



SATS Ltd.

(Incorporated in the Republic of Singapore)
Company Registration No. 197201770G

LETTER TO SHAREHOLDERS

Directors:

Mr Edmund Cheng Wai Wing
(Non-Executive Chairman and Independent Director)
Mr Alexander Charles Hungate
(Executive Director and President & Chief Executive Officer)
Mr David Zalmon Baffsky *(Non-Executive, Independent Director)*
Mr Thierry Breton *(Non-Executive, Independent Director)*
Ms Euleen Goh Yiu Kiang *(Non-Executive, Independent Director)*
Mr Nihal Vijaya Devadas Kaviratne CBE *(Non-Executive, Independent Director)*
Mr Koh Poh Tiong *(Non-Executive, Independent Director)*
Mr Michael Kok Pak Kuan *(Non-Executive, Independent Director)*
Mr Yap Chee Meng *(Non-Executive, Independent Director)*
Mr Tan Soo Nan *(Non-Executive, Independent Director)*

Registered Office:

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21 June 2016

To: The Shareholders of SATS Ltd.

Dear Sir/Madam

1. INTRODUCTION

1.1 Notice of 2016 AGM. We refer to:

- (a) the Notice of Annual General Meeting (the "**Notice**") of SATS Ltd. (the "**Company**") dated 21 June 2016, accompanying the Summary Report 2015-16, convening the 43rd Annual General Meeting of the Company to be held on 19 July 2016 (the "**2016 AGM**");
- (b) Ordinary Resolution No. 11 relating to the proposed renewal of the IPT Mandate (as defined below, as proposed in the Notice);
- (c) Ordinary Resolution No. 12 relating to the proposed renewal of the Share Purchase Mandate (as defined below, as proposed in the Notice); and
- (d) Special Resolution No. 13 relating to the proposed adoption of the New Constitution (as defined below, as proposed in the Notice).

1.2 **Letter to Shareholders.** The purpose of this Letter to Shareholders (the “**Letter**”) is to provide shareholders of the Company (“**Shareholders**”) with information relating to Ordinary Resolution Nos. 11 and 12 and Special Resolution No. 13 proposed in the Notice (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 adviser immediately.

2. THE PROPOSED RENEWAL OF THE MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 **Background.** At the 42nd Annual General Meeting of the Company held on 21 July 2015 (the “**2015 AGM**”), Shareholders approved, *inter alia*, the renewal of a mandate (the “**IPT Mandate**”) to enable the Company, its subsidiaries and associated companies which are considered to be “entities at risk” (as that term is used in Chapter 9 of the Listing Manual (the “**Listing Manual**”) of the SGX-ST) (the “**EAR Group**”) to enter into certain interested person transactions with the classes of interested persons (the “**Interested Persons**”) as set out in the IPT Mandate. Particulars of the IPT Mandate were set out in the Appendix to the Letter to Shareholders dated 23 June 2015 (the “**2015 Letter**”) and Ordinary Resolution No. 12 as set out in the notice convening the 2015 AGM.

The IPT Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the 2016 AGM which is scheduled to be held on 19 July 2016.

2.2 **Proposed Renewal of the IPT Mandate.** The directors of the Company (the “**Directors**”) propose that the IPT Mandate be renewed at the 2016 AGM, to take effect until the 44th Annual General Meeting of the Company. There is no change to the scope and terms of the IPT Mandate which is proposed to be renewed.

2.3 **Appendix 1.** Details of the IPT Mandate, including the rationale for the IPT Mandate, the benefits to the Company, the review procedures for determining transaction prices with the Interested Persons 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 Statement.** The Audit Committee of the Company, comprising Ms Euleen Goh Yiu Kiang, Mr Nihal Vijaya Devadas Kaviratne CBE, Mr Koh Poh Tiong and Mr Yap Chee Meng, confirms that:

(a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 2015 AGM; 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 **Background.** At the 2015 AGM, Shareholders had approved, *inter alia*, the renewal of a mandate (the “**Share Purchase Mandate**”) to enable the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”). The rationale for, and the authority and limitations of, the Share Purchase Mandate were set out in the 2015 Letter and Ordinary Resolution No. 13 as set out in the notice convening the 2015 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution No. 13 at the 2015 AGM and will expire on the date of the next Annual General Meeting of the Company, being the 2016 AGM which is scheduled to be held on 19 July 2016. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the 2016 AGM.

As at 24 May 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 2,677,600 Shares by way of Market Purchase (as defined in paragraph 3.3.3(a) below) pursuant to the Share Purchase Mandate approved by Shareholders at the 2015 AGM. The highest and lowest price paid was S\$3.85 and S\$3.76 per Share respectively and the total consideration paid for all purchases was S\$10,236,792.10, excluding commission, brokerage and goods and services tax.

As at the Latest Practicable Date, 14,588,358 Shares were held as treasury shares.

- 3.2 **Rationale for the Share Purchase Mandate.** The rationale for the Company to undertake the purchase or acquisition of its Shares, as previously stated in the 2015 Letter, is as follows:

- (a) repurchased Shares which are held in treasury may be transferred for the purposes of, or pursuant to, share schemes implemented by the Company. Where Shares held in treasury are used for this purpose, such schemes will not have any dilutive effect to the extent that no new Shares are issued;
- (b) in managing the business of the Company and its subsidiaries (the “**Group**”), management will strive to increase Shareholders’ value by improving, *inter alia*, the return on equity (“**ROE**”) of the Company. Share purchases may be considered by the Directors as one of the ways through which the ROE of the Company may be enhanced;
- (c) the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and
- (d) the Share Purchase Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 2% limit described in paragraph 3.3.1 below. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial condition of the Group as a whole.

3.3 **Authority and Limits of the Share Purchase Mandate.** The authority and limitations placed on purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, if renewed at the 2016 AGM, are the same as those previously approved by Shareholders at the 2015 AGM and are summarised below:

3.3.1 **Maximum Number of Shares**

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

Purely for illustrative purposes, on the basis of 1,124,056,275 issued Shares (excluding 14,588,358 Shares held in treasury) as at the Latest Practicable Date, and assuming that no further Shares are issued and no further Shares are purchased or acquired by the Company, 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 22,189,358 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 Annual General Meeting 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 purchases and 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 one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") in accordance with 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 of Singapore (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 equal access scheme must, however, satisfy all the following conditions:

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

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

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

3.3.4 **Purchase Price**

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees 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 as determined by the Directors, in the case of a Market Purchase and an Off-Market Purchase pursuant to an equal access scheme, must not exceed 105% of the Average Closing Price of the Shares, in either case, excluding related expenses of the purchase or acquisition (the “**Maximum Price**”).

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 that occurs after the relevant five-day period; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares,

stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

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. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

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 also 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 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 own Shares out of capital, as well as from its profits.

The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and 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*, the number of Shares purchased or acquired and the price paid for such Shares. The financial effects on the Group and the Company, based on the audited consolidated financial statements of the Group and the Company for the financial year ended 31 March 2016, are based on the assumptions set out below:

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

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, the amount available for the distribution of cash dividends by the Company will be correspondingly reduced. 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 Purchased or Acquired**

Based on the number of issued and paid-up Shares as at the Latest Practicable Date (excluding treasury shares) and on the assumptions set out in paragraph 3.3.1 above, the purchase or acquisition by the Company of up to the maximum limit of 2% of its issued Shares will result in the purchase or acquisition of 22,189,358 Shares.

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

Assuming that the Company purchases or acquires 22,189,358 Shares at the Maximum Price, in the case of both Market Purchases and Off-Market Purchases of S\$4.59 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 of 22,189,358 Shares is approximately S\$101,849,153.

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*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 3.7.1 to 3.7.3 above, the financial effects on the consolidated financial statements of the Group and the financial statements of the Company for the financial year ended 31 March 2016 would have been as follows:

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Total equity ⁽¹⁾ (S\$ million)	1,490.8	1,388.9	1,425.9	1,324.0
Net asset value per Share (S\$)	1.34	1.28	1.29	1.22
Profit attributable to equity holders of the Company (S\$ million)	220.6	220.6	N.A	N.A
Weighted average no. of issued and paid up Shares (million)	1,108.7	1,086.5	N.A	N.A
Basic earnings per Share (cents)	19.9	20.3	N.A	N.A
Total borrowings ⁽²⁾ (S\$ million)	110.7	110.7	93.6	93.6
Cash and cash equivalents (S\$ million)	489.9	388.0	319.1	217.2
Net borrowings ⁽³⁾ (S\$ million)	(379.2)	(277.3)	(225.5)	(123.6)
Gearing ⁽⁴⁾ (times)	0.07	0.08	0.07	0.07
Current ratio (times)	1.76	1.55	1.10	0.80

Notes:

- (1) "Total equity" means equity attributable to equity holders of the Company.
- (2) "Total borrowings" means short term and long term loans and finance lease commitments.
- (3) "Net borrowings" means total borrowings less cash and cash equivalents. A negative figure denotes net cash balance.
- (4) "Gearing" is defined as the ratio of total borrowings to total equity.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical numbers for the financial year ended 31 March 2016, and is not necessarily representative of future financial performance.

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 2% of the issued Shares (excluding treasury shares), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 2% of the issued Shares (excluding treasury shares). In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

- 3.8 **Tax Implications.** Shareholders who are in doubt as to their respective tax positions or the tax implications of share repurchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.
- 3.9 **Listing Rules.** The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement 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 or acquisition 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, and during the period of one month immediately preceding the announcement of the Company’s annual results.

