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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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This Circular is issued by China XLX Fertiliser Ltd. (the “Company”). If you are in any doubt as to the action you should take, you should consult your stockbroker, registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should at once hand this Circular, the notice of the annual general meeting (the “AGM”) and attached proxy form to the purchaser or to the stockbroker or to the bank or to the agent through whom you effected the sale for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

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### **CHINA XLX FERTILISER LTD.**

**中國心連心化肥有限公司\***

*(A limited liability company incorporated in Singapore)*

**(Company Registration No. 200610384G)**

**Singapore Stock Code: B9R.SI**

**Hong Kong Stock Code: 01866**

## **RENEWAL OF GENERAL MANDATE TO ISSUE NEW SHARES AND DISCOUNT MANDATE FOR PLACEMENT EXERCISE, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the AGM of the Company to be held at Vanda 6 Room, Level 6, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on Tuesday, 27 April 2010 at 9.30 a.m. is set out on pages 11 to 15 of this Circular. If you are unable to attend the AGM, you are requested to complete and return the forms of proxy accompanying this Circular in accordance with the instructions printed thereon to the Company’s Singapore Share Transfer Agent and Principal Share Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721 (for Singapore Shareholders), or to the Company’s branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong (for Hong Kong Shareholders) as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the forms of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

\* *for identification purpose only*



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## DEFINITIONS

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*In this Circular, the following definitions apply throughout unless otherwise stated:*

“Act” or “Companies Act”	:	The Companies Act (Chapter 50) of Singapore as amended, modified or supplemented from time to time
“AGM”	:	The annual general meeting of the Company to be convened on 27 April 2010 at 9.30 a.m. at Vanda 6 Room, Level 6 Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, the notice of which is set out on pages 11 to 15 of this Circular
“Annual Report”	:	The annual report of the Company for the financial year ended 31 December 2009
“Articles”	:	The articles of association of the Company as amended, modified or supplemented from time to time
“Board” or “Board of Directors”	:	The board of directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	The chief executive officer of the Company
“Company”	:	China XLX Fertiliser Ltd., a company incorporated in Singapore with limited liability and the Shares of which are listed on the Main Board of SGX-ST and the Main Board of the SEHK
“Depositors”	:	The term “Depositors” shall have the meaning ascribed to it by section 130A of the Act
“Director”	:	A director for the time being of the Company
“Discount Mandate”	:	The proposed general and unconditional mandate to be granted to the Directors to exercise all the powers of the Company to allot and issue Shares other than on a pro rata basis at a discount of not more than 20% in accordance with the terms of the mandate

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## DEFINITIONS

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“Group”	:	The Company and its subsidiary
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Listing Rules”	:	The Rules Governing the Listing of Securities on the SEHK, as amended, modified or supplemented from time to time
“Issue Mandate”	:	The proposed general and unconditional mandate to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with Shares subject to and in accordance with the terms of the mandate
“Latest Practicable Date”	:	17 March 2010, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Memorandum”	:	The memorandum of association of the Company as amended, modified or supplemented from time to time
“M&A”	:	The Memorandum and Articles
“RMB”	:	Renminbi, the lawful currency of the People’s Republic of China
“Securities Accounts”	:	The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent (as defined in Section 130A of the Act)
“SEHK”	:	The Stock Exchange of Hong Kong Limited
“SFO”	:	The Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong, as amended, modified or supplemented from time to time

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## DEFINITIONS

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“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholder(s)”	:	Registered holder(s) of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose securities accounts such Shares are credited
“Share(s)”	:	Ordinary shares in the capital of the Company
“Singapore Listing Rules”	:	Rules of the Listing Manual, as amended, modified or supplemented from time to time
“S\$”, “SGD” or “\$” and “cents”	:	Singapore dollars and cents respectively
“%”	:	Percentage and per centum

The terms “Depository” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Act.

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

Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

Any reference to a time of a day in this Circular is a reference to Singapore time.

Any discrepancy with the tables in this Circular between the listed amounts and the totals thereof is due to rounding.

Unless otherwise stated, the following exchange rates which are used in this Circular are for information only:

RMB1.00 = HK\$1.14

S\$1.00 = HK\$5.57

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## LETTER FROM THE BOARD

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### CHINA XLX FERTILISER LTD.

