, cleaners, storers and warehousers of any optical, nautical, aeronautical, cosmonautical, military and communications systems, equipment, apparatus, instruments and goods of all kinds and descriptions and any systems, equipment, apparatus, instruments and goods for or for use in connection with the transmission of signals, sounds, data or other intelligence or for electrical or electronic control whether submarine, marine, aerial, in space, on land or otherwise howsoever as well as any assemblies, components or materials for use in or in connection with any such systems, equipment, apparatus, instruments and goods.

(27) To undertake and execute any contracts for works involving the manufacture, supply repair, servicing and maintenance of electrical or electronic systems, equipment, apparatus, instruments or goods of all kinds and descriptions and whether involving the supply of services only or the supply of goods and services or the supply of goods only to carry out any ancillary or other works comprised in any such contracts and to enter into and execute any contracts and for the acquisition or supply of technical information.

(28) To assist in the fixing of national standards, to undertake developmental, research or scientific work for any government, governmental or semi-governmental authority body, organisation or undertaking or for private industry and to provide technical assistance to private industry or to provide training facilities for business engaged in the service of any governmental department or any semi-governmental authority, body, organisation or undertaking or of private industry in any field in which the Company shall operate and to provide technical assistance to private industry.

(29) To establish, operate or develop commercial, industrial, manufacturing and handicraft and enterprises.

(30) To deal in all commercial, marketing, export, import, sale and purchase businesses and to promote, carry out and manage all kinds of commercial activities.

(31) To carry on business as property owners concessionaires and financiers and to deal in all kinds of financial and investment businesses.

(32) To carry on business of advisors on problems relating to the administration and organisation of the aircraft, shipping, automobile, electronics and other related industries and businesses and the training of personnel for the aircraft, shipping, automobile, electronics and other related industries and businesses and to carry on all or any of the businesses of industrial business and personnel consultants and to advise upon the means and methods for extending, developing and improving all types of businesses or industries and all systems or processes relating to production, storage, distribution, marketing and sale of goods and/or relating to the rendering of services.

(33) To engage in research into all problems relating to personnel and industrial and businesses management and distribution, marketing and selling, to collect, prepare and distribute information and statistics relating to the aircraft, shipping, automobile, electronics and other related industries and businesses and to promote or propose such methods, procedures and measures as may be considered desirable or beneficial or all or any of the Company's objects.

(34) To employ experts to investigate and examine into the condition, management, prospects, value and circumstances of the aircraft, shipping, automobile, electronics and other related businesses, concerns and undertakings and generally of any assets, property or rights of any kind.

(35) To enter into or to invest in any interest rate exchange contracts, currency exchange contracts, forward contracts, futures contracts, options (including, without limitation, interest rate or currency options) and other derivative or financial instruments or products, whether or not entered into or acquired for the purpose of hedging against or 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.

(36) To provide or procure the provision by others of every and any service, need, want or requirement of any business nature required by any company including but not limited to any corporation related to the Company in connection with the businesses carried on by them or any of them.

(37) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the Company's properties or rights.

(38) To acquire and undertake the whole or any part of the business, property, and liabilities of any person or company carrying on any business which the Company is authorized to carry on, or possessed of property suitable for the purposes of the Company.

(39) To apply for, purchase, or otherwise acquire any patents, patent rights, copyrights, trade marks, formulae, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company; and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account, the property, rights, or information so acquired.

(40) To amalgamate or enter into partnership or into any arrangement for sharing of profits, union of interest, co-operation, joint adventure, reciprocal concession, or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.

(41) To take, or otherwise acquire, and hold shares, debentures, or other securities of any other company.

(42) To enter into any arrangements with any government or authority, supreme, municipal, local, or otherwise, that may seem conducive to the Company's objects, or any of them; and to obtain from any such government or authority any rights, privileges, and concessions which the Company may think it desirable to obtain; and to carry out, exercise, and comply with any such arrangements, rights, privileges, and concessions.

(43) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or directors or past employees or directors of the Company or its predecessors in business, or the dependants or connections of any such persons; and to grant pensions and allowances, and to make payments towards insurance; and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general, or useful object.

