

B. SUMMARY OF FOREIGN LAWS AND REGULATIONS

1. SALIENT PROVISIONS OF THE LAWS OF SINGAPORE

REPORTING OBLIGATIONS OF SHAREHOLDERS

1.1. Obligation to notify Company of substantial shareholding and change in substantial shareholding

Section 81 of the Companies Act

A person has a substantial shareholding in a company if he has an interest or interests in one (1) or more voting shares in the company, and the total votes attached to that share, or those shares, is not less than 5.0% of the total votes attached to all the voting shares in the company.

Section 82 of the Companies Act

A substantial shareholder of a company is required to notify the company of his interests in the voting shares in the company within two (2) business days after becoming a substantial shareholder.

Sections 83 and 84 of the Companies Act

A substantial shareholder is required to notify the company of any change in the percentage level of his shareholding or his ceasing to be a substantial shareholder, within two (2) business days after he is aware of such change. The reference to changes in “percentage level” means any changes in a substantial shareholder’s interest in the company which results in his interest, following such change, increasing or decreasing to the next discrete 1.0% threshold. For example, an increase in interests in the company from 5.1% to 5.9% need not be notified, but an increase from 5.9% to 6.1% will have to be notified.

Consequences of non-compliance

Section 89 of the Companies Act provides for the consequences of non-compliance with Sections 82, 83 and 84. Under Section 89, a person who fails to comply shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000 and in the case of a continuing offence to a further fine of S\$500 for every day during which the offence continues after conviction.

Section 90 provides for a defence to a prosecution for failing to comply with Sections 82, 83 or 84. It is a defence if the defendant proves that his failure was due to his not being aware of a fact or occurrence the existence of which was necessary to constitute the offence and that he:

- (a) was not so aware on the date of the summons; or
- (b) became so aware less than seven (7) days before the date of the summons. However, a person will conclusively be presumed to have been aware of a fact or occurrence at a particular time:
 - (i) of which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware at that time; or
 - (ii) of which an employee or agent of the person, being an employee or agent having duties or acting in relation to his master’s or principal’s interest or interests in a share or shares in the company concerned, was aware or would, if he had acted with reasonable diligence in the conduct of his master’s or principal’s affairs, have been aware at that time.

1.2 Powers of the court with respect to defaulting substantial shareholders

Section 91 of the Companies Act

Under Section 91 of the Companies Act, where a substantial shareholder fails to comply with Sections 82, 83 or 84, the Court may, on the application of the Minister, whether or not the failure still continues, make one (1) of the following orders:

- (a) an order restraining the substantial shareholder from disposing of any interest in shares in the company in which he is or has been a substantial shareholder;
- (b) an order restraining a person who is, or is entitled to be registered as, the holder of shares referred to in paragraph (a) from disposing of any interest in those shares;
- (c) an order restraining the exercise of any voting or other rights attached to any share in the company in which the substantial shareholder has or has had an interest;
- (d) an order directing the company not to make payment, or to defer making payment, of any sum due from the company in respect of any share in which the substantial shareholder has or has had an interest;
- (e) an order directing the sale of all or any of the shares in the company in which the substantial shareholder has or has had an interest;
- (f) an order directing the company not to register the transfer or transmission of specified shares;
- (g) an order that any exercise of the voting or other rights attached to specified shares in the company in which the substantial shareholder has or has had an interest be disregarded; or
- (h) for the purposes of securing compliance with any other order made under this section, an order directing the company or any other person to do or refrain from doing a specified act.

Any order made under this section may include such ancillary or consequential provisions as the Court thinks just.

The Court shall not make an order other than an order restraining the exercise of voting rights, if it is satisfied that:

- (a) the failure of the substantial shareholder to comply was due to his inadvertence or mistake or to his not being aware of a relevant fact or occurrence; and
- (b) that in all the circumstances, the failure ought to be excused.

Any person who contravenes or fails to comply with an order made under this section that is applicable to him shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$5,000 and, in the case of a continuing offence, to a further fine of S\$500 for every day during which the offence continues after conviction.

1.3 Obligation to notify the SGX-ST of substantial shareholding and change in substantial shareholding

Sections 135, 136 and 137 of the Securities and Futures Act (the "SFA")

A substantial shareholder is also required under Sections 135, 136 and 137 of the SFA to notify the company in writing, when the shareholder becomes a substantial shareholder, of changes to the percentage level of his substantial shareholding, or of his ceasing to be a substantial shareholder. Any person who fails to comply with these sections is guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000

or to imprisonment for a term not exceeding two (2) years or to both (for an individual) and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

1.4 Duty of director or chief executive officer to notify corporation of his interests

Sections 133 and 134 of the SFA

Section 133 of the SFA stipulates that every director and chief executive officer of a corporation shall give notice in writing to the corporation of particulars of, inter alia, shares in the corporation; or a related corporation of the corporation, which he holds, or in which he has an interest and the nature and extent of that interest, within two (2) business days after:

- (a) the date on which the director or chief executive officer becomes such a director or chief executive officer; or
- (b) the date on which the director or chief executive officer becomes a holder of, or acquires an interest in, the shares, whichever last occurs.

Under Section 134, any director or chief executive officer of a corporation who intentionally or recklessly contravenes Section 133 in relation to the disclosure of shares held in the corporation, or furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

1.5 Power of corporation to require disclosure of beneficial interest in its voting shares

Any corporation may, under Section 137F of the SFA, require any member of the corporation within such reasonable time as is specified in the notice (which shall comply with the requirements stipulated by the Monetary Authority of Singapore):

- (a) to inform it whether he holds any voting shares in the corporation as beneficial owner or as trustee; and
- (b) if he holds them as trustee, to indicate so far as he can the persons for whom he holds them (either by name or by other particulars sufficient to enable those persons to be identified) and the nature of their interest.

Whenever a corporation receives information from a person pursuant to a requirement imposed on him under this section with respect to shares held by a member of the corporation, it shall be under an obligation to inscribe against the name of that member in a separate part of the register kept by it under Section 137C:

- (i) the fact that the requirement was imposed and the date on which it was imposed; and
- (ii) the information received pursuant to the requirement.

Any person who intentionally or recklessly contravenes the requirement to comply with the notice, or in purported compliance with the requirement, furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

1.6 Duty of corporations to make disclosure

Section 137G of the SFA

Where a corporation has been notified in writing by a director or chief executive officer of the corporation or a substantial shareholder in respect of a change in the particulars of his shareholdings, the corporation shall announce or otherwise disseminate the information stated in the notice to the securities market operated by the securities exchange on whose official list any or all of the shares of the corporation are listed, as soon as practicable and in any case, no later than the end of the business day following the day on which the corporation received the notice.

Any corporation that intentionally or recklessly contravenes this duty of disclosure; or in purported compliance, announces or disseminates any information knowing that it is false or misleading in a material particular or reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

1.7 Duty not to furnish false statements to securities exchange, futures exchange, designated clearing house and the Securities Industry Council

Section 330 of the SFA

Under Section 330 of the SFA, any person who, with intent to deceive, makes or furnishes, or knowingly and wilfully authorises or permits the making or furnishing of, any false or misleading statement or report to any securities exchange, futures exchange, licensed trade repository, approved clearing house or recognised clearing house or any officers thereof relating to, inter alia, dealing in securities shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding two (2) years or to both.