中國心連心化肥有限公司\*

*(A limited liability company incorporated in the Republic of Singapore)*

**(Company Registration No. 200610384G)**

**Singapore Stock Code: B9R.SI**

**Hong Kong Stock Code: 01866**

**Directors:**

Liu Xingxu (*Chairman and Executive  
Director and CEO*)

Yan Yunhua (*Executive Director and CFO*)

Li Buwen (*Executive Director*)

Ong Kian Guan (*Lead Independent  
Non-executive Director*)

Ong Wei Jin (*Independent Non-executive Director*)

Li Shengxiao (*Independent Non-executive Director*)

**Registered Office:**

333 North Bridge Road  
#08-00 KH KEA Building  
Singapore 188721

**Principal Office in Hong Kong:**

2201-03, 22/F.  
World-Wide House  
19 Des Voeux Road Central  
Hong Kong

23 March 2010

*To the Shareholders*

Dear Sir/Madam,

**RENEWAL OF GENERAL MANDATE TO ISSUE NEW SHARES AND  
DISCOUNT MANDATE FOR PLACEMENT EXERCISE,**

**RE-ELECTION OF DIRECTORS**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this Circular also serves to provide you with information of the resolutions to be proposed at the AGM for the approval of grant of Issue Mandate and Discount Mandate, and re-election of the retiring Directors.

\* *for identification purpose only*

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 89 of the Articles, Mr Liu Xingxu and Mr Ong Kian Guan shall retire at the AGM and, being eligible, offer themselves for re-election at the AGM. The information required to be disclosed under the Hong Kong Listing Rules in relation to the retiring Directors proposed for re-election are set out in Appendix I to this Circular.

### 3. GENERAL MANDATE TO ISSUE SHARES AND DISCOUNT MANDATE FOR PLACEMENT EXERCISE

3.1 An ordinary resolution as set out in ordinary resolution no.7 in the notice of the AGM will be proposed at the AGM to seek the approval of the Shareholders to grant the Directors generally and unconditionally the Issue Mandate to allot, issue and deal with Shares whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares (collectively, “**Instruments**”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares, and/or issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution no.7) does not exceed 50% of the total number of issued Shares (excluding treasury shares) in the share capital of the Company at the time of the passing of this resolution no.7, of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to Shareholders shall not exceed 20% of the total number of issued Shares (excluding treasury shares) in the share capital of the Company. For the purpose of this resolution, the total number of issued Shares (excluding treasury shares) shall be the Company’s total number of issued Shares (excluding treasury shares) at the time this resolution no.7 is passed, after adjusting for (a) new shares arising from the conversion or exercise of convertible securities, or (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual, and (c) any subsequent bonus issue, consolidation or subdivision of the Shares.

3.2 The 50% limit in 3.1 above may be increased to 100% for issues of Shares and/or Instruments by way of a renounceable rights issue where Shareholders are entitled to participate in the same on a pro-rata basis at any time up to 31 December 2010 pursuant to the notification of the SGX-ST dated 19 February 2009 and the increased limit is subject to the conditions that the issuer makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in the annual report.

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## LETTER FROM THE BOARD

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3.3 Subject to the approval of the Issue Mandate, an ordinary resolution as set out in ordinary resolution no. 8 in the notice of the AGM will be proposed at the AGM to seek the approval of the Shareholders to grant the Directors the Discount Mandate to allot and issue Shares for cash consideration other than on a pro rata basis to Shareholders, at a discount to the higher of the Weighted Average Price (as defined below) or the Benchmark Price (as defined below), exceeding 10% but not more than 20%, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, where:

“*Weighted Average Price*” means the weighted average price of the Shares for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding market day); and

“*Benchmark Price*” means the higher of:

- (1) the closing price on the SEHK on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the Issue Mandate; and
- (2) the average closing price on the SEHK in the 5 trading days immediately prior to the earliest of: (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the Issue Mandate; (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the Issue Mandate; and (iii) the date on which the placing or subscription price is fixed,

such increase in discount limit of up to 20% to be effective up to 31 December 2010 pursuant to SGX-ST’s notification dated 19 February 2009.

3.4 Unless revoked or varied by the Company in a general meeting, the Issue Mandate shall continue in force until the conclusion of the Company’s next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier; and the Discount Mandate shall be effective until 31 December 2010.

3.5 As at the Latest Practicable Date, the number of Shares in issue was 1,000,000,000. Accordingly, the exercise of the Issue Mandate in full (other than on a pro rata basis) would enable the Company to issue a maximum of 500,000,000 new Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution). The grant of the Issue Mandate and Discount Mandate will provide flexibility to the Directors to issue new Shares when it is in the interest of the Company.