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. As at the Latest Practicable Date, Temasek Holdings (Private) Limited (“**Temasek**”), a substantial Shareholder of the Company, has a deemed interest in 480,850,139 Shares, representing approximately 43.34% of the issued Shares (excluding treasury shares). Temasek is wholly-owned by the Minister for Finance. As at the Latest Practicable Date, approximately 56.38% of the issued Shares (excluding treasury shares) are held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the 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, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

- 3.10 **Shareholding Limit.** The Existing Constitution (as defined in paragraph 4.2 below) provides that no person or related group of persons may, without prior approval of the Directors, have an interest (directly or indirectly) in more than 5% of the issued Shares for the time being (the “**Shareholding Limit**”). Temasek (the “**Approved Shareholder**”) is currently entitled to have an interest in Shares in excess of the Shareholding Limit under the Existing Constitution.

The Shareholding Limit is proposed to be increased from 5% to 10% of the issued Shares, excluding treasury shares, in the New Constitution (as defined in paragraph 4.2 below), such that no person or related group of persons may, without prior approval of the Directors, have an interest (directly or indirectly) in 10% or more of the issued Shares for the time being, excluding treasury shares. See, further, paragraph 4.3.4 below.

The percentage of Shares in which a person has an interest will increase immediately following any purchase or acquisition of Shares and if the Company cancels the Shares so purchased or acquired, where the Shares which are the subject of the purchase or acquisition are not Shares in which that person has an interest. Similarly, the percentage of voting rights of a Shareholder whose Shares are not the subject of a purchase or acquisition by the Company will increase immediately following any purchase or acquisition of Shares by the Company.

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 SHAREHOLDERS APPROVE THE RENEWAL OF THE SHARE PURCHASE MANDATE AT THE 2016 AGM.

A PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY MAY INADVERTENTLY CAUSE THE INTEREST IN THE SHARES OF ANY PERSON (OTHER THAN THE APPROVED SHAREHOLDER) TO REACH OR EXCEED THE SHAREHOLDING LIMIT (IN PARTICULAR, ANY SUCH PERSON WHOSE INTEREST IN SHARES IS CURRENTLY CLOSE TO THE SHAREHOLDING LIMIT).

ACCORDINGLY, PERSONS WHOSE INTERESTS IN SHARES ARE CLOSE TO THE SHAREHOLDING LIMIT AND WHOSE INTERESTS MAY EXCEED THE SHAREHOLDING LIMIT BY REASON OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY WOULD HAVE TO SEEK THE PRIOR APPROVAL OF THE DIRECTORS TO CONTINUE TO HAVE, ON SUCH TERMS AS MAY BE IMPOSED BY THE DIRECTORS, AN INTEREST IN THE SHARES REPRESENTING THE NUMBER OF SHARES IN EXCESS OF THE SHAREHOLDING LIMIT, AS A CONSEQUENCE OF A SHARE PURCHASE OR ACQUISITION BY THE COMPANY.

- 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, a Shareholder’s proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a

Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

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), cooperate, 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 following persons, *inter alia*, will be presumed to be acting in concert:

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

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 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 of the Take-over Code**

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

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 in the Company 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 Ordinary 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 (excluding treasury shares) as at the Latest Practicable Date.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a general offer would arise by reason of any purchase or acquisition of Shares 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. 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, to increase the Shareholding Limit, 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) 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 provided;
 - (ii) a new provision stating that the expression “Depository Register” shall have the meaning ascribed to it 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;
 - (iii) 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;
 - (iv) a revised provision in relation to the expression “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; and
 - (v) a new provision stating that a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under the New Constitution.
- (b) **New Article 7(2).** Article 7(2) 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 15 (Article 10 of Existing Constitution).** Article 15, which relates to the Company’s power to charge interest on capital where shares are issued to defray expenses on (*inter alia*) construction works, additionally clarifies that the Company may pay interest on the paid-up share capital, except treasury shares, and may charge the same to capital as part of the cost of the construction works. This is in line with section 78 of the Companies Act.
 - (d) **Article 19 (Article 14 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. Article 19 also additionally clarifies that no certificate shall be issued representing shares of more than one class.

- (e) **Article 57 (Article 51 of Existing Constitution).** Article 57, 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 redenominations; 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.
- (f) **Article 64 (Article 58 of Existing Constitution).** Article 64, which relates to the routine business (that is, business other than special business) transacted at an annual general meeting, has been revised to substitute the reference to "accounts" with "financial statements", and the reference to "the report of the Directors" with "Directors' statement", for consistency with the updated terminology in the Companies Act.
- (g) **Article 71(2) (Article 64 of Existing Constitution).** Article 71(2), 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.
- (h) **Articles 63(4), 74, 77(1), 79(1), 80(1) and 80(3) (Articles 57(4), 67, 70, 72(1), 73(1) and 73(2) of Existing Constitution).** Articles 74, 77(1), 79(1) and 80(1), 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(1) 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. The reference to a maximum limit of two proxies has also been removed in Article 63(4). This is in line with new section 181(1C) of the Companies Act;

- (ii) Article 80(3)(a) 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 shares credited to his securities account as at 72 (previously 48) hours prior to the time of the relevant general meeting. Consequential changes have also been made in Articles 77(1) and 80(3)(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/credited to his securities account as at 72 (previously 48) hours prior to the time of the relevant general meeting. This is in line with new section 81SJ(4) of the SFA;
 - (iii) Article 74 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 and, in the case of a poll taken otherwise than at or on the same day as the general meeting, from 24 to 72 hours before the time appointed for the taking of the poll, in Article 80(1). This is in line with section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act.
- (i) **Article 88 (Article 81 of Existing Constitution).** Article 88, which relates to the declaration of interests in contracts or transactions with the Company and conflicts of interests, has been extended to the Chief Executive Officer, 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 details, the fact, and the nature, character and extent of the interest or conflict, as applicable. This is in line with section 156 of the Companies Act, as amended pursuant to the Amendment Act.
 - (j) **Article 93(1) (Article 86(1) of Existing Constitution).** Article 93(1), 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.
 - (k) **Article 99(1) (Article 93(1) of Existing Constitution).** Article 99(1), 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.

- (l) **Articles 124, 126 and 127 (Articles 120A, 122 and 123 of Existing Constitution).** Article 127, 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 for these documents to be delivered by post has been removed in Article 127 in order to accommodate electronic communication. The requirement to send these documents to debenture holders has also been removed in Article 127.

The references to the Company's "accounts", "profit and loss account(s)" and Directors' "reports" have also been updated/substituted in Articles 124, 126 and 127 with references, or additional references, to "financial statements" and Directors' "statements", as appropriate, for consistency with the updated terminology in the Companies Act.

- (m) **Article 144 (Article 136A of Existing Constitution).** Article 144, which relates to the service of notices to Shareholders using electronic communications, 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 144) to facilitate these regimes, while Shareholders who are not supportive of the new regimes may vote against it.

In particular:

- (i) Article 144(1) provides that 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) Article 144(2) provides that 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 new section 387C); and
- (iii) Article 144(3) provides that 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 new section 387C).

Article 144(4) 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, under Article 144(5), 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.

- (n) **Article 150 (Article 142 of Existing Constitution).** Article 150, 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 **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 8 (Article 4(b) of Existing Constitution).** The proviso in Article 4(b) of the Existing Constitution (which relates to the issue of shares) that "*no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the Company in general meeting*" has been removed in the equivalent Article 8 of the New Constitution for consistency with Appendix 2.2 of the Listing Manual, as it is no longer a requirement under Appendix 2.2 of the Listing Manual for this provision to be contained in the constituent documents of an issuer. The removal of this proviso will not, however, eliminate the Company's compliance obligations with Rule 803 of the Listing Manual, which provides that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

- (b) **Article 36 (Article 31 of Existing Constitution).** Article 36, which relates to the Directors' right to decline to register transfers of shares, additionally provides that there shall be no restriction on the transfer of fully paid-up shares (except where required by law or the listing rules of, or bye-laws and rules governing, the SGX-ST). This is in line with paragraph (4)(c) of Appendix 2.2 of the Listing Manual.
- (c) **Article 38(2) (Article 33(b) of Existing Constitution).** Article 38(2), which relates to the requirement for Directors to provide reasons for refusing to register transfers of shares, provides that where the Directors refuse to register the transfer of any share, they shall serve a notice of refusal to the relevant parties and state the reasons justifying the refusal, within ten market days (previously within one month) of the date on which the application for transfer was made. This is in line with Rule 733 of the Listing Manual.
- (d) **Article 58(1) (Article 52(1) of Existing Constitution).** Article 58(1), which relates to the offer of new shares to members, makes it clear that, except as permitted by the listing rules of the SGX-ST, such shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings, in proportion to their existing shareholdings. This is in line with paragraph (1)(f) of Appendix 2.2 of the Listing Manual.
- (e) **Articles 71, 72 and 73 (Articles 64, 65 and 66 of Existing Constitution).** Article 71, 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 72 and 73. Article 72 additionally provides that, if required by the listing rules of the SGX-ST, scrutineers will be appointed. These changes are in line with Rule 730A of the Listing Manual.
- (f) **Articles 93(1) and 98 (Articles 86(1) and 92 of Existing Constitution).** Article 98, which relates to the vacation of office of a Director in certain events, additionally provides that the office of a Director shall become vacant 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 93(1), 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.
- (g) **Article 108 (Article 103 of Existing Constitution).** Article 108, 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. Article 108 additionally provides that if there are no Directors able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

4.3.3 **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. New Article 152 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.