Section 330 further provides that any person who, with intent to deceive, makes or furnishes or knowingly and wilfully authorises or permits the making or furnishing of, any false or misleading statement or report to the Securities Industry Council or any of its officers, relating to any matter or thing required by the Securities Industry Council in the exercise of its functions under the SFA shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding two (2) years or to both.

PROHIBITED CONDUCT IN RELATION TO TRADING IN THE SECURITIES OF OUR COMPANY

2.1 Prohibitions against false trading and market manipulation

Section 197 of the SFA

Section 197 of the SFA prohibits a person from:

- (a) any activities for the purpose of creating a false or misleading appearance of:
 - (i) active trading in any securities on a securities exchange; or
 - (ii) with respect to the market for, or price of, any securities on a securities exchange;
- (b) any activities that create, or is likely to create, a false or misleading appearance of active trading in any securities on a securities market, or with respect to the market for, or the price of, such securities:
 - (i) he knows that doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance; or

- (ii) he is reckless as to whether doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance; or
- (c) the purchase or sale of any securities that do not involve a change in the beneficial ownership of those securities, or by any fictitious transaction or device, maintain, inflate, depress, or cause fluctuations in, the market price of any securities.

Under Section 197(3), the purpose of a person's conduct is deemed to be the creation of a false or misleading appearance of active trading in securities on a securities market if he:

- (a) effects, takes part in, is concerned in or carries out, directly or indirectly, any transaction of purchase or sale of any securities, being a transaction that does not involve any change in the beneficial ownership of the securities;
- (b) makes or causes to be made an offer to sell any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price; or
- (c) makes or causes to be made an offer to purchase any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price,

unless he establishes that the purpose or purposes for which he did the act was not, or did not include, the purpose of creating a false or misleading appearance of active trading in securities on a securities market.

Section 197(5) provides that a purchase or sale of securities does not involve a change in the beneficial ownership if a person who had an interest in the securities before the purchase or sale, or a person associated with the first-mentioned person in relation to those securities, has an interest in the securities after the purchase or sale.

Section 197(6) provides a defence to proceedings against a person in relation to a purchase or sale of securities that did not involve a change in the beneficial ownership of those securities. It is a defence if the person establishes that the purpose or purposes for which he purchased or sold the securities was not, or did not include, the purpose of creating a false or misleading appearance with respect to the market for, or the price of, securities.

2.2 Prohibition against securities market manipulation

Section 198 of the SFA

Under Section 198(1) of the SFA, no person shall carry out directly or indirectly, two (2) or more transactions in securities of a corporation, being transactions that have, or are likely to have, the effect of raising, lowering, maintaining or stabilising the price of the securities with intent to induce other persons to purchase them.

- (a) Section 198(2) provides that transactions in securities of a corporation includes the making of:
 - (a) an offer to purchase or sell such securities of the corporation; and
 - (b) an invitation, however expressed, that directly or indirectly invites a person to offer to purchase or sell such securities of the corporation.

2.3 Prohibition against the manipulation of the market price of securities by the dissemination of misleading information and the dissemination of information about illegal transactions

Sections 199 and 202 of the SFA

Section 199 of the SFA prohibits the making of false or misleading statements. Under this provision, a person shall not make a statement, or disseminate information, that is false or misleading in a material particular and is likely to:

- (a) induce other persons to subscribe for securities;
- (b) induce the sale or purchase of securities by other persons; or
- (c) have the effect of raising, lowering, maintaining or stabilising the market price of securities,

if, when he makes the statement or disseminates the information, he either does not care whether the statement or information is true or false, or knows or ought reasonably to have known that the statement or information is false or misleading in a material particular.

Section 202 of the SFA prohibits the dissemination of information about illegal transactions. This provision prohibits the circulation or dissemination of any statement or information to the effect that the price of any securities of a corporation will or is likely to rise, fall or be maintained by reason of transactions entered into in contravention of Sections 197 to 201 of the SFA. This prohibition applies where the person who is circulating or disseminating the information or statements:

- (i) is the person who entered or purports to enter into the illegal transaction;
- (ii) is associated with the person who entered or purports to enter into the illegal transaction; or
- (iii) is the person, or associated with the person, who has received or expects to receive (whether directly or indirectly) any consideration or benefit of circulating or disseminating the information or statements.

2.4 Prohibition against fraudulently inducing persons to deal in securities

Section 200 of the SFA

Section 200 of the SFA prohibits a person from inducing or attempting to induce another person to deal in securities, by:

- (a) making or publishing any statement, promise or forecast that he knows or ought reasonably to have known to be misleading, false or deceptive;
- (b) any dishonest concealment of material facts;
- (c) the reckless making or publishing of any statement, promise or forecast that is misleading, false or deceptive; or
- (d) recording or storing in, or by means of, any mechanical, electronic or other device information that he knows to be false or misleading in a material particular, unless it is established that, at the time when the person so recorded or stored the information, he had no reasonable grounds for expecting that the information would be available to any other person.

2.5 Prohibition against employment of manipulative and deceptive devices

Section 201 of the SFA

Section 201 of the SFA prohibits a person from, directly or indirectly, in connection with the subscription, purchase or sale of any securities:

- (a) employing any device, scheme or artifice to defraud;
- (b) engaging in any act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, upon any person;
- (c) making any statement he knows to be false in a material particular; or
- (d) omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

2.6 Prohibition against insider trading

Sections 218 and 219 of the SFA

Sections 218 and 219 of the SFA prohibit persons from dealing in securities of a corporation if the person knows or reasonably ought to know that he is in possession of information that is not generally available, and if it were generally available, might have a material effect on the price or value of securities of that corporation. Such persons include officers and substantial shareholders of a corporation or a related corporation, and persons who occupy a position reasonably expected to give him access to inside information by virtue of professional or business relationship with the corporation or a related corporation, or by being an officer of a substantial shareholder in that corporation or in a related corporation.

For an alleged contravention of Section 218 or 219, Section 220 makes it clear that it is not necessary for the prosecution or the plaintiff to prove that the accused person or defendant intended to use the information referred to in Section 218(1)(a) or (1A)(a) or 219(1)(a) in contravention of Section 218 or 219, as the case may be.

Section 216 of the SFA

Section 216 sets out when a reasonable person would be taken to expect information to have a material effect on the price or value of securities. Section 216 provides that a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the first-mentioned securities.

2.7 Penalties

Section 232 of the SFA

Section 232 of the SFA provides that the Monetary Authority of Singapore may, with the consent of the Public Prosecutor, bring an action in a court against the offender to seek an order for a civil penalty in respect of any contravention. If the court is satisfied on the balance of probabilities that the contravention resulted in the gain of a profit or avoidance of a loss by the offender, the court may make an order against him for the payment of a civil penalty of a sum:

- (a) not exceeding 3 times the amount of the profit that the person gained; or the amount of the loss that he avoided, as a result of the contravention; or
- (b) equal to S\$50,000 if the person is not a corporation, or S\$100,000 if the person is a corporation,

whichever is the greater.