**IMPORTANT: Notwithstanding the grant of the Issue Mandate and the Discount Mandate, the Company shall from time to time comply with the relevant requirements under the Hong Kong Listing Rules in relation to issuance of securities, in particular Rules 7.19(6) and 13.36 thereof.**



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## **LETTER FROM THE BOARD**

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### **4. DIRECTORS' RECOMMENDATIONS**

- 4.1 The Board is pleased to recommend the retiring Directors, details of whom are set out in Appendix I to this Circular, for re-election at the AGM.
- 4.2 The Board considers that the grant of the Issue Mandate, Discount Mandate and the re-election of retiring Directors are in the interests of the Group and are not prejudicial to Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions relating to the Issue Mandate, the Discount Mandate and the re-election of retiring Directors to be proposed at the AGM.

### **5. ANNUAL GENERAL MEETING**

The AGM, notice of which is circulated with this Circular, is being convened at Vanda 6 Room, Level 6, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on 27 April 2010 at 9.30 a.m. for the purpose of considering and, if thought fit, passing, with or without any modifications, the resolution in relation to the grant of Issue Mandate and Discount Mandate and re-election of retiring Directors.

### **6. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote at the AGM on their behalf will find attached to this Circular a proxy form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's Singapore Share Transfer Agent and Principal Share Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721 (for Singapore Shareholders), or to the Company's Branch Share Registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (for Hong Kong Shareholders) not less than 48 hours before the time fixed for the AGM. The sending of a proxy form by a Shareholder does not preclude him from attending and voting in person at the AGM if he finds that he is able to do so. In such event, the relevant proxy form will be deemed to be revoked.

### **7. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

Where information contained in this Circular has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

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## LETTER FROM THE BOARD

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### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721, and the office of the Hong Kong Company Secretary, Rm 2201-2203, 22/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong, during normal business hours for three (3) months from the date hereof:

- (a) The Memorandum and Articles; and
- (b) The Annual Report.

### 9. GENERAL INFORMATION

Your attention is drawn to the information set out in Appendix I to this Circular.

Yours faithfully,  
For and on behalf of  
the Board of Directors  
**China XLX Fertiliser Ltd.**  
**Mr. Liu Xingxu**  
*Chief Executive Officer*

Set out below are details of the Proposed Directors to be re-elected at the AGM.

**Liu Xingxu (劉旭興)**, aged 55, is the chairman of the Board, executive Director and CEO, and is principally in charge of the Group's overall strategic direction as well as the management of the Group's day-to-day business operations. Mr. Liu has approximately 15 years of experience in the chemical fertiliser industry. He is currently the Vice Chairman of China Nitrogen Fertiliser Industry Association. Mr. Liu served in the military force of the PRC from 1972 to 1984, and held positions in various governmental bodies, such as advocacy officer of Xinxiang County's Discipline Inspection Commission, vice-mayor of Langgongmiao Town in Xinxiang County, mayor and deputy secretary of Chinese Communist Party Committee of Qiliying Town from 1984 to 1994. Mr. Liu was appointed the factory head of Xinxiang Factory, a state-owned enterprise, in charge of factory operations in 1994 and then became the general manager of Henan Xinlianxin Chemicals Group Co., Ltd. from July 2003 to July 2006. He has been general manager of Henan Xinlianxin Fertiliser Co., Ltd. since July 2006. Mr. Liu was appointed as our executive Director on 26 July 2006.

Mr. Liu graduated from Xinxiang Broadcasting and Television University in July 1986 with a Diploma in Arts. In 2006, he completed EDP (Executive Development Programs) courses from Guanghua School of Management, Peking University. In February 2003, Mr. Liu was awarded the "Provincial Safe Production Advanced Worker" and Personnel Bureau of Henan Province (河南省人事局) for outstanding performance in safety work. In April 2004, he was awarded the "Henan Province Labour Model (Advanced Worker)" and in 2005, he was awarded the "Henan Province Outstanding Private Enterprise Entrepreneur" by the People's Government of Henan Province.

Save as disclosed above, Mr. Liu does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Liu is deemed or taken to be, interested in 343,376,000 Shares (approximately 34.34% of the issued share capital of the Company) all of which are held by Pioneer Top Holdings Limited ("**Pioneer Top**"). Pioneer Top is an investment holding company established in the BVI. Mr. Liu beneficially owns approximately 42% of the equity interest in Pioneer Top, and holds the remaining 58% of the equity interest in Pioneer Top on trust for 7 beneficiaries, including approximately 16% for Li Buwen, an executive Director, and approximately 7% for Li Yushun, 7% for Ru Zhengtao, 7% for Wang Nairen and 7% for Zhang Qingjin, the Group's senior management, and approximately 7% for Zhu Xingye and 7% for Shang Dewei, the employees of the Group. Mr. Liu has the absolute discretion to exercise the voting rights held by Pioneer Top in the Company in accordance with a trust agreement dated 26 July 2006.