4.3.4 **Shareholding Limit**

Article 4 of the Existing Constitution, which relates to the issue of shares, currently provides (*inter alia*) for a Shareholding Limit of 5%, whereby no person or related group of persons may, without prior approval of the Directors, have an interest (directly or indirectly) in more than 5% of the issued Shares for the time being. Temasek, being the Approved Shareholder (with a deemed interest in approximately 43.34% of the issued Shares (excluding treasury shares) as at the Latest Practicable Date), is currently entitled to have an interest in Shares in excess of the 5% Shareholding Limit under the Existing Constitution.

The Shareholding Limit is proposed to be increased from 5% to 10% of the issued Shares, excluding treasury shares, in the equivalent Article 8 of the New Constitution, such that no person or related group of persons may, without prior approval of the Directors, have an interest (directly or indirectly) in 10% or more of the issued Shares for the time being, excluding treasury shares. The increase in the Shareholding Limit will enable loyal Shareholders to increase their long-term investment positions in the Company, which can in turn serve to increase the stability of the Company's shareholder profile. Temasek will continue to be entitled to have an interest in 10% or more of the issued Shares, excluding treasury shares, under the New Constitution.

Consequential changes have been made to Articles 37(1)(e)(i), 37(2)(a)(ii) and 38(1)(a).

4.3.5 **General**

The following Articles have been included in the New Constitution, or have been updated, streamlined and rationalised generally:

- (a) **Article 22 (Article 17 of Existing Constitution).** Article 22, which relates to the Company's lien on shares and dividends, additionally clarifies that 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 Article 22.

- (b) **Article 32 (Article 27 of Existing Constitution).** Article 32, which relates to the payment of money on shares in advance of calls, additionally clarifies that such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made.
- (c) **Articles 35, 81 and 98(e) (Articles 30, 74 and 92(d) of Existing Constitution).** These Articles have been updated to substitute the references to a person of unsound mind with references to a person who is 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.
- (d) **New Article 40.** Article 40 is a new provision which provides that the Company shall be entitled to destroy (*inter alia*) all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration.
- (e) **Article 45 (Article 39 of Existing Constitution).** Article 45, which relates to the giving of notice requiring payment of unpaid calls, additionally clarifies that such notice may also require payment of any expenses incurred by the Company by reason of the non-payment of any call or instalment of a call.
- (f) **Articles 47, 48, 49 and 50 (Articles 41, 42, 43 and 44 of Existing Constitution).** Article 47, which relates to the forfeiture of shares on non-compliance with a notice requiring payment of unpaid calls, additionally provides that the Directors may accept a surrender of any share liable to be forfeited. Article 48 additionally provides that the Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share, and Article 49 additionally provides that the Directors may enforce payment of all moneys which were payable at the date of forfeiture or surrender, without any allowance for the value of the shares at the time of forfeiture or surrender, or waive payment in whole or in part. Other consequential changes have been made to Articles 48, 49 and 50.
- (g) **Article 55 (Article 49 of Existing Constitution).** Article 55, which relates to the rights of stockholders, additionally provides that the conversion of shares into stock shall not affect or prejudice any preference or other special privileges attached to the shares so converted.
- (h) **New Article 58(3).** Article 58(3) is a new provision which clarifies that, except as otherwise provided by the conditions of issue or by the New Constitution, all new shares shall be subject to the provisions of the relevant statutes and of the New Constitution with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
- (i) **Articles 60 and 126 (Articles 54 and 122 of Existing Constitution).** Article 60, which relates to the time-frame for holding annual general meetings, has been revised to make it clear that an annual general meeting shall be held once in every year and not more than 15 months after the holding of the last annual

general meeting, 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 annual general meetings in accordance with the provisions of the Companies Act, notwithstanding that the period may extend beyond the calendar year. Similarly, Article 126, which relates to (*inter alia*) the interval between the close of a financial year of the Company and the date of the Company's annual general meeting, has been revised to make it clear that such interval shall not exceed 4 months, or such other period as may be permitted by 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 4-month period between the close of the financial year and the annual general meeting in accordance with the provisions of the Companies Act.

- (j) **Article 67 (Article 61 of Existing Constitution).** Article 67, which relates to the adjournment of a general meeting if a quorum is not present, has been revised to make it clear that this can occur if a quorum is not present within half an hour from the time appointed for the meeting, or such longer interval as the Chairman of the meeting may think fit to allow, and further that it shall stand adjourned to the same day in the next week or, if that day is a public holiday, then to the next business day following that public holiday. Article 67 additionally provides that at the adjourned meeting, any one or more members present in person or by proxy shall be a quorum.
- (k) **New Article 70.** Article 70 is a new provision which relates to amendments of resolutions at general meetings. Article 70 provides that if an amendment is ruled out of order by the Chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling, and further that in the case of a special resolution, no amendment (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
- (l) **Article 76 (Article 69 of Existing Constitution).** Article 76, which relates to corporations acting by representatives at general meetings, additionally provides that the person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company, and that such corporation shall for the purposes of the New Constitution (but subject to the Companies Act) be deemed to be present in person at any such meeting.
- (m) **New Article 77(2).** Article 77(2) is a new provision which provides that on a poll, votes may be given personally or by proxy, and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- (n) **Articles 79(2), 79(3), 80(1) and 80(2) (Articles 72 and 73 of Existing Constitution).** Articles 79(2) and 79(3), which relate to the execution of proxies, have new provisions to facilitate the appointment of a proxy through electronic means online. In particular, they provide 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, Articles 80(1) and 80(2), which relate to the deposit of proxies, have 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.

- (o) ***New Articles 88(7), 88(8) and 88(9)***. These are new provisions to clarify that the Directors may appoint one or more of their body to be the holder of any executive office including, where considered appropriate, the office of Chairman or Deputy Chairman, and may entrust to and confer upon any Directors holding any executive office any of the powers exercisable by them as Directors. The appointment of any Director to the office of Chairman or Deputy Chairman will automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of contract.
- (p) ***Article 90 (Article 83 of Existing Constitution)***. Article 90, 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 92 and are in addition to any Director retiring pursuant to Article 96.
- (q) ***Article 105 (Article 100 of Existing Constitution)***. Article 105, which relates to meetings of Directors, contains additional provisions regulating the proceedings at Directors' meetings which are held by way of conference telephone or similar communications equipment. In particular, it clarifies that a Director may participate at a Directors' meeting through such means without the need for a Director to be in the physical presence of another Director or Directors, and that such participation in a Directors' meeting shall constitute presence in person at such meeting. Article 105 additionally provides that any Director may waive notice of any meeting and any such waiver may be retroactive.
- (r) ***Article 110 (Article 105 of Existing Constitution)***. Article 110, which relates to the Directors' power to appoint committees, contains additional provisions to permit the Directors to co-opt other persons (who are not Directors) to such committees, and for such co-opted persons to have voting rights as members of such committees.
- (s) ***Article 115 (Article 111 of Existing Constitution)***. Article 115, which relates to the appointment of alternate Directors, contains additional provisions regulating such appointments. In particular, it clarifies that an alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the extent applicable as if he were a Director.

- (t) **New Article 134(2).** Article 134(2) is a new provision which provides that the Directors may retain dividends pending the transmission of the underlying shares.
- (u) **New Article 135.** Article 135 is a new provision which provides that the waiver of any dividend by any document is effective only if the document is signed by the Shareholder (or person entitled in consequence of death or bankruptcy) and delivered to the Company and if or to the extent that it is accepted as such or acted upon by the Company.
- (v) **Article 142 (Article 135A of Existing Constitution).** Article 142, 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.
- (w) **New Article 149.** Article 149 is a new provision which provides that, in the event of a winding up of the Company, every member who is not in Singapore must appoint some householder in Singapore upon whom notices etc. in relation to the winding up may be served and in default, the liquidator may appoint some such person.
- (x) **New Article 151.** Article 151 is a new provision which relates to the secrecy of certain types of information. It provides that no member is entitled to require discovery of any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company, save as may be authorised by law or required by the listing rules of the SGX-ST.

4.4 **Appendix 2.** The text of the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, is set out in Appendix 2 to this Letter and the main differences are blacklined. The proposed adoption of the New Constitution is subject to Shareholders' approval.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

Directors	Direct Interest		Deemed Interest ⁽¹⁾		No. of Shares comprised in outstanding share options/ awards
	Number of Shares	% ⁽²⁾	Number of Shares	% ⁽²⁾	
Mr Edmund Cheng Wai Wing	-	-	-	-	-
Mr Alexander Charles Hungate	369,036	0.0333	-	-	284,400 ⁽³⁾ 930,000 ⁽⁴⁾
Mr David Zalmon Baffsky	-	-	-	-	-
Mr Thierry Breton	-	-	-	-	-
Ms Euleen Goh Yiu Kiang	2,774	0.0003	-	-	-
Mr Nihal Vijaya Devadas Kaviratne CBE	-	-	-	-	-
Mr Koh Poh Tiong	-	-	-	-	-
Mr Michael Kok Pak Kuan	30,000	0.0027	-	-	-
Mr Yap Chee Meng	-	-	-	-	-
Mr Tan Soo Nan	10,000	0.0009	-	-	-

Notes:

- (1) Deemed interests refer to interests determined pursuant to section 4 of the SFA.
- (2) Based on 1,109,467,917 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (3) The final number of SATS Restricted Share Plan will range from 0% to 120% of the initial grant and is contingent on the achievement of pre-determined target over a one-year performance condition and will vest equally over a three-year period. During the financial year, 161,000 shares were awarded and 165,336 shares were vested.
- (4) The final number of SATS Performance Share Plan will range from 0% to 150% of the initial grant and is contingent on the achievements of pre-determined targets over a three-year performance conditions period. During the financial year, 550,000 shares were awarded.