If the court is satisfied on a balance of probabilities that the contravention did not result in the gain of a profit or avoidance of a loss by the offender, the court may make an order against him for the payment of a civil penalty of a sum not less than S\$50,000 and not more than S\$2 million.

Section 204 of the SFA

Any person who contravenes Sections 197 to 203 of the SFA is guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding seven (7) years or to both under Section 204 of the SFA. Section 204 further provides that no proceedings shall be instituted against a person for the offence after a court has made an order against him for the payment of a civil penalty under Section 232 of the SFA, or if the person has entered into an agreement with the Monetary Authority of Singapore to pay, with or without admission of liability, a civil penalty under section 232(5) in respect of that contravention.

Section 221 of the SFA

Any person who contravenes Sections 218 or 219 of the SFA, is guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding seven (7) years or to both under Section 221 of the SFA. Section 221 further provides that no proceedings shall be instituted against a person for an offence in respect of a contravention of Section 218 or 219 after a court has made an order against him for the payment of a civil penalty under Section 232 of the SFA, or if the person has entered into an agreement with the Monetary Authority of Singapore to pay, with or without admission of liability, a civil penalty under Section 232(5) in respect of that contravention.

TAKEOVER OBLIGATIONS

3.1 Offences and obligations relating to takeovers

Section 140 of the SFA

Section 140 of the SFA provides that a person shall not give notice or publicly announce that he intends to make a take-over offer if he has:

- (a) no intention to make a take-over offer; or
- (b) no reasonable or probable grounds for believing that he will be able to perform his obligations if the take-over offer is accepted or approved, as the case may be. A person who contravenes Section 140 is guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding seven (7) years or to both.

3.2 Obligations under the Singapore Code on Take-overs and Mergers (the “Singapore Takeover Code”) and the consequences of non-compliance Obligations under the Singapore Takeover Code

The Singapore Takeover Code regulates the acquisition of ordinary shares of public companies and contains certain provisions that may delay, deter or prevent a future takeover or change in control of our Company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of our Company’s voting Shares, or, if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of our Company’s voting Shares, and if he (or parties acting in concert with him) acquires additional voting Shares representing more than 1.0% of our Company’s voting Shares in any six month period, must, except with the consent of the Securities Industry Council in Singapore, extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Takeover Code.

“Persons acting in concert” comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Shares in a company, to obtain or consolidate effective control of that company. Without prejudice to the general

application of this definition, the following individuals and companies are presumed to be acting in concert with each other (unless the contrary is established). They are as follows:

- (a) a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company and its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company and its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser and its clients in respect of Shares held by the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- (f) directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- (g) partners; and
- (h) an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

In the event that one of the abovementioned trigger-points is reached, the person acquiring an interest (the "Offeror") must make a public announcement stating, inter alia, the terms of the offer and its identity. The Offeror must post an offer document not earlier than 14 days and not later than 21 days from the date of the offer announcement. An offer must be kept open for at least 28 days after the date on which the offer document was posted.

If a revised offer is proposed, the Offeror is required to give a written notice to the offeree company and our shareholders, stating the modifications made to the matters set out in the offer document. The revised offer must be kept open for at least 14 days from the date of posting of the written notification of the revision to shareholders. Where the consideration is varied, shareholders who agree to sell before the variation are also entitled to receive the increased consideration.

A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the six months preceding the acquisition of Shares that triggered the mandatory offer obligation.

Under the Singapore Takeover Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

3.3 Consequences of non-compliance with the requirements under the Singapore Takeover Code

The Singapore Takeover Code is non-statutory in that it does not have the force of law. Therefore, as provided in Section 139(8) of the SFA, a failure of any party concerned in a take-over offer or a matter connected therewith to observe any of the provisions of the Singapore Takeover Code shall not of itself render that party liable to criminal proceedings. However, the failure of any party to observe any of the provisions of the Singapore Takeover Code may, in any civil or criminal proceedings, be relied upon by any party to the proceedings as tending to establish or to negate any liability which is in question in the proceedings.

Section 139 further provides that the Securities Industry Council has the power, in the exercise of its functions, to enquire into any matter or thing related to the securities industry and may, for this purpose, summon any person to give evidence on oath or affirmation or produce any document or material necessary for the purpose of the enquiry.

3.4 Compulsory Acquisition under the Companies Act

Following the conclusion of an offer, pursuant to section 215 of the Companies Act, if an offeror acquires 90.0% of the shares of the offeree company, it may, by notice to the dissenting shareholders, sell its shares to it. In calculating the 90% threshold, shares held or acquired by the Offeror, its related corporations and their respective nominees are excluded. The notice must be sent within two months of the satisfaction of the 90% threshold. The shareholder whose shares are thus to be acquired may apply to Court for an order that the offeror is not entitled to acquire the shares, or specifying different acquisition. Where an offeror could acquire the holdings of minority shareholders but does not, a minority shareholder may serve a notice requiring the offeror to do so within three (3) months from the date of receipt of notice from offeror of the fact that the offeror has acquired 90% of the shares of the offeree company. The offeror is then obliged to acquire the shareholder 's shares on the same terms as the other shares were acquired during the offer.

MINORITY RIGHTS

Section 216 of the Companies Act The rights of minority shareholders of Singapore- incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any shareholder of our Company, as they think fit to remedy any of the following situations:

- (a) the affairs of our Company are being conducted or the powers of our Board are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the shareholders; or
- (b) our Company has taken an action, or threatens to take an action, or the shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the shareholders, including the applicant.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- (i) direct or prohibit any act or cancel or vary any transaction or resolution;
- (ii) regulate the conduct of the affairs of the company in the future;
- (iii) authorise civil proceedings to be brought in the name of, or on behalf of, the company by a person or persons and on such terms as the court may direct;
- (iv) provide for the purchase of the shares of the company by other members of the company or by the company itself;
- (v) in the case of a purchase of shares by the company provide for a reduction accordingly of the company's capital;

- (vi) order the amendment of the company's constitution; or
- (vii) provide that the company be wound up.

EXCHANGE CONTROLS

There are no Singapore governmental laws, decrees, regulations or other legislation that may affect the following:

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of a company's securities.

MEMBERS' REQUISITION TO CONVENE EXTRAORDINARY GENERAL MEETINGS

Section 176 of the Companies Act

Section 176 of the Companies Act provides that the directors shall, on the requisition of members holding at the date of the deposit of the requisition not less than 10.0% of the total number of paid-up shares as at the date of the deposit carries the right of voting at general meetings or, in the case of a company not having a share capital, of members representing not less than 10.0% of the total voting rights of all members having at that date a right to vote at general meetings, immediately proceed duly to convene an extraordinary general meeting of the company to be held as soon as practicable but in any case not later than two (2) months after the receipt by the company of the requisition.

For the purpose of section 176 of the Companies Act. Any of our Company's paid-up shares as treasury Shares shall be disregarded.

Section 183 of the Companies Act provides that a company is under a duty, on the requisition in writing of such number of members, to:

- (a) give to members of such company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
- (b) circulate to such members any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The number of members as required for such a requisition shall be any number of members representing not less than 5.0% of the total voting rights of all members having at the date of the requisition a right to vote at the meeting to which the requisition relates; or not less than 100 members holding shares in the company on which there has been paid up an average sum, per member, of not less than S\$500.