Save as disclosed above, Mr. Liu does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Liu has entered into a director's service agreement with the Company for an initial term of three years commencing on 8 December 2009, which may be terminated by either party thereto giving to the other not less than six months' prior written notice and is entitled to receive fixed annual monthly salary of RMB900,000 which is determined with reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibilities with the Group. Mr. Liu is also entitled to 40% of an annual incentive bonus for a sum based on the audited profit before tax of the Group for each financial year. For the year ended 31 December 2009, Mr. Liu received his salary of RMB900,000.

Save as disclosed above, there are no other matters relating to the appointment that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

**Ong Kian Guan (王建源)**, aged 42, has been appointed as the independent non-executive Director since 11 May 2007. Mr. Ong has been an audit partner with Baker Tilly TFWLCL since October 2005. He is also an independent director of three other companies listed in Singapore which includes JES International Holdings Limited, China Haida Ltd. and China Animal Healthcare Ltd. Mr. Ong graduated from the Nanyang Technological University in Singapore with a bachelor of accountancy in May 1992.

Save as disclosed above, Mr. Ong does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Ong personally and beneficially holds 100,000 Shares (approximately 0.01% of the issued share capital of the Company).

Save as disclosed above, Mr. Ong does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Pursuant to an appointment letter dated 12 November 2009, Mr. Ong has been appointed as an independent non-executive Director for a term of three years commencing on 8 December 2009 (subject to re-election by the Shareholders) unless otherwise terminated by either party by giving not less than three month's notice to the other or in accordance with other terms of the appointment letter. He shall be entitled to a remuneration of S\$50,000 per annum. All the fees and expenses properly and reasonably incurred by him in discharging his duties to the Company shall be borne by the Company. For the year ended 31 December 2009, Mr. Ong received director's fees of S\$50,000.

Save as disclosed above, there are no other matters relating to the appointment that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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### CHINA XLX FERTILISER LTD.

中國心連心化肥有限公司\*

*(Incorporated in the Republic of Singapore)*

**(Company Registration No. 200610384G)**

**Singapore Stock Code: B9R.SI**

**Hong Kong Stock Code: 01866**

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**NOTICE IS HEREBY GIVEN** that the Fourth Annual General Meeting (the “**Meeting**”) of China XLX Fertiliser Ltd. (the “**Company**”) will be held at Vanda 6 Room, Level 6 Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on Tuesday, 27 April 2010 at 9.30 a.m., to transact the following businesses:

#### ORDINARY BUSINESS

1. To receive and adopt the directors’ report and audited financial statements for the year ended 31 December 2009 and the auditors’ report thereon. (Resolution 1)
2. To declare a final dividend of S\$0.006 per ordinary share in respect of the financial year ended 31 December 2009. (Resolution 2)
3. To approve directors’ fees of S\$140,000 for the year ended 31 December 2009. (Resolution 3)
4. To re-elect Mr Liu Xingxu, a director retiring under Article 89 of the Articles of Association of the Company, as an executive director of the Company. (Resolution 4)
5. To re-elect Mr Ong Kian Guan, a director retiring under Article 89 of the Articles of Association of the Company. (Resolution 5)

*Mr Ong Kian Guan will, upon re-election as director of the Company, remain as the chairman of the audit committee and lead independent non-executive director. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and Rule 3.13 of Rules Governing the Listing of Securities (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**SEHK**”). He is also a member of the remuneration committee.*

6. To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the board of directors to fix their remuneration. (Resolution 6)

\* for identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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### AS SPECIAL BUSINESS

#### Authority to allot and issue shares

7. To consider, and if thought fit, to pass the following Ordinary Resolution (with or without amendments):-

(a) “That pursuant to Section 161 of the Companies Act, Chapter 50 (the “**Companies Act**”), and the Listing Manual and the Listing Rules, approval be and is hereby given to the directors of the Company generally and unconditionally at any time to such persons and upon such terms and for such purposes as the directors may in their absolute discretion deem fit, to:

(i) allot, issue and deal with the ordinary shares in the capital of the Company (the “**Shares**”) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares (collectively, “**Instruments**”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the directors while the authority was in force,

provided always that

(i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares), of which the aggregate number of Shares and convertible securities (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued Shares (excluding treasury shares), and for the purpose of this resolution, the total number of issued Shares (excluding treasury shares) shall be the Company’s total number of issued Shares (excluding treasury shares) at the time this resolution is passed, after adjusting for;