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

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Temasek Holdings (Private) Limited	-	-	480,850,139 ⁽²⁾	43.34	480,850,139	43.34
Tembusu Capital Pte. Ltd.	-	-	479,096,858 ⁽²⁾	43.18	479,096,858	43.18
Napier Investments Pte. Ltd.	-	-	479,096,858 ⁽²⁾	43.18	479,096,858	43.18
Venezio Investments Pte. Ltd.	479,096,858	43.18	-	-	479,096,858	43.18

Notes:

- (1) Based on 1,109,467,917 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Tembusu Capital Pte. Ltd. ("**Tembusu**") is the holding company of Napier Investments Pte. Ltd. ("**Napier**"), which in turn the holding company of Venezia Investments Pte. Ltd. ("**Venezio**"). Tembusu and Napier are deemed to be interested in the Shares held by Venezia by virtue of section 4 of the SFA. Temasek is the holding company of Tembusu and the ultimate holding company of Venezia. Accordingly, Temasek has a deemed interest in all the Shares held by Venezia. In addition, Temasek is deemed to be interested in 1,753,281 Shares in which its other subsidiaries and associated companies have or are deemed to have an interest pursuant to section 4 of the SFA.

6. DIRECTORS' RECOMMENDATIONS

- 6.1 **Proposed Renewal of IPT Mandate.** The Directors are of the opinion that the entry into of the interested person transactions between the EAR Group (as described in paragraph 2.1.2 of Appendix 1 to this Letter) and those Interested Persons (as described in paragraph 2.3.1 of Appendix 1 to this Letter) in the ordinary course of their respective businesses will be made to enhance the efficiency of the EAR Group and are in the best interests of the Company. For the reasons set out in paragraphs 2.1 and 2.6 of Appendix 1 to this Letter, the Directors recommend that Shareholders vote in favour of Ordinary Resolution No. 11, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the 2016 AGM.

Temasek and its associates, being Interested Persons, will abstain from voting in respect of their holdings of Shares (if any) on Ordinary Resolution No. 11.

- 6.2 **Proposed Renewal of 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. 12, 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. Accordingly, they recommend that Shareholders vote in favour of Special Resolution No. 13, 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 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659 during normal business hours from the date of this Letter up to the date of the 2016 AGM:

- (a) the Summary Report 2015-16 of the Company;
- (b) the Existing Constitution;
- (c) the proposed New Constitution; and
- (d) the 2015 Letter.

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
for and on behalf of the
Board of Directors of
SATS Ltd.

Mr Edmund Cheng Wai Wing
Chairman

APPENDIX 1
THE IPT 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 same interested person during the same 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 of the Listing Manual (“**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 exceeding:
- (a) 5% of the listed company’s latest audited consolidated NTA; or
 - (b) 5% of the listed company’s latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9) during the same financial year.
- 1.3 Based on the latest audited consolidated financial statements of SATS Ltd. (“**SATS**” or the “**Company**”) and its subsidiaries (collectively, the “**SATS Group**”) for the financial year ended 31 March 2016, the consolidated NTA of the SATS Group was approximately S\$1,217 million. In relation to SATS, and for the purposes of complying with Chapter 9, in the current financial year and until such time as the consolidated audited financial statements of the SATS Group for the financial year ending 31 March 2017 are published, 5% of the latest audited consolidated NTA of the SATS Group would be approximately S\$60.85 million.
- 1.4 Chapter 9 permits a listed company, however, to seek a general 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 “**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;

- (b) (in the case of a company) 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 and his immediate family, the chief executive officer and his immediate family or controlling shareholder and his immediate family have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (c) an “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (d) “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
- (e) a “**controlling shareholder**” means a person who (i) holds directly or indirectly 15% or more of the total number of issued shares in the company excluding treasury shares (the SGX-ST may determine that such person is not a controlling shareholder) or (ii) in fact exercises control over a company;
- (f) 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;
- (g) (in the case of a company) 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; and
- (h) an “**interested person transaction**” means a transaction between an entity at risk and an interested person.

2. THE IPT MANDATE

2.1 Rationale for the IPT Mandate

2.1.1 It is anticipated that the EAR Group (as defined in paragraph 2.1.2 below) would, in the ordinary course of its business, enter into certain transactions with its Interested Persons (as defined in paragraph 2.1.2 below). It is likely that such transactions will occur with some degree of frequency and could arise at any time. Such transactions include, but are not limited to, the transactions described in paragraph 2.4 below. Among other things, the entry into of financial and treasury support transactions described in paragraph 2.4(b) below will benefit the EAR Group, as the EAR Group will have access to competitive quotes from its Interested Persons in addition to obtaining quotes from, or transacting with, non-Interested Persons. Similarly, the Company notes that the energy industry in Singapore had been deregulated and it may now obtain electricity and other power sources and utilities from Interested Persons that carry on such business. Given the competition arising from the deregulation, it may be beneficial for the EAR Group to enter into such transactions with the relevant Interested Persons to take advantage of such competition in terms of pricing, products and services.

2.1.2 Owing to the time-sensitive nature of commercial transactions, the Directors of the Company (the “**Directors**”) are seeking approval from the shareholders of the Company (the “**Shareholders**”) for this proposed IPT Mandate pursuant to Chapter 9 to enable:

- (a) SATS;
- (b) subsidiaries of SATS (excluding subsidiaries listed on the SGX-ST or an approved exchange); and
- (c) associated companies of SATS (excluding associated companies listed on the SGX-ST or an approved exchange) over which the SATS Group, or the SATS Group and interested person(s) of SATS has or have control,

(together, the “**EAR Group**”), or any of them, in the normal course of their business, to enter into the categories of interested person transactions (“**Interested Person Transactions**”) described in paragraph 2.4 below with the specified classes of SATS’ interested persons (the “**Interested Persons**”) set out in paragraph 2.3.1 below, provided that such transactions are made on the EAR Group’s normal commercial terms.

2.1.3 The IPT Mandate will take effect from the date of the passing of the ordinary resolution relating thereto, to be proposed at the Annual General Meeting of the Company to be held on 19 July 2016 and will (unless revoked or varied in general meeting) continue in force until the next Annual General Meeting (“**AGM**”) of the Company. Thereafter, approval from Shareholders for a renewal of the IPT Mandate will be sought at each subsequent AGM of the Company or Extraordinary General Meeting of the Company, as the case may be, subject to the satisfactory review by the Audit Committee of the Company (the “**Audit Committee**”) of its continued application to the transactions with Interested Persons.

2.2 Scope of the IPT Mandate

- 2.2.1 Singapore Airlines Limited (“**SIA**”) and its subsidiaries provide a whole range of services to the EAR Group including technical and information technology services, central purchasing and other support services, whilst the EAR Group provides, *inter alia*, air freight and ground handling services, inflight meal and food catering services, laundry and linen services and security services to SIA and its subsidiaries, including SilkAir (Singapore) Private Limited, Singapore Airlines Cargo Pte Ltd and Scoot Pte. Ltd.. The EAR Group also provides certain security and other services to SIA Engineering Company Limited.
- 2.2.2 The IPT Mandate will not cover any transaction by a company in the EAR Group with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 would not apply to such transactions.

2.3 Classes of Interested Persons

- 2.3.1 The IPT Mandate will apply to the Interested Person Transactions (as described in paragraph 2.4 below) which are carried out with Temasek Holdings (Private) Limited and its associates (which include SIA and its associates).
- 2.3.2 Transactions with Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of the Listing Manual. The IPT Mandate does not apply to Interested Person Transactions with the President & Chief Executive Officer of the Company (the “**CEO**”), the Directors, and their respective associates, for which separate Shareholders’ approval will be obtained if it becomes necessary to do so.