2. SINGAPORE TAXATION

2.1 Dividend Distributions

Under the one-tier corporate taxation system in Singapore, income tax paid by a company resident in Singapore is a final tax. Any dividend paid by a Singapore tax resident company to our shareholders is tax exempt. Where a shareholder is a non-resident for Singapore tax purposes, the dividend it receives is not subject to any withholding tax in Singapore.

As our Company is a Singapore tax resident company, the one-tier corporate taxation system applies to any dividend it may distribute to our shareholders. Nonetheless, we recommend that our Shareholders, in particular foreign shareholders, consult their professional advisers on the potential applicability, if any, of tax

laws (including any Double Taxation Agreements) in other countries that may have an effect on the tax incidence in those countries.

2.2 Gains on Disposals of Ordinary Shares

Singapore does not impose a capital gains tax. There are no specific statutory laws or regulations which deal with the characterization of whether a gain is revenue or capital in nature. The characterization would usually depend on the attributes and principal business activities of the taxpayer, and the material facts and circumstances surrounding the purchase and sale of a particular asset.

In most cases, any gains or profits derived from the disposal of shares acquired and held as long-term investments will generally be regarded as gains of a capital nature and not subject to Singapore income tax. On the other hand, if the gains or profits are construed to be of an income nature, it is subject to Singapore income tax. This would be the case if the gains or profits arise from or are otherwise connected with activities which may amount to the carrying on of a trade or business of dealing in shares.

Where a disposal of our Shares by a company occurs at any time between now and May 31, 2022, any gains or profits derived therefrom is exempt from income tax if, immediately prior to the date of share disposal, the divesting company has legally and beneficially owned at least 20% of our Shares for a continuous period of at least 24 months. For all other disposals, the taxability of any gains or profits in Singapore will be based on the general principles set out above.

In addition, a corporate shareholder who applies, or who is required to apply, the Singapore Financial Reporting Standard 39 Financial Instruments – Recognition and Measurement (“**SFRS 39**”) for the purposes of Singapore income tax may be required to recognise revenue gains or losses (i.e. excluding capital gains or losses) in accordance with the requirements of SFRS 39 (as modified by the applicable provisions of Singapore income tax law) notwithstanding that no sale or disposal of our Shares has been made. The taxability and deductibility of such revenue gains or losses would depend on the classification of our Shares in the financial statements of the corporate shareholder pursuant to the requirements of SFRS 39. However, as the precise treatment will vary from shareholder to shareholder, we recommend that shareholders consult their professional advisers on the Singapore income tax consequences arising from any acquisition, holding or disposal of our Shares.

2.3 Stamp Duty

No stamp duty is payable on the subscription or issuance of our Shares. Stamp Duty is also not payable on any transfer of our Shares if it is effected electronically through the CDP, provided that no written agreement or instrument relating to its transfer is executed. Where any such document is executed in connection with such a transfer, we recommend that parties to the transfer consult their professional advisers to determine if stamp duty is payable.

Where the title to any existing Share is evidenced in certificated form, stamp duty may payable on any document or instrument of transfer of such Shares if it is executed in Singapore, or subsequently received in Singapore. The stamp duty payable is levied at the rate of S\$0.20 for every S\$100.00 or any part thereof of the consideration paid for or market value of the Shares, whichever is higher. The purchaser is liable for the payment of the stamp duty, unless it is otherwise agreed by the parties to the transfer.

No stamp duty is payable if a dutiable instrument of transfer or document is executed outside Singapore. However, stamp duty may be payable if a dutiable instrument of transfer or document executed outside Singapore is subsequently received in Singapore.

2.4 Estate Duty

Singapore estate duty was abolished with effect from February 15, 2008.

2.5 Goods and Services Tax (“GST”)

The transfer of our Shares by a GST-registered person belonging in Singapore is an exempt supply. Where in the course or furtherance of a business carried on by a GST-registered person, our Shares are sold under a contract with a person who belongs in a country outside Singapore (and who is outside Singapore at the time of supply), to directly benefit that person, the sale may be a taxable supply subject to GST at zero rate. We recommend that investors consult their professional advisers on the chargeability of GST on the purchase and sale of our Shares.

Any GST incurred by a GST-registered person on the provision of taxable supplies made to him in the course of making zero-rated supplies for the purpose of his business may, subject to the provisions of the GST legislation, generally be recoverable as an input tax credit. Where the input tax incurred on taxable supplies made to a GST-registered person is attributable to an exempt supply made by him, he is generally not eligible for an input tax credit unless he satisfies certain conditions prescribed under the GST legislation or by the Comptroller of GST.

In relation to the sale or purchase of our Shares, the taxable supplies that may be made by a GST-registered person to an investor include services such as brokerage and handling services. The supply of such services will be subject to GST at the prevailing rate of 7.0% if it is made by a person belonging in Singapore. The supply made shall be charged at zero-rate if the services are rendered under a contract with an investor belonging outside Singapore (and who is outside Singapore at the time of supply) provided that the services are made in the course of or in furtherance of a business carried on by the GST-registered person for the direct benefit of that investor.

3. SUMMARY OF MAJOR DIFFERENCES BETWEEN CERTAIN APPLICABLE HONG KONG AND SINGAPORE LAWS AND REGULATION

The Shares are currently listed on the SGX-ST and the Hong Kong Stock Exchange. Our Company sets out below a summary of the major differences between the Hong Kong Listing Rules and the Listing Manual, certain applicable laws and regulations of Singapore and Hong Kong, the takeover rules under the Singapore Takeover Code, the HK Takeovers Code and certain relevant legislations concerning companies with listed securities.

However, this summary is for general guidance only and is not and shall not be relied on as legal advice or any other advice to Shareholders. The summary is not meant to be a comprehensive or exhaustive description of all the relevant Singapore and Hong Kong laws, rules and regulations. In addition, Shareholders should also note that the laws, rules and regulations applicable to our Company and Shareholders may change, whether as a result of proposed legislative reforms to the Singapore or Hong Kong laws, rules or regulations or otherwise.

Prospective investors and/or Shareholders should consult their own legal advisors for specific legal advice concerning their legal rights and obligations under Singapore laws and Hong Kong laws. In the event of any conflict between the Hong Kong Listing Rules and the Listing Manual, our Company shall comply with the more restrictive and stringent rule. The Sponsor and our Directors are not aware of any major conflicts between the Hong Kong Listing Rules and the Listing Manual, which may cause difficulties to our Company to comply with the rules under both regimes.

HONG KONG LISTING RULES AND HONG KONG LAWS

LISTING MANUAL AND SINGAPORE LAWS

REPORTING REQUIREMENTS

1. Issuers in Hong Kong are required to comply with disclosure obligations under the Hong Kong Listing Rules upon the occurrence of the events which are prescribed under such rules.

Issuers in Singapore are required to comply with disclosure obligations under the Listing Manual upon the occurrence of the events which are prescribed in the Listing Manual.

Our Company must announce any information released to SGX-ST on the website of the Hong Kong Stock Exchange at the same time as the information is released to SGX-ST.