(44) To promote any other company or companies for the purpose of acquiring or taking over all or any of the property, rights, and liabilities of the Company, or for any other purpose which may seem directly or indirectly calculated to benefit the Company.

(45) To purchase, take on lease or in exchange, hire, or otherwise acquire any movable or immovable properties and any rights or privileges which the Company may think necessary or convenient for the purposes of its business, and in particular any land, buildings, easements, machinery, plant, and stock-in-trade.

(46) To construct, improve, maintain, develop, work, manage, carry out, or control any buildings, works, factories, mills, roads, ways, tram-ways, railways, branches or sidings, bridges, reservoirs, water-courses, wharves, warehouses, electric works, shops, stores, and other works, and conveniences which may seem calculated directly or indirectly to advance the Company's interests; and to contribute to, subsidize, or otherwise assist or take part in the construction, improvement, maintenance, development, working, management, carrying out, or control thereof.

(47) To guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company.

(48) To lend and advance money or give credit to any person or company and on such terms as may be considered expedient, and either with or without security; to secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company, and otherwise to assist any person or company.

(49) To borrow or raise or secure the payment of money in such manner as the Company may think fit and to secure the same or the repayment or performance of any debt, liability, contract, guarantee or other engagement incurred or to be entered into by the Company in any way and in particular by the issue of debentures perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital; and to purchase, redeem, or pay off any such securities.

(50) To invest and deal with the money of the Company not immediately required in such manner as may from time to time be thought fit.

(51) To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, or other securities of the Company, or in or about the organization, formation, or promotion of the Company or the conduct of its business.

(52) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, and other negotiable or transferable instruments.

(53) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any other company having objects altogether or in part similar to those of the Company.

(54) To adopt such means of making known and advertising the business and products of the Company as may seem expedient.

(55) To apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase, or otherwise, and to exercise, carry out, and enjoy any charter, licence, power, authority, franchise, concession, right, or privilege, which any Government or authority or any corporation or other public body may be empowered to grant; and to pay for, aid in, and contribute towards carrying the same into effect; and to appropriate any of the Company's shares, debentures, or other securities and assets to defray the necessary costs, charges, and expenses thereof.

(56) To apply for, promote, and obtain any statute, order, regulation, or other authorization or enactment which may seem calculated directly or indirectly to benefit the Company; and to oppose any bills, proceedings, or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

(57) To procure the Company to be registered or recognized in any country or place outside the Republic of Singapore.

(58) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the Cornpany.

(59) To issue and allot fully or partly paid shares in the capital of the Company in payment or part payment of any movable or immovable property purchased or otherwise acquired by the Company or any services rendered to the Company.

(60) To distribute any of the property of the Company among the members in kind or otherwise but so that no distribution amounting to a reduction of capital shall be made without the sanction required by law.

(61) To take or hold mortgages, liens, and charges to secure payment of the purchase price, or any unpaid balance of the purchase price, of any part of the Company's property of whatsoever kind sold by the Company, or any money due to the Company from purchasers and others.

(62) To undertake and transact all kinds of agency or secretarial business and also to undertake and execute any trusts, the undertaking whereof may seem desirable, and either gratuitously or otherwise.

(63) To transact any lawful business in aid of the Republic of Singapore in the prosecution of any war or hostilities in which the Republic of Singapore is engaged.

(64) To carry out all or any of the objects of the Company and do all or any of the above things in any part of the world and either as principal, agent, contractor, or trustee, or otherwise, and by or through trustees or agents or otherwise, and either alone or in conjunction with others.

(65) To do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the Company.

AND IT IS HEREBY DECLARED that the word "company' in this Memorandum when not referring to this Company shall be deemed to include any corporation partnership association club or other body of persons whether incorporated or not and wherever incorporated or domiciled and whether now existing or hereafter to be formed AND further that unless the context or subject matter is inconsistent therewith words signifying the singular number shall be deemed and taken to include the plural and vice versa AND further that the objects specified in each of the paragraphs in this Memorandum shall be regarded as independent objects, and accordingly, shall in no way be limited or restricted (except when otherwise expressed in such paragraph), by reference to the objects indicated in any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.