2.4 Interested Person Transactions

The Interested Person Transactions which will be covered by the IPT Mandate and the benefits to be derived from them are the general transactions by the EAR Group relating to the provision to, or the obtaining from or through, Interested Persons, or the joint transacting with Interested Persons for, products and services in the normal course of business of the EAR Group (but not in respect of the purchase or sale of assets, undertakings or businesses), including:

- (a) air freight, logistics and other cargo-related services, and passenger, baggage and other ground handling services, food supply, inflight meal and food catering services, food testing services, laundry and linen services and security services;
- (b) provision of central purchasing, financial and treasury support (including borrowing of funds from, and placement of funds with, Interested Persons, entry into forex, swap and option transactions with or through Interested Persons for hedging purposes, subscription of debt securities issued by Interested Persons, and provision of fund management services), tax, internal audit, staff training and centrally organised activities and meetings for staff and management, staff transportation and other personnel-related or staff welfare-related services, provision of management and corporate support, staff pooling, technical support, central reservations and other telecommunications systems and support, and other related services;

- (c) provision of technical and information technology services, including the acquisition and leasing of computer equipment, provision of computer maintenance services and systems, development, licensing and acquisition of computer software programmes, and other information technology-related equipment, goods and services;
- (d) rental and licensing of space, both as lessor/lessee and licensor/licensee, provision of building maintenance services, property management services, and the development of property for investment purposes;
- (e) the obtaining of insurances and the underwriting of risks;
- (f) the obtaining of electricity and other power sources and utilities; and
- (g) any other transaction relating to the provision of or obtaining from or through, Interested Persons, or the joint transacting with Interested Persons for, products and services related to the EAR Group's principal and ancillary activities in the normal course of its business and on normal commercial terms.

2.5 Review Procedures for Interested Person Transactions subject to the IPT Mandate (the "Mandated Interested Person Transactions")

2.5.1 The EAR Group has established the following procedures to ensure that Mandated Interested Person Transactions are undertaken on the EAR Group's normal commercial terms:

(a) *Review Procedures*

There are procedures established by the EAR Group to ensure that Mandated Interested Person Transactions are undertaken on the EAR Group's 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 put in place.

(i) *Provision of Services or the Sale of Products*

The review procedures are:

- (aa) 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 generally no more favourable to the Interested Persons than the usual commercial terms that would be extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded for bulk or high volume purchases) or otherwise in accordance with applicable industry norms; and
- (bb) 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 key terms to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties, taking into consideration factors including but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract, strategic purposes of the transaction or the limited resources available to the EAR Group.

(ii) *Obtaining of Services or the Purchasing of Products*

All purchases made by the EAR Group, including purchases from Interested Persons are governed by internal control procedures which detail matters such as the constitution of internal approving authorities, their monetary jurisdictions, the number of vendors from whom bids are to be obtained and the review procedures. The guiding principle is to objectively obtain the best goods and/or services on the best terms. Tender exercises are generally conducted for most of our purchases except in the case of transactions of value below certain thresholds specified in the internal control procedures. Where it is not possible, practicable or appropriate for a tender to be called (for example, where the service is required urgently or where conducting an effective tender would require disclosure of confidential price-sensitive information), an authorised senior management staff within the EAR Group will determine whether the price and terms offered by the Interested Person are on normal commercial terms.

In the case where a tender exercise is conducted, the invitation for bids will generally include a specimen contract to preclude negotiations by the vendor on the terms of supply after the successful vendor is selected by the tenders committee. There will be written contractual terms of supply applicable to each tender. The tender review procedures require:

- (aa) (in the case of the SATS Group) an open tender for bids to be called if there are more than 6 known vendors for the contract or item unless this requirement is waived by the tenders committee in exceptional circumstances, in which case a closed tender will be called; if there are 6 or fewer known vendors, a closed tender for bids will be called inviting all the known vendors to bid; and
- (bb) (in the case of the associated company of the Company forming part of the EAR Group) an open tender for bids to be called if the value of the contract exceeds a specified amount; if it does not exceed such amount, a closed tender for bids will be called inviting all known vendors to bid.

For the purpose of this provision, the expression "**known vendors**" refers to vendors known to the relevant purchaser of services or products within the EAR Group or the relevant purchasing authority, which the tenders committee considers to have the requisite qualification for the contract. Bids which are received, regardless of whether they are from Interested Persons or not will be

subject to the same evaluation criteria based on price, product quality, delivery schedules, specification compliance, track record, experience and expertise. Preferential rates, rebates or discounts accorded for bulk purchases are also taken into account.

(iii) *Treasury Transactions*

(aa) Placements

In relation to the placement with any Interested Person by the EAR Group of its funds, the Company will require that quotations be obtained from such Interested Person and at least two other potential counterparties for rates of deposits with such counterparties 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 such Interested Person, provided that the terms quoted are generally no less favourable than the terms quoted by such counterparties for equivalent amounts, taking into account all relevant factors.

(bb) Borrowings

In relation to the borrowing of funds from any Interested Person by the EAR Group, the Company will require that quotations be obtained from such Interested Person and at least two other potential counterparties for rates for loans from such counterparties of an equivalent amount, and for the equivalent period, of the funds to be borrowed by the EAR Group. The EAR Group will only borrow funds from such Interested Person if the Interested Person offers the best rates and terms and best meets the EAR Group's requirements, taking into account all relevant factors.

(cc) Debt Securities and Preference Shares

In relation to the subscription of debt securities or preference shares issued by, or the purchase of debt securities or preference shares from, Interested Persons, the EAR Group will only subscribe for or purchase such debt securities or preference shares after assessment of the credit risk of such Interested Persons, provided that the price(s) at which the EAR Group subscribes for or purchases such debt securities or preference shares is not higher than the price(s) at which such debt securities or preference shares are subscribed for or purchased by unrelated third parties.

In relation to the issue or sale to Interested Persons of debt securities or preference shares, the EAR Group will 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 is not lower than the price(s) at which such debt securities or preference shares are issued or sold to unrelated 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.

(dd) Forex, Swaps, Options

In relation to forex, swaps and options transactions with any Interested Person by the EAR Group, the Company will require that rate quotations be obtained from such Interested Person and at least two other potential counterparties. The EAR Group will only enter into such forex, swaps or options transactions with such Interested Person if the Interested Person offers the best rates and terms and best meets the EAR Group's requirements, taking into account all relevant factors.

For the purposes of this sub-paragraph (iii), references to “**counterparties**” include, but are not limited to, banks, financial institutions or other corporates, which are not Interested Persons.

(b) *Threshold Limits*

In addition to the review procedures, the following review and approval procedures will be implemented to supplement existing internal control procedures for general transactions:

- (i) Interested Person Transactions equal to or exceeding S\$100,000 but less than S\$3 million in value will be reviewed and approved by (aa) a senior member of the Company's management designated for such purpose by the CEO, (bb) the CEO or (cc) the Audit Committee;
- (ii) Interested Person Transactions equal to or exceeding S\$3 million but less than S\$30 million in value will be reviewed and approved by (aa) the CEO or (bb) the Audit Committee;
- (iii) Interested Person Transactions equal to or exceeding S\$30 million in value will be reviewed and approved by the Board of Directors of the Company (the “**Board**”) and the Audit Committee;
- (iv) where the aggregate value of all Interested Person Transactions (including the latest Interested Person Transaction) entered into with the same Interested Person in the current financial year is equal to or exceeds S\$3 million but below S\$30 million in value, the latest and all future Interested Person Transactions equal to or above S\$100,000 but below S\$30 million in value will be reviewed and approved by (aa) the CEO or (bb) the Audit Committee; and
- (v) where the aggregate value of all Interested Person Transactions (including the latest Interested Person Transaction) entered into with the same Interested Person in the current financial year is equal to or exceeds S\$30 million in value, the latest and all future Interested Person Transactions equal to or above S\$100,000 in value will be reviewed and approved by the Board and the Audit Committee.

References to the “**same Interested Person**” shall bear the meaning set out in Rule 908 of the Listing Manual.

Individual transactions of a value less than S\$100,000 do not require review and approval and will not be taken into account in the aggregation referred to in subparagraphs (iv) and (v) above. Interested Person Transactions entered into with the same Interested Person in previous financial years will not be taken into account in the aggregation of transactions for the purpose of the IPT Mandate under subparagraphs (iv) and (v) above.

- 2.5.2 A register will be maintained by the Company to record all Interested Person Transactions which are entered into pursuant to the IPT Mandate. The internal audit plan will incorporate an audit of Interested Person Transactions entered into pursuant to the IPT Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to.
- 2.5.3 The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor Interested Person Transactions have been complied with.
- 2.5.4 The Board and the Audit Committee shall have overall responsibility for the determination of the review procedures (including the interpretation and implementation thereof) with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board or the Audit Committee has an interest in the transaction to be reviewed by the Board or the Audit Committee, as the case may be, he will abstain from any decision-making by the Board or the Audit Committee in respect of that transaction.

2.6 Benefit to Shareholders

- 2.6.1 The IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential Interested Person Transactions with a specific class of Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives or adversely affecting the business opportunities available to the Company.
- 2.6.2 The IPT 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 on the normal commercial terms of the relevant company in the EAR Group and are not prejudicial to the Shareholders.
- 2.6.3 Pursuant to Rules 907 and 920(1) of the Listing Manual, the Company will:
 - (a) announce the aggregate value (as determined by the Board) of transactions entered into with Interested Persons pursuant to the IPT Mandate, for the quarterly financial periods which it is required to report on pursuant to the Listing Manual, and within the time required for the announcement of such report; and
 - (b) disclose the IPT Mandate in the annual report of SATS, giving details of the aggregate value of Interested Person Transactions entered into pursuant to the IPT Mandate during the current financial year, and in the annual reports for the subsequent financial years

during which a shareholders' mandate for interested person transactions is in force or as otherwise required by the provisions of the Listing Manual.