In the case that our Company makes a disclosure pursuant to Singapore laws, it will make the same disclosure in Hong Kong.

Chapter 13 of the Hong Kong Listing Rules (Continuing Obligations)

Chapter 7 of the Listing Manual (Continuing Obligations)

Rule 13.09, Hong Kong Listing Rules: General Obligation of Disclosure

Rule 703, Listing Manual: Disclosure of Material Information

- (1) Without prejudice to Rule 13.10 of the Hong Kong Listing Rules, where in the view of the Hong Kong Stock Exchange there is or there is likely to be a false market in an issuer's securities, the issuer must, as soon as reasonably practicable after consultation with the Hong Kong Stock Exchange, announce the information necessary to avoid a false market in its securities.

- (1) An issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which:
 - (a) is necessary to avoid the establishment of a false market in the issuer's securities; or
 - (b) would be likely to materially affect the price or value of its securities.

- (2) Where an issuer is required to disclose inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), it must also simultaneously announce the information.
- (2) Rule 703(1) does not apply to information which it would be a breach of law to disclose.
- (3) Rule 703(1) does not apply to particular information while each of the following conditions applies:-

Rule 13.10B, Hong Kong Listing Rules: Announce Information Disclosed to Other Stock Exchanges

An issuer must announce any information released to any other stock exchange on which its securities are listed at the same time as the information is released to that other exchange.

Condition 1: a reasonable person would not expect the information to be disclosed;

Condition 2: the information is confidential; and

Condition 3: one or more of the following applies:

- (a) the information concerns an incomplete proposal or negotiation;
- (b) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- (c) the information is generated for the internal management purposes of the entity; and/or
- (d) the information is a trade secret.

(4) In complying with the SGX-ST’s disclosure requirements, an issuer must:

- (a) observe the Corporate Disclosure Policy set out in Appendix 7.1 of the Listing Manual; and
- (b) ensure that its directors and executive officers are familiar with the SGX-ST’s disclosure requirements and Corporate Disclosure Policy.

(5) The SGX-ST will not waive any requirements under this Rule.

Rule 13.51, Hong Kong Listing Rules: Notification on Changes

An issuer must publish an announcement as soon as practicable in regard to:

- (1) any proposed alteration of the issuer’s memorandum or articles of association or equivalent documents;

Rule 704, Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:-

General

- (1) Any change of address of the registered office of the issuer or of any office at which the

- (2) any changes in its directorate or supervisory committee, and shall procure that each new director or supervisor or member of its governing body shall sign and lodge with the Hong Kong Stock Exchange as soon as practicable after their appointment a declaration and undertaking. Where a new director, supervisor or chief executive is appointed or the resignation, re-designation, retirement or removal of a director, supervisor or chief executive takes effect, the issuer must announce the change as soon as practicable and include the details of any newly appointed or re-designated director, supervisor or chief executive in the announcement;
- (3) any change in the rights attaching to any class of listed securities and any change in the rights attaching to any shares into which any listed debt securities are convertible or exchangeable;
- (4) any change in its auditors or financial year end, the reason(s) for the change and any other matters that need to be brought to the attention of holders of securities of the issuer;
- (5) any change in its secretary, share registrar (including any change in overseas branch share registrar) or registered address or where applicable, agent for the service of process in Hong Kong or registered office or registered place of business in Hong Kong;
- (6) any change in its compliance adviser; and
- (7) any revision of interim reports, annual reports or summary financial reports, the reason leading to the revision of published financial reports, and the financial impacts.
- register of members or any other register of securities of the issuer is kept.
- (2) Any proposed alteration to the memorandum of association or articles of association or constitution of the issuer (note also that Rule 730 requires issuers to seek the SGX-ST's approval for any alteration to their articles or constituent documents).
- (4) Any call to be made on partly paid securities of the issuer or of any of its principal subsidiaries.
- (5) Any qualification or emphasis of a matter by the auditors on the financial statements of:-
- (a) the issuer; or
- (b) any of the issuer's subsidiaries or associated companies, if the qualification or emphasis of a matter has a material impact on the issuer's consolidated accounts or the group's financial position.
- (6) If an issuer has previously announced its preliminary full-year results, any material adjustment to the issuer's preliminary full year results made subsequently by auditors.

Appointment or cessation of service

- (7) (a) Any appointment or cessation of service of a key person such as a director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer. The announcement of an appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager, qualified person or other executive officer of equivalent authority must contain the information contained in Appendix 7.4.1 or Appendix 7.4.2, as the case may be.
- (b) In the case of a cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager or other executive officer of equivalent authority, such persons must inform the SGX-ST in writing as soon as possible if he is aware of any irregularities

Rule 13.25A, Hong Kong Listing Rules: Changes in Issued Shares

- (1) An issuer must, whenever there is a change in its issued shares as a result of or in connection with any of the events referred to in Rule 13.25A(2) of the Hong Kong Listing Rules, submit for publication on the SEHK's website information as the Hong Kong Stock Exchange may from time to time prescribe by not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the

business day next following the relevant event.

(2) The events referred to in Rule 13.25A(1) of the Hong Kong Listing Rules are as follows:

(a) any of the following:

- (i) placing;
- (ii) consideration issue;
- (iii) open offer;
- (iv) rights issue;
- (v) bonus issue;
- (vi) scrip dividend;
- (vii) repurchase of shares or other securities;
- (viii) exercise of an option under the issuer's share option scheme by any of its directors;
- (ix) exercise of an option other than under the issuer's share option scheme by any of its directors;
- (x) capital reorganisation; or
- (xi) change in issued shares not falling within any of the categories referred to in Rule 13.25A(2)(a)(i) to (x) or Rule 13.25A(2)(b) of the Hong Kong Listing Rules; and

(b) Subject to Rule 13.25A(3) of the Hong Kong Listing Rules, any of the following:

- (i) exercise of an option under a share option scheme other than by a director of the issuer;
- (ii) exercise of an option other than under a share option scheme not by a director of the issuer;
- (iii) exercise of a warrant;
- (iv) conversion of convertible securities; or

in the issuer which would have a material impact on the group, including financial reporting.

- (8) Any appointment or reappointment of a director to the audit committee.
- (9) Any appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the issuer to a managerial position in the issuer or any of its principal subsidiaries.
- (10) Any promotion of an appointee referred to in Rule 704(9).
- (11) Any appointment of, or change in legal representative(s) (or person(s) of equivalent authority, however described), appointed as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, with sole powers to represent, exercise rights on behalf of, the issuer and/or that principal subsidiary.
- (12) For issuers with principal subsidiaries based in jurisdictions other than Singapore, any of its independent directors' appointment or cessation of service from the boards of these principal subsidiaries.
- (13) Within 60 days after each financial year, the issuer must make an announcement of each person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer as set out in Appendix 7.2 Part II. If there are no such persons, the issuer must make an appropriate negative statement. The SGX-ST may require the issuer to provide additional information on any such person, including his remuneration, any changes to his duties, responsibilities and remuneration package.