(a) new shares arising from the conversion or exercise of convertible securities, or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and
  - (c) any subsequent bonus issue, consolidation or subdivision of the Company's shares,
- (ii) the 50% limit in sub-paragraph (i) above may be increased to 100% for issues of shares and/or Instruments by way of a renounceable rights issue where shareholders of the Company are entitled to participate in the same on a pro-rata basis at any time up to 31 December 2010; and
  - (iii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.” (Resolution 7)  
[See Explanatory Note 1]

### **Authority to issue shares at a discount**

8. To consider, and if thought fit, to pass the following Ordinary Resolution (with or without amendments):

“That subject to and conditional upon the passing of Resolution 7 above, approval be and is hereby given to the directors of the Company at any time up to 31 December 2010 to issue shares (other than on a pro-rata basis to shareholders of the Company) at an issue price for each share which shall be determined by the directors of the Company in their absolute discretion provided that such price shall not represent a discount of more than 20% to the weighted average price of a share for trades done on the SGX-ST (as determined in accordance with the requirements of SGX-ST).” (Resolution 8)

[See Explanatory Note 2]

### **ANY OTHER BUSINESS**

9. To transact any other business that may be transacted at the Meeting.

By Order of the Board  
**Ms Foo Soon Soo**  
**Mr Jeremy Cheah Soon Ann**  
*Joint Company Secretaries*  
Singapore, 23 March 2010

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## NOTICE OF ANNUAL GENERAL MEETING

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### Explanatory Notes on Special Business to be transacted:

- 1 (a) The Ordinary Resolution 7 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to a number not exceeding in aggregate 50% of the total number of issued shares excluding treasury shares of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares at the time the resolution is passed.  
  
(b) The increased limit of up to 100% for renounceable rights issue will be effective up to 31 December 2010 pursuant to SGX-ST's notification dated 19 February 2009 and the increased limit is subject to the conditions that the issuer makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in the annual report.
2. In the Ordinary Resolution 8, the increase in the discount limit of up to 20% for the issue of shares on a non-pro rata issue basis is effective up to 31 December 2010 pursuant to SGX-ST's notification dated 19 February 2009.

**IMPORTANT: Notwithstanding the passing of the Ordinary Resolutions 7 and 8, the Company shall from time to time comply with the relevant requirements under the Hong Kong Listing Rules in relation to issuance of securities, in particular Rules 7.19(6) and 13.36 thereof.**

#### Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. The proxy form must be lodged at the Registered Office of the Company at 333, North Bridge Road, #08-00 KH KEA Building, Singapore 188721 (for Singapore Shareholders), or at the office of the Company's branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for Hong Kong Shareholders), not less than 48 hours before the Meeting.
3. If the member is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorized officer or attorney.
4. A depositor whose name appears in the Depository Register (as defined in Section 130A of the Companies Act) of the Company and who is unable to attend personally but wishes to appoint a nominee to attend and vote on his behalf, or if such depositor is a corporation, should complete the depositor proxy form under seal or the hand of its duly authorized officer or attorney and lodge the same at the office of the Company's Singapore Share Transfer Agent, KCK CorpServe Pte. Ltd. at 333, North Bridge Road, #08-00 KH KEA Building, Singapore 188721 not later than 48 hours before the time appointed for the Meeting.



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## NOTICE OF ANNUAL GENERAL MEETING

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### Notice of Books Closure Date and Dividend Payment Date

NOTICE IS HEREBY GIVEN that the Singapore Principle Share Transfer Books and Singapore Register of Members of the Company in Singapore will be closed from 11 May 2010 after 5.00 p.m. to 12 May 2010 for the purpose of determining the Members' entitlements to the dividends to be proposed at the Meeting of the Company to be held on 27 April 2010. Duly completed transfers in respect of shares in the Company received up to close of the business at 5.00 p.m. on 11 May 2010 by the Company's Singapore Principal Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road KH KEA Building #08-00, Singapore 188721 will be registered to determine Members' entitlements to such dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on 11 May 2010 will be entitled to such proposed dividend.

The Hong Kong Branch Share Register will be closed on 12 May 2010 for the purpose of determining the Members' entitlement to the dividends to be proposed at the Meeting. In order to qualify for the proposed final dividend for Hong Kong Shareholders, all transfers, accompanied by the relevant share certificates, must be lodged with the Hong Kong Branch Share Registrar of the Company, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 11 May 2010.

The dividend, if approved at the Meeting, will be paid on 27 May 2010.

By Order of the Board  
**Ms Foo Soon Soo**  
**Mr Jeremy Cheah Soon Ann**  
*Joint Company Secretaries*  
Singapore, 23 March 2010