The name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions entered into with the same Interested Person will be presented in the following format:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions pursuant to the IPT Mandate (or a shareholders' mandate for interested person transactions under Rule 920 of the Listing Manual))	Aggregate value of all interested person transactions under the IPT Mandate (or a shareholders' mandate for interested person transactions under Rule 920 of the Listing Manual) during the financial year under review (excluding transactions less than S\$100,000)

2.7 Audit Committee's Statements

- 2.7.1 The Audit Committee has reviewed the terms of the IPT Mandate, as proposed to be renewed, and is satisfied that the methods and procedures for determining the transaction prices as set out in the IPT Mandate are sufficient to ensure that Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.
- 2.7.2 The Audit Committee will, in conjunction with its review of the internal audit reports and relevant Interested Person Transactions, as the case may be, also review the established guidelines and procedures to ascertain that they have been complied with. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the methods and procedures as stated above are not sufficient to ensure that these Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to Shareholders for a fresh mandate based on new methods and procedures for transactions with Interested Persons.

APPENDIX 2
THE PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION
WHICH ARE SIGNIFICANTLY DIFFERENT FROM
THE EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

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

1. Article 1

21. In ~~these Articles~~ this Constitution:-

Definitions
Interpretation

“the Act”	means the Companies Act (Cap. 50) or any statutory modification thereof for the time being in force;
“Articles”	means these Articles of Association as amended from time to time;
“CDP”	means the <u>The</u> Central Depository (Pte) Limited and where the context requires, shall include any person specified by it in a notice given to the Company, as its nominee;
<u>“Constitution”</u>	<u>means this Constitution as amended from time to time;</u>
“Deposited Securities”	means shares standing to the credit of the Securities Account of a Depositor at the relevant time;
“Depositor”	means a holder of a Securities Account maintained with CDP or a person who is a Depository Agent;
“Depository Agent”	means an entity registered as a Depository Agent with CDP for the purpose of maintaining securities sub-accounts for its own account and for the accounts of others;
“Directors,” or “the Board”	means the Directors for the time being of the Company as a body or a quorum of the Directors present at a meeting of the Directors;
“dividend”	includes bonus;
“market day”	means a day on which the Stock Exchange is open for securities trading transactions;
“member”	means a member of the Company and shall exclude the Company where it is a member by reason of

	shares held by it as treasury shares;
“month”	means a calendar month;
“office”	means the Registered Office <u>registered office</u> of the Company;
“ <u>registered address</u> ” or “ <u>address</u> ”	<u>means, in relation to any member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution;</u>
“seal”	means the common seal of the Company;
“Secretary”	means any person appointed to perform the duties of a secretary of the Company;
“Securities Account”	means the securities account or sub-account maintained by a Depositor with CDP;
“Statutes”	means the Act and every other Act <u>for the time</u> being in force concerning companies and affecting the Company;
“Stock Exchange”	means the Singapore Exchange Securities Trading Limited;
“\$”	refers to the lawful currency of Singapore;

the expression “Depository Register” shall have the meaning ascribed to it in the Securities and Futures Act (Cap. 289);

the expressions “current address”, “electronic communication”, “relevant intermediary” and “treasury shares” shall have the meaning ~~meanings~~ ascribed to them respectively ~~under section 130A and section 4 of~~ in the Act;

the expression “Register of Members” refers to the register maintained under ~~section~~ Section 190 of the Act;

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

- (a) exclude ~~the~~ CDP except where otherwise expressly provided in ~~these Articles~~ this Constitution or where the term “registered holders” or “registered holder” is used in ~~these Articles~~ this Constitution;
- (b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and

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

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

expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and ~~other modes of representing or reproducing words in a visible form~~(except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever;

words or expressions contained in ~~these Articles~~this Constitution shall be interpreted in accordance with the provisions of the Interpretation Act (Cap. 1) and of the Act;

any reference to a statutory provision shall include such provision and any subsidiary legislation made in pursuance thereof as from time to time modified or re-enacted and any past statutory provision or subsidiary legislation (as from time to time modified or re-enacted) which such provision or subsidiary legislation has directly or indirectly replaced;

words denoting the singular number only shall include the plural number and vice versa;

words denoting the masculine gender only shall include the feminine and neuter genders;

words denoting persons shall include corporations and other bodies of persons;
~~and~~

a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of this Constitution; and

the headnotes and marginal notes in ~~these Articles~~this Constitution are inserted for convenience and reference only and are in no way designed to limit or circumscribe the scope of ~~these Articles~~this Constitution.

2. Article 7

7(1). The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.

Shares of a class other than ordinary shares

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

Issue of shares for no consideration

3. Article 8

48. Subject to the prior approval of the Company in general meeting, shares in the Company may be issued by the Directors. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act and this Constitution, any such shares may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise, as the Directors, subject to any ordinary resolution or, if required by the Statutes, any special resolution of the Company may determine;

Issue of shares

Provided always that:-

- (a) unless with the prior approval of the Directors or except as permitted below, no ordinary shares shall be issued or transferred to any person or related group of persons if, in the opinion of the Directors, such person or related group of persons would, by reason of such issue or transfer have an interest directly or indirectly in ~~more than 510~~ or more per cent. of the ordinary shares issued by the Company, excluding treasury shares, for the time being;
- ~~(b) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the Company in general meeting;~~
- ~~(c)~~ (subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article ~~5258~~ 5258(1) with such adaptations as are necessary shall apply;
- ~~(d)~~ any other issues of shares, the aggregate of which would exceed the limits referred to in Article ~~5258~~ 5258(2), shall be subject to the approval of the Company in general meeting; and
- ~~(e)~~ preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which ~~shares in the Company may be listed; and~~
- ~~(f) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.~~

Notwithstanding any other provision of ~~these Articles~~ this Constitution, Temasek Holdings (Private) Limited and/or such other person or persons approved by the Directors shall be entitled to have an interest in ~~more than~~

510 per cent. or more of the issued ordinary shares of the Company, excluding treasury shares, on such terms and conditions as the Directors may think fit.

4. Article 15

~~40~~15. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital (except treasury shares) as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in the Act and may charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant.

*Power to charge
interest on capital*

5. Article 19

~~44~~19. Every certificate of title to shares shall be issued under the seal in such form as the Directors shall from time to time prescribe, shall bear the autographic or facsimile signatures of either two Directors or one Director and the Secretary or some other person appointed by the Directors and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up, and the ~~amounts paid and~~ amount (if any) unpaid thereon. Every certificate of title to debentures shall bear the autographic or facsimile signature of a Director. 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.

*Form of share
certificate*

6. Article 22

~~47~~22. The Company shall have a first and paramount lien on shares and dividends from time to time declared in respect of such shares but 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.

Company's lien

7. Article 32

~~27~~32. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money uncalled and unpaid upon any shares held by him, and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise

*Payment in
advance of calls*

direct) 8 per cent. per annum as may be agreed upon between the Directors and the member paying the sum in advance. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.

8. Article 35

~~30~~35. No share shall in any circumstances be transferred to any infant or bankrupt or person of ~~unsound mind~~ who is mentally disordered and incapable of managing himself or his affairs.

*Infant, bankrupt or
unsound mind
mentally
disordered*

9. Article 36

~~31~~36. ~~The~~ There shall be no restriction on the transfer of fully paid-up shares (except where required by law or the listing rules of, or bye-laws and rules governing, the Stock Exchange) but the Directors may decline to register any transfer of shares not being fully paid shares to a person not approved by them and may also decline to register any transfer of shares on which the Company has a lien.

*Directors' right to
decline to register
transfer of shares*

10. Articles 37(1)(e)(i) and 37(2)(a)(ii)

~~32~~37(1). The Directors may decline to accept any instrument of transfer unless:-

*Instruments of
transfer*

- (a) ...
- (b) ...
- (c) ...
- (d) ...
- (e) the instrument of transfer has a declaration attached to it duly made by or on behalf of the transferee stating:-
 - (i) whether such transfer when registered would result in any person or related group of persons having an interest directly or indirectly in ~~more than 510~~ more than 510 per cent. or more of the issued ordinary shares of the Company, excluding treasury shares; and
 - (ii) ...

(2) (a) The Directors may:-

*Transfer of
Affected Shares*

- (i) ...
- (ii) if any person or related group of persons (the "relevant person") have, in the opinion of the Directors, an interest

directly or indirectly in ~~more than 510~~ per cent. or more of the ordinary shares issued by the Company, excluding treasury shares, ("surplus shares") for the time being without the approval of the Directors, or if any approval given by the Directors is subsequently revoked,

at any time serve a notice in writing on the member or the relevant person requiring the member or the relevant person to transfer the shares referred to in the instrument of transfer or the surplus shares ("Affected Shares"), as the case may be, or any part thereof.

(b) ...

(c) ...

11. Articles 38(1)(a) and 38(2)

~~3338(a1)~~. The Directors may refuse to register the transfer of any share if in their opinion:-

Directors' right to refuse transfer of shares

(ia) except as permitted under Article 48, such transfer when registered would result in any person or related group of persons having an interest directly or indirectly in ~~more than 510~~ per cent. or more of the issued ordinary shares of the Company, excluding treasury shares; or

(ib) ...

...

(b2) If the Directors shall refuse to register the transfer of any share they shall within ~~one month~~ ten market days of the date on which the application for transfer was made serve on the transferor and transferee a notice in writing stating the reasons justifying the refusal and a notice of refusal as required by the Act.