Appointment of Special Auditors

- (14) The SGX-ST may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to the SGX-ST or the issuer's Audit Committee or such other party as the SGX-ST may direct. The issuer may be required by the SGX-ST to immediately announce the requirement, together with such other information as the

- (v) redemption of shares or other securities.
- (3) The disclosure obligation for an event in Rule 13.25A(2)(b) of the Hong Kong Listing Rules only arises where:
- (a) the event, either individually or when aggregated with any other events described in that rule which have occurred since the listed issuer published its last monthly return under Rule 13.25B of the Hong Kong Listing Rules or last return under this Rule 13.25A (whichever is the later) of the Hong Kong Listing Rules, results in a change of 5.0% or more of the listed issuer's issued shares; or
 - (b) an event in Rule 13.25A(2)(a) of the Hong Kong Listing Rules has occurred and the event in Rule 13.25A(2)(b) of the Hong Kong Listing Rules has not yet been disclosed in either a monthly return published under Rule 13.25B of the Hong Kong Listing Rules or a return published under this Rule 13.25A of the Hong Kong Listing Rules.
- (4) For the purposes of Rule 13.25A(3) of the Hong Kong Listing Rules, the percentage change in the listed issuer's issued shares is to be calculated by reference to the listed issuer's total number of issued shares as it was immediately before the earliest relevant event which has not been disclosed in a monthly return published under Rule 13.25B of the Hong Kong Listing Rules or a return published under this Rule 13.25A of the Hong Kong Listing Rules.

SGX-ST directs. The issuer may be required by the SGX-ST to announce the findings of the special auditors.

Rule 13.25B, Hong Kong Listing Rules: Monthly Return

A listed issuer shall, by no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the fifth business day next following the end of each calendar month, submit for publication on the SEHK's website a monthly return in relation to movements in the listed issuer's equity securities, debt securities and any other securitised instruments, as applicable, during the period to which the monthly return relates, in such form and containing such

information as the Hong Kong Stock Exchange may from time to time prescribe (irrespective of whether there has been any change in the information provided in its previous monthly return). Such information includes, among other things, the number as at the close of such period of equity securities, debt securities and any other securitised instruments, as applicable, issued and which may be issued pursuant to options, warrants, convertible securities or any other agreements or arrangements.

General Meetings

Rule 13.73, Hong Kong Listing Rules: Notices

The issuer shall ensure that notice of every meeting of our shareholders or its creditors concerning the issuer (e.g. for winding up petitions, schemes of arrangement or capital reduction) is published in accordance with Rule 2.07C of the Hong Kong Listing Rules. The issuer shall despatch a circular to our shareholders at the same time as (or before) the issuer gives notice of the general meeting to approve the transaction referred to in the circular. The issuer shall provide our shareholders with any material information on the subject matter to be considered at a general meeting that comes to the directors' attention after the circular is issued. The issuer must provide the information either in a supplementary circular or by way of an announcement in accordance with Rules 2.07C of the Hong Kong Listing Rules not less than ten (10) business days before the date of the relevant general meeting to consider the subject matter. The meeting must be adjourned before considering the relevant resolution to ensure compliance with this ten (10) business day requirement by the chairman or, if that is not permitted by the issuer's constitutional documents, by resolution to that effect.

Rules 13.39(4) and (5), Hong Kong Listing Rules: Meetings of Shareholders

Any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

The issuer must announce the meeting's poll results as soon as possible, but in any event at least thirty (30) minutes before the earlier of either the commencement of the morning trading

General Meetings

- (15) The date, time and place of any general meeting. All notices convening meetings must be sent to shareholders at least 14 calendar days before the meeting (excluding the date of notice and the date of meeting). For meetings to pass special resolution(s), the notice must be sent to shareholders at least 21 calendar days before the meeting (excluding the date of notice and the date of meeting).
- (16) Immediately after each general meeting and before the commencement of the pre-opening session on the market day following the general meeting, whether the resolutions put to a general meeting of an issuer were passed. The announcement shall include:

- (a) Breakdown of all valid votes cast at the general meeting, in the following format:

Resolu tion no. and details	Total no. of shares repres ented by votes for and against the releva nt resolut ion	No. of Shares	For	As	Against
			As a percen tage of total numbe r of votes for and against the resolut ion (%)	As a percen tage of total numbe r of votes for and against the resolut ion (%)	
[•]	[•]	[•]	[•]	[•]	[•]

- (b) Details of parties who are required to abstain from voting on any resolution(s), including the number of shares held and the

session or any pre-opening session on the business day after the meeting.

Paragraph E.1.3 in Appendix 14, Hong Kong Listing Rules: Communication with Shareholders - Effective Communication

The issuer should arrange for the notice to shareholders to be sent for annual general meetings at least twenty (20) clear business days before the meeting and to be sent at least ten (10) clear business days for all other general meetings.

Rule 13.23(1), Hong Kong Listing Rules: Notifiable Transactions, Connected Transactions, Takeovers and Share Repurchases

An issuer must announce details of acquisitions and realisations of assets and other transactions required by Chapters 14 and 14A of the Hong Kong Listing Rules and, where applicable, must circularise holders of its securities with details and obtain their approval thereto.

Rules 14.06 and 14.07, Hong Kong Listing Rules: Classification and Explanation of Terms

Under Chapter 14 of the Hong Kong Listing Rules, the transaction classification is made by using the percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules. The classifications are:

individual resolution(s) on which they are required to abstain from voting; and

- (c) Name of firm and/or person appointed as scrutineer.

Rule 730A, Listing Manual: Facilitating Interaction with Shareholders

- (1) An issuer shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.
- (2) All resolutions at general meetings shall be voted by poll.
- (3) At least one scrutineer shall be appointed for each general meeting. The appointed scrutineer(s) shall be independent of the persons undertaking the polling process. Where the appointed scrutineer is interested in the resolution(s) to be passed at the general meeting, it shall refrain from acting as the scrutineer for such resolution(s).
- (4) The appointed scrutineer shall exercise the following duties:
 - (a) ensuring that satisfactory procedures of the voting process are in place before the general meeting; and
 - (b) directing and supervising the count of the votes cast through proxy and in person.

Acquisitions and Realisations

- (17) Any acquisition of:-
 - (a) shares resulting in the issuer holding 10.0% or more of the total number of issued shares excluding treasury shares of a quoted company;
 - (b) except for an issuer which is a bank, finance company, securities dealing company or approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5.0% of the issuer's latest audited consolidated net tangible assets;
 - (c) shares resulting in a company becoming a subsidiary or an associated company of the

- (1) share transaction: an acquisition of assets (excluding cash) by a listed issuer where the consideration includes securities for which listing will be sought and where all percentage ratios are less than 5.0%;
- (2) disclosable transaction: a transaction or a series of transactions by a listed issuer where any percentage ratio is 5.0% or more, but less than 25.0%;
- (3) major transaction: a transaction or a series of transactions by a listed issuer where any percentage ratio is 25.0% or more, but less than 100.0% for an acquisition or 75.0% for a disposal;
- (4) very substantial disposal: a disposal or a series of disposals of assets by a listed issuer where any percentage ratio is 75.0% or more;
- (5) very substantial acquisition: an acquisition or a series of acquisitions of assets by a listed issuer where any percentage ratio is 100.0% or more; and
- (6) reverse takeover: an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of the Hong Kong Stock Exchange, constitutes, or is part of a transaction or arrangement or series of transactions or arrangements which constitute, an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirements for new applicants set out in Chapter 8 of the Hong Kong Listing Rules.