Directors to give reason for refusal to register transfer

12. Article 40

40. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was

Destruction of transfers

a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; Provided always that:-

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

13. Article 45

3945. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

Notice requiring payment of calls

14. Article 47

4447. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

Forfeiture on non-compliance with notice

15. Article 48

4248. A forfeited or surrendered share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before the forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.

Sale or disposition of forfeited shares

16. Article 49

~~4349.~~ A person whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares, but shall, notwithstanding the forfeiture or surrender, remain liable to pay to the Company all ~~money~~moneys which, at the date of forfeiture or surrender, ~~was~~were payable by him to the Company in respect of the shares (together with interest at the rate of 8 per cent_ per annum from the date of forfeiture or surrender on the money for the time being unpaid if the Directors think fit to enforce payment of such interest), but his liability, if any, shall cease when the Company receives payment in full of all such money in respect of the shares. The Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.

Rights and liabilities of person whose shares have been forfeited

17. Article 50

~~4450.~~ A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited or surrendered on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

Title to shares forfeited

18. Article 55

~~4955.~~ The holders of stock shall according to the number of stock units held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by the stock units which would not if existing in shares have conferred that privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

Rights of stockholders

19. Article 57

~~5457(1).~~ The Company may from time to time by ordinary resolution:-

- (a) consolidate and divide all or any of its shares;
- (b) subdivide its shares or any of them (subject, nevertheless, to the provisions of the ~~Act~~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

Power to consolidate, subdivide and ~~convert~~ redenominate shares

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

(2) 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

20. **Articles 58(1) and 58(3)**

~~5258~~(1). Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted by the listing rules of the Stock Exchange, all new shares shall, before issue, be offered to ~~the members~~such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as ~~nearly~~far as the circumstances admit, to the number of ~~the existing shares held by them respectively~~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 in accordance with this Article. Notwithstanding the foregoing, where the new shares to be offered are ordinary shares, no shares held by a member other than ordinary shares shall be taken into account for the purposes of determining the proportions in which such ordinary shares are to be offered to such member as aforesaid.

Offer of new shares

(3) Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of the Statutes and of this Constitution with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

New shares subject to the Statutes and this Constitution

21. **Article 60**

~~5460~~. ~~An~~Save as otherwise permitted under the Act, an annual general meeting of the Company shall be held once in every year and not more than 15 months after the holding of the last annual general meeting. All general meetings other than the annual general meetings shall be called extraordinary general meetings.

Annual General Meeting

22. Article 63(4)

~~5763~~(4) In every notice calling a meeting there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint ~~not more than two proxies~~ a proxy to attend and vote instead of him and that a proxy need not also be a member.

*Notice of right to
appoint proxies*

23. Article 64

~~5864~~. All business shall be special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the ~~accounts~~ financial statements, balance-sheets, ~~and the report of the Directors and auditors~~ Directors' statement and the Auditor's report, the appointment or re-appointment of Directors to fill vacancies arising on retirement at such meeting whether by rotation or otherwise, the fixing of Directors' fees and the appointment or re-appointment and fixing of the remuneration of the ~~auditors~~ Auditor.

*Special
Business*business

24. Article 67

~~6467~~. If within half an hour from the time appointed for the meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place as the original meeting, or to such other day and at such other time and place as the Directors may determine. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum.

*Adjournment if
quorum not present*

25. Article 70

~~70~~. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

*Amendment of
resolutions*

26. Articles 71, 72 and 73

~~64~~71(1). If required by the listing rules of the Stock Exchange, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the Stock Exchange).

Mandatory polling

(2) ~~At~~Subject to Article 71(1), 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:-

Method of voting where mandatory polling not required

- (a) by the Chairman;
- (b) by at least three members present in person or by proxy and entitled to vote at the meeting;
- (c) by any member or members present in person or by proxy and representing not less than ~~one tenth~~ 5 per cent. of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members 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 5 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.

Unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. The demand for a poll 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.

~~65~~72. ~~If~~Where a poll is ~~duly demanded~~ taken, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was ~~demande~~ taken. The Chairman may (and, if required by the listing rules of the Stock Exchange 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.

Taking a poll

~~6673.~~ In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands or poll takes place ~~or at which the poll is demanded~~ shall be entitled to a second or casting vote.

Chairman's casting vote

27. Article 74

~~6774.~~ Subject to any rights or restrictions for the time being attached to any class or classes of shares and to Article ~~8A13~~, at a meeting of members or classes of members 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:-

Voting rights of members

(a) on a poll, have one vote for every share which he holds or represents; and

(b) on a show of hands, have one vote, Provided That that:-

(i) if 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 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

(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. ~~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.~~

28. Article 76

~~6976.~~ Any corporation which is a member may authorise any person to act as its representative to attend, speak and vote at any general meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of this Constitution (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorised is present thereat.

Corporations acting by representatives

29. Articles 77(1) and 77(2)

~~70~~77(1). Every member shall be entitled to be present and to vote at any general meeting either personally or by proxy in respect of any shares upon which all calls due to the Company have been paid. 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 supplied by ~~the~~-CDP to the Company.

Right to vote

(2) On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Votes on a poll

30. Articles 79(1), 79(2) and 79(3)

~~72~~79(1). Save as otherwise provided in the Act:-

Appointment of proxies

(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, provided that 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. Where such member's form of proxy appoints more than one proxy, he shall specify the proportion of his shareholdings the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; if no proportion is specified, the Company shall be entitled to deem the appointment to be in the alternative; 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.

(2) The instrument appointing a proxy or representative shall be in writing and, subject to any requirements as may be prescribed by the Stock Exchange, shall be in any usual or common form or in any other form which the Directors may approve and:-

Execution of proxies

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

(i) under the hand of signed by the appointor or of his attorney

duly authorised in writing if the instrument is delivered personally or 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) ~~if the appointer is~~ in the case of a corporation, shall be:-

(i) either given under its seal or under the hand of signed by an officer or attorney duly authorised if the instrument is delivered personally or 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 79(2)(a)(ii) and 79(2)(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.

~~and the~~ The signatures on, or authorisation of, an instrument of proxy need not be witnessed. Where the Depositor nominates proxies pursuant to Article 72(1) above, the instrument of proxy shall be under the hand of the Depositor or his attorney duly authorised in writing, or if the Depositor is a corporation, under its common seal or under the hand of its officer or attorney duly authorised in writing. A proxy or representative may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

~~Subject to any requirements as may be prescribed by the Stock Exchange, the instrument appointing a proxy shall be in any usual or common form or in any other form which the Directors may approve.~~

(3) The Directors may, in their absolute discretion:-

(a) approve the method and manner for an instrument appointing a proxy to be authorised; and

(b) designate the procedure for authenticating an instrument appointing a proxy.

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

as contemplated in Articles 79(2)(a)(ii) and 79(2)(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 79(2)(a)(i) and/or (as the case may be) Article 79(2)(b)(i) shall apply.

31. **Articles 80(1), 80(2) and 80(3)**

~~7380~~(1). The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority:-

Deposit of instrument appointing a proxy

(a) if sent personally or by post, shall be deposited at the registered office of the Company, or at such other place in Singapore as is specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting; or

(b) if submitted by electronic communication, shall 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.

in either case, not less than 4872 hours before the time appointed for holding the meeting or adjourned meeting at which the person(s) named in the instrument proposes to vote, or, in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. 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 that an instrument of proxy relating to more than one meeting (including an adjournment thereof) having once been so delivered in accordance with this Article 80 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.

(2) 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 80(1)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), Article 80(1)(a) shall apply.

Directors may specify means for electronic communications

(23) The Company shall be entitled and bound:-

Shares credited to Securities Account

(a) to reject any instrument of proxy lodged if the appointor, being the Depositor, is not shown, in the records of CDP as at ~~a time not earlier than~~ 4872 hours prior to the time of the relevant general meeting ("Cut-off Time") supplied by CDP to the Company, to have shares credited to his Securities Account; and

(b) on a poll to accept as ~~validly cast by~~ the maximum number of votes which in aggregate a Depositor or his duly appointed proxy or proxies is or are able to cast, votes in respect of the number of shares ~~corresponding to not more than the number of shares~~ credited to his Securities Account, as shown in the records of CDP

as at the Cut-off Time supplied by ~~the~~ CDP to the Company, whether the number is greater or smaller than the proportion specified ~~in~~ pursuant to Article ~~727~~9(1).

32. Article 81

~~748~~741. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death or ~~unsoundness of mind~~mental disorder of the principal or revocation of the instrument or of the authority under which the instrument was executed, or the transfer of the share in respect of which the instrument is given, if no intimation in writing of such death, ~~unsoundness of mind~~mental disorder, revocation, or transfer as aforesaid has been received by the Company at the ~~registered~~ office before the commencement of the meeting or adjourned meeting at which the instrument is used 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 of principal, revocation or transfer not to revoke proxy invalidate vote

33. Article 88

~~848~~841(1). A Director or Chief Executive Officer who is in any way whether directly or indirectly interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors, or send a written notice to the Company containing details on the nature, character and extent of his interest, in accordance with the Act.

Declaration of Directors/ Chief Executive Officers' interest in contract or transaction with Company

(2) A Director or Chief Executive Officer 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 (as the case may be) shall declare at a meeting of the Directors 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.

Declaration of Directors/ Chief Executive Officers' conflict of interest

(3) A Director shall not vote in regard to any contract or transaction or proposed contract or transaction or arrangement in which he has directly or indirectly a personal material interest and if he shall do so his vote shall not be counted.

Prohibition on Directors to vote on interested contracts or transactions

(4) A Director notwithstanding his interest may be counted in the quorum present at any meeting of the Directors.

Director to be counted in quorum

(5) A Director may hold any other office or place of profit under the Company (other than the office of the ~~auditor~~Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending

Power of Directors to hold office of profit and to contract or transact with Company

Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as a vendor, purchaser or otherwise. No contract, transaction or arrangement entered into by or on behalf of the Company in which any Director is in any way interested shall be liable to be avoided nor shall any Director so contracting or transacting or being so interested be liable to account to the Company for any profit realised by any such contract, transaction or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

- (6) A Director of the Company may with the consent of the Board be or become a ~~director~~ Director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as a shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a ~~director~~ Director or officer of or from his interests in such other company unless the Company otherwise directs. *Holding of office in other companies*
- (7) The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment. *Directors may hold executive offices*
- (8) The appointment of any Director to the office of Chairman or Deputy Chairman shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. *Cessation of directorship of Chairman or Deputy Chairman*
- (9) The Directors may entrust to and confer upon any Directors holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers. *Power of executive Directors*

34. Article 90

8390. At each annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third rounded upwards to the next whole number, selected in accordance with Article 92, shall retire from office by rotation (in addition to any Director retiring pursuant to Article 96). *Retirement of Directors by rotation*

35. Article 93(1)

~~8693~~(1). The Company at the meeting at which a Director retires under any provision of ~~these Articles~~ this Constitution may by ordinary resolution fill the office being vacated by electing thereto the retiring Director (if eligible for re-election) or some other person eligible for appointment. In default, the retiring Director shall nevertheless be deemed to have been re-elected except in any of the following cases:-

Company may fill office of retiring Director

- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or
- (b) where such Director is disqualified under the Act from holding office as a Director or is otherwise ineligible for re-election or has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or
- (ed) where the default is due to the moving of a resolution in contravention of Article ~~8693~~(2); ~~or~~
- (e) ~~where such Director has attained any retirement age applicable to him as Director.~~

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

36. Article 98

~~9298~~. The office of a Director shall become vacant if the Director—:-

Vacation of office of Directors

- (a) ceases to be a Director by virtue of the Act; or
- (b) is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds; or
- (bc) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (ed) becomes prohibited by law from continuing to be a Director; or
- (de) ~~becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental~~

~~disordermentally~~ disordered and incapable of managing himself or his affairs; or

- (ef) resigns from his office by notice in writing to the Company; or
- (fg) for more than six months is absent without permission of the Directors from meetings of the Directors held during that period; or
- (gh) is removed from office pursuant to a resolution passed by the Company in general meeting.

37. Article 99(1)

~~9399~~(1). The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors who may exercise all powers of the Company as are not, by the Act or by ~~these Articles~~ this Constitution, required to be exercised by the Company in general meeting. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

General power of Directors to manage Company's business

38. Article 105

~~400~~105. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall at the request of a Director summon a meeting of the Directors. A Director may participate at a meeting of Directors by conference ~~telephone conference~~ or by means of similar communication equipment whereby all persons participating in the meeting are able to hear each other, without a Director being in the physical presence ~~at the meeting~~ of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting and subject to there being a requisite quorum in accordance with Article 107, 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. Any Director may waive notice of any meeting and any such waiver may be retroactive.

Meetings of Directors

39. Article 108

~~403~~108. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to ~~the Articles of the Company~~this Constitution as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company, but for no 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*

40. Article 110

~~405~~110. The Directors may delegate any of their powers to committees of Directors consisting of ~~such member or one or more~~ members of their body ~~as they think fit~~ and (if thought fit) one or more other persons co-opted as hereinafter provided; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee.

*Power to appoint
committees*

41. Article 115

~~444~~115. Any Director may appoint a person not being a Director or an alternate Director of the Company and approved by the majority of the other Directors to be an alternate Director in his place during such period as he thinks fit. A person shall not act as alternate Director to more than one Director at the same time. Any person while he so holds office as an alternate Director shall be entitled to ~~notice~~receive notices of meetings of the Directors and shall be entitled to attend and vote thereat accordingly, and to exercise all the powers of the appointor in his place, and if his appointor is for the time being absent from Singapore or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committee of the Directors, the foregoing provisions of this paragraph shall also apply to the extent applicable to any meeting of any such committee of which his appointor is a member. An alternate Director shall not require any share qualification, and shall also *ipso facto* vacate office if the appointor vacates office as a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the extent applicable as if he were a Director. Any fee paid by the Company to the alternate Director shall be deducted from the remuneration payable to his appointor.

*Appointment of
Alternate Director*

42. **Article 124**

~~420A~~124. Any Director or 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 of Directors, 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 not kept at the ~~registered office of the Company~~, 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 ~~these presents~~ this Article may be made by any electronic means approved by the Directors for such purpose from time to time ~~for such purpose~~ incorporating, if the Directors deem necessary, the use of security and/or identification procedures ~~or~~ and devices approved by the Directors.

Authentication of documents

43. **Article 126**

~~422~~126. The Directors shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in general meeting such ~~profit and loss accounts~~ financial statements, balance ~~—~~ sheets, ~~and reports~~, statements and other documents as are required under the Act. 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 4 months (or such other period as may be permitted by the Act).

Presentation of accounts/financial statements

44. **Article 127**

~~423~~127. A copy of ~~every~~ the financial statements and, if required, the balance sheet (including every document required by law to be ~~annexed~~ attached thereto), which is duly audited and which is to be laid before the Company in general meeting ~~together with~~ accompanied by a copy of the Auditor's report thereon, shall not less than 14 days before the date of the meeting be ~~delivered or sent by post~~ delivered or sent by post 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 Statutes or of this Constitution. Provided that:-

Copies of accounts/financial statements

- (a) these documents may, subject to the listing rules of the Stock Exchange, be sent less than 14 days before the date of the meeting if all persons entitled to receive notices of meetings from

the Company so agree; and

- (b) this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

45. Article 134(2)

134(2) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

Retention of dividends pending transmission

46. Article 135

135. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

Waiver of dividends

47. Article 142

135A.142. In addition and without prejudice to the powers provided for by Articles 134.140 and 135.141, the Directors shall have power to issue shares for which no consideration is payable and/or 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 capitalise reserves for employee share-based incentive plans and Directors' remuneration

- (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting and on such terms as the Directors shall think fit; or
- (b) be held by or for the benefit of non-executive Directors as part of their remuneration under Article 85 and/or Article 87 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.

48. Article 144

~~136A~~144(1). Without prejudice to the provisions of Article ~~136~~143, but subject otherwise to the Act and any regulations made thereunder and (where applicable) the listing rules of the Stock Exchange, relating to electronic communications, any notice or document (including, without limitations limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Act or under these Articles this Constitution by the Company, or by the Directors, to a member or an officer or Auditor of the Company may be given, sent or served using electronic communications:-

Electronic communications

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

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

- (2) For the purposes of Article 144(1) above, a member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.

Implied consent

- (3) Notwithstanding Article 144(2) above, the Directors may, at their discretion, at any time give a member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

Deemed consent

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

When notice given by electronic communications deemed served

- (a) to the current address of a person pursuant to Article 144(1)(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 144(1)(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.

(5) Where a notice or document is given, sent or served to a member by making it available on a website pursuant to Article 144(1)(b), the Company shall give separate notice to the member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:-

*Notice to be given
of service on
website*

(a) by sending such separate notice to the member personally or through the post pursuant to Article 143;

(b) by sending such separate notice to the member using electronic communications to his current address pursuant to Article 144(1)(a);

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

(d) by way of announcement on the Stock Exchange.

49. Article 149

149. In the event of a winding up of the Company every member of the Company who is not for the time being in the Republic of Singapore shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder in the Republic of Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes, and where the liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in any leading daily newspaper in the English language in circulation in Singapore or by a registered letter sent through the post and addressed to such member at his address as appearing in the Register of Members or (as the case may be) the Depository Register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

*Member outside
Singapore*

50. Article 150

~~442~~150. Subject to the provisions of and so far as may be permitted by the Act, 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 in relation thereto.:-

Indemnity of Directors and officers

- ~~(i) in the execution and discharge of his duties as an officer or Auditor of the Company unless the same arises as a result of any negligence, default, breach of duty or breach of trust on his part in relation of the Company; or~~
- ~~(ii) defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application in relation thereto in which relief is granted to him by the Court.~~

51. Article 151

151. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate to the public save as may be authorised by law or required by the listing rules of the Stock Exchange.

Secrecy

52. Article 152

152(1). A member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:-

Personal data of members

- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
- (b) internal analysis and/or market research by the Company (or its agents or service providers);
- (c) investor relations communications by the Company (or its agents or service providers);
- (d) administration by the Company (or its agents or service providers) of that member's holding of shares in the Company;
- (e) implementation and administration of any service provided by the

Company (or its agents or service providers) to its members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;

(f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any general meeting (including any adjournment thereof);

(g) implementation and administration of, and compliance with, any provision of this Constitution;

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

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

(2) 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 152(1)(f) and 152(1)(h), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.

*Personal data
of proxies and/or
representatives*