The relevant category that a transaction falls under depends on the following percentage ratios computed on the following bases:-

- (1) assets ratio: the total assets which are the subject of the transaction divided by the total assets of the listed issuer;
- (2) profits ratio: the profits attributable to the assets which are the subject of the transaction divided by the profits of the listed issuer;
- (3) revenue ratio: the revenue attributable to the assets which are the subject of the transaction divided by the revenue of the listed issuer;
- (4) consideration ratio: the consideration divided

issuer; and

- (d) shares resulting in the issuer increasing its shareholding in a subsidiary or an associated company.

(18) Any sale of:

- (a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares of a quoted company;
- (b) except for an issuer which is a bank, a finance company, a securities dealing company or an approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment in quoted securities falling below each multiple of 5% of the issuer's latest audited consolidated net tangible assets;
- (c) shares resulting in a company ceasing to be a subsidiary or an associated company of the issuer; and
- (d) shares resulting in the issuer reducing its shareholding in a subsidiary or an associated company.

(19) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10 of the Listing Manual.

Chapter 10 of the Listing Manual (Acquisitions and Realisations)

Part IV Classification of Transactions Rule 1004, Listing Manual

Under Chapter 10, transactions are classified as:—

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

Rule 1005, Listing Manual

In determining whether a transaction falls within category (a), (b), (c) or (d) of Rule 1004, SGX-ST

by the total market capitalisation of the listed issuer. The total market capitalisation is the average closing price of the listed issuer's securities as stated in the SEHK's daily quotations sheets for the five (5) business days immediately preceding the date of the transaction; and

- (5) equity capital ratio: the number of shares to be issued by the listed issuer as consideration divided by the total number of the listed issuer's issued shares immediately before the transaction.

Rule 14.34, Hong Kong Listing Rules: Notification and Announcement

As soon as possible after the terms of a share transaction, discloseable transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover have been finalized, the listed issuer must in each case inform the Hong Kong Stock Exchange and publish an announcement as soon as possible.

Rules 14.38A to 14.57, Hong Kong Listing Rules: Additional Requirements for Major Transaction, Very Substantial Disposal, Very Substantial Acquisition and Reverse Takeover

For a major transaction, very substantial disposal and very substantial acquisition, the shareholders' approval is required, while the approvals from both the shareholders and the Hong Kong Stock Exchange are required for reverse takeover.

may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

Rule 1006, Listing Manual

The relevant category that a transaction falls under depends on the size of the relative figures computed on the following bases:-

- (a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets;
- (b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits;
- (c) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares;
- (d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue; and
- (e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.

Transactions are categorised as follows in the Listing Manual:-

- **Rule 1008(1):** non-discloseable transaction: where all of the relative figures computed on the bases set out in Rule 1006 amount to 5.0% or less;
- **Rule 1010:** discloseable transaction: where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5.0% but does not exceed 20.0%;
- **Rule 1014(1):** major transaction: where any of the relative figures computed on the bases set out in Rule 1006 exceeds 20.0%; and
- **Rule 1015(1):** very substantial acquisition or

reverse takeover: where an acquisition of assets (whether or not the acquisition is deemed in the issuer's ordinary course of business) is one where any of the relative figures as computed on the bases set out in Rule 1006 is 100.0% or more, or is one which will result in a change in control of the issuer, the transaction is classified as a very substantial acquisition or reverse takeover respectively.

Where a transaction is classified as a discloseable transaction, major transaction or very substantial acquisition/reverse takeover, our Company must make an immediate announcement.

For very substantial acquisitions/reverse takeovers, the issuer must also immediately announce the latest three (3) years of *pro forma* financial information of the assets to be acquired.

Further, transactions that are major transactions are conditional upon the prior approval of shareholders. Very substantial acquisitions/reverse takeovers transactions are conditional upon the approval of shareholders and the approval of the SGX-ST.

A circular to shareholders will need to be distributed to seek shareholders' approval. The disclosures required to be made in such circular for these types of transactions are prescribed in the Listing Manual.

Rule 13.25, Hong Kong Listing Rules: Winding-up and Liquidation

An issuer shall inform the Hong Kong Stock Exchange of the happening of any of the following events as soon as it comes to its attention:

- (a) the appointment of a receiver or manager either by any court having jurisdiction or under the terms of a debenture or any application to any court having jurisdiction for the appointment of a receiver or manager, or equivalent action in the country of incorporation or other establishment, in respect of the business or any part of the business of the issuer or the property of the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the Hong Kong Listing Rules;
- (b) the presentation of any winding-up petition, or equivalent application in the country of

Rule 704, Listing Manual: Announcement of Specific Information Winding Up, Judicial Management, etc.

- (20) Any application filed with a court to wind up the issuer or any of its subsidiaries, or to place the issuer or any of its subsidiaries under judicial management.
- (21) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.
- (22) Any breach of any loan covenants or any notice received from principal bankers or from the trustee of any debenture holders to demand repayment of loans granted to the issuer or any of its subsidiaries which, in the opinion of the issuer's directors, would result in the issuer facing a cash flow problem.
- (23) Where Rule 704(20), (21) or (22) applies, a monthly update must be announced regarding

incorporation or other establishment, or the making of any winding-up order or the appointment of a provisional liquidator, or equivalent action in the country of incorporation or other establishment, against or in respect of the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the Hong Kong Listing Rules;

- (c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the Hong Kong Listing Rules that it be wound up by way of members' or creditors' voluntary winding-up, or equivalent action in the country of incorporation or other establishment;
- (d) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5.0% under any of the percentage ratios defined under Rule 14.04(9) of the Hong Kong Listing Rules; or
- (e) the making of any final judgment, declaration or order by any court or tribunal of competent jurisdiction whether on appeal or at first instance which is not subject to any or further appeal, which may adversely affect the issuer's enjoyment of any portion of its assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5.0% under any of the percentage ratios defined under Rule 14.04(9) of the Hong Kong Listing Rules.

Rules 13.25(1)(a), (b) and (c) of the Hong Kong Listing Rules will apply to a subsidiary of the issuer if the value of that subsidiary's total assets, profits or revenue represents 5.0% or more under any of the percentage ratios defined under Rule 14.04(9) of the Hong Kong Listing Rules.

Rule 13.09(1), Hong Kong Listing Rules: General Obligation of Disclosure

Without prejudice to Rule 13.10 of the Hong Kong Listing Rules, where in the view of the Hong Kong Stock Exchange there is or there is likely to be a false market in an issuer's securities, the issuer must, as soon as reasonably practicable after consultation with the Hong Kong Stock

the issuer's financial situation. If any material development occurs between the monthly updates, it must be announced immediately.

Announcement of Results, Dividends, etc.

- (24) Any recommendation or declaration of a dividend (including a bonus or special dividend, if any), the rate and amount per share and date of payment. If dividends are not taxable in the hands of shareholders, this must be stated in the announcement and in the dividend advice to shareholders. If there is a

Exchange, announce the information necessary to avoid a false market in its securities.

Rules 13.45(1) and (2), Hong Kong Listing Rules: After Board Meetings

An issuer shall inform and announce immediately after approval by or on behalf of the board of:

- (1) any decision to declare, recommend or pay any dividend or to make any other distribution on its listed securities, including the rate and amount of the dividend or distribution and the expected payment date;
- (2) any decision not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in due course.

material variation in the interim or final dividend rate compared to that for the previous corresponding period, the directors must state the reasons for the variation at the time the dividend is recommended or declared. If the directors decide not to declare or recommend a dividend, this must be announced.

- (25) After the end of each of the first three (3) quarters of its financial year, half year or financial year, as the case may be, an issuer must not announce any:-

- (a) dividend;
- (b) capitalisation or rights issue;
- (c) closing of the books;
- (d) capital return;
- (e) passing of a dividend; or
- (f) sales or turnover

unless it is accompanied by the results of the quarter, half year or financial year, as the case may be, or the results have been announced.

Rule 13.66, Hong Kong Listing Rule: Closure of Books and Record Date

- (1) An issuer must announce any closure of its transfer books or register of members in respect of securities listed in Hong Kong at least six (6) business days before the closure for a rights issue, or ten (10) business days before the closure in other cases. In cases where there is an alteration of book closing dates, the issuer must, at least five (5) business days before the announced closure or the new closure, whichever is earlier, notify the Hong Kong Stock Exchange in writing and make a further announcement.
- (2) An issuer must ensure that the last day for trading in the securities with entitlements falls at least one (1) business day after the general meeting, if the entitlements require the approval of shareholders in the general meeting or are contingent on a transaction that is subject to the approval of shareholders in the general meeting.

Books Closure

- (26) Any intention to fix a books closure date, stating the date, reason and address of the share registry at which the relevant documents will be accepted for registration. At least five (5) market days of notice (excluding the date of announcement and the books closure date) must be given for any books closure date. Issuers could consider a longer notice period, where necessary. Subject to the provisions of the Companies Act, the SGX-ST may agree to a shorter books closure period. In fixing a books closure date, an issuer must ensure that the last day of trading on a cum basis falls at least one (1) day after the general meeting, if a general meeting is required to be held.
- (27) The issuer must not close its books for any purpose until at least eight (8) market days after the last day of the previous books closure period. This rule does not prohibit identical books closure dates for different purposes.

Treasury Shares

- (28) Any sale, transfer, cancellation and/or use of treasury shares, stating the following:-
- (a) date of the sale, transfer, cancellation and/or use;
 - (b) purpose of such sale, transfer, cancellation and/or use;
 - (c) number of treasury shares sold, transferred, cancelled and/or used;
 - (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
 - (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
 - (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

Chapter 17 of the Hong Kong Listing Rules (Share Option Schemes)

Rule 17.02, Hong Kong Listing Rules: Adoption of a new scheme

The adoption of share option scheme of the issuer or any of its subsidiaries is subject to the approval of the shareholders of the issuer in general meeting.

Rule 17.03, Hong Kong Listing Rules: Terms of the scheme

The total number of securities which may be issued upon the exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10.0% of the relevant class of securities of the issuer (or the subsidiary) in issue as at the date of approval of the scheme. Options lapsed in accordance with the terms of the scheme will not be counted for the purpose of calculating the 10.0% limit.

The issuer may seek shareholders' approval to "refresh" the 10.0% limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer (or the subsidiary) under the limit as "refreshed" must not exceed 10.0% of the relevant

Share Option Schemes or Share Schemes

Rule 843(3), Listing Manual

The approval of an issuer's shareholders must be obtained for any share option scheme or share scheme implemented by:-

- (a) the issuer; and
- (b) a principal subsidiary of the issuer if the scheme may cause Rule 805(2) to apply.

Rule 843(4), Listing Manual

If shareholders' approval is not required pursuant to Rule 843(3), an issuer must announce the principal terms of any such share option scheme or share scheme implemented by its subsidiaries.

Rule 844, Listing Manual

Participation in a scheme must be restricted to directors and employees of the issuer and its subsidiaries, except that:-

- (1) directors and employees of an associated company of the issuer may participate in the scheme if the issuer has control over the associated company.

class of securities in issue as at the date of approval of the limit.

The terms and provisions of the scheme must provide, *inter alia*:

- (i) the total number of securities which may be issued upon exercise of all options to be granted under the scheme and any other schemes must not in aggregate exceed 10.0% of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the scheme - the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30.0% of the relevant class of securities of the listed issuer (or the subsidiary) in issue from time to time. No options may be granted under any schemes of the listed issuer (or the subsidiary) if this will result in the limit being exceeded. The period within which the securities must be taken up under the option, which must not be more than ten (10) years from the date of grant of the option, and the life of the scheme, which must not be more than 10 years;
- (ii) the maximum entitlement of each participant under the scheme (including both exercised and outstanding options) in any twelve (12) month period must not exceed 1.0% of the relevant class of securities of the issuer (or the subsidiary) in issue; and
- (iii) basis of determination of the exercise price - the exercise price of the scheme, which must be at least the higher of: (i) the closing price of the securities as stated in SEHK's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the securities as stated in SEHK's daily quotations sheets for the five (5) business days immediately preceding the date of grant. For the purpose of calculating the exercise price where an issuer has been listed for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing.

Rule 17.04(1), Hong Kong Listing Rules: Granting Options to a Director, Chief Executive or Substantial Shareholder of a

- (2) directors and employees of the issuer's parent company and its subsidiaries who have contributed to the success and development of the issuer may participate in the scheme.

Rule 845, Listing Manual

A limit on the size of each scheme, the maximum entitlement for each class or category of participant (where applicable), and the maximum entitlement for any one participant (where applicable) must be stated. For SGX-ST main board issuers, the following limits must not be exceeded:-

- (1) the aggregate number of shares available under all schemes must not exceed 15.0% of the total number of issued shares excluding treasury shares from time to time;
- (2) the aggregate number of shares available to controlling shareholders and their associates must not exceed 25.0% of the shares available under a scheme;
- (3) the number of shares available to each controlling shareholder or his associate must not exceed 10.0% of the shares available under a scheme;
- (4) the aggregate number of shares available to directors and employees of the issuer's parent company and its subsidiaries must not exceed 20.0% of the shares available under a scheme; and
- (5) the maximum discount under the scheme must not exceed 20.0%. The discount must have been approved by shareholders in a separate resolution.

Rule 847, Listing Manual

The exercise price of options to be granted must be set out. Options granted at a discount may be exercisable after two (2) years from the date of grant. Other options may be exercisable after one (1) year from the date of grant.

Listed Issuer, or any of their Respective Associates

In addition to the shareholders' approval set out in note (1) to Rule 17.03(3) of the Hong Kong Listing Rules and the note to Rule 17.03(4) of the Hong Kong Listing Rules, each grant of options to a director, chief executive or substantial shareholder of a listed issuer, or any of their respective associates, under a scheme of the listed issuer or any of its subsidiaries must comply with the requirements of this Rule 17.04(1) of the Hong Kong Listing Rules. Each grant of options to any of these persons must be approved by independent non-executive directors of the listed issuer (excluding independent non-executive director who is the grantee of the options).

Where any grant of options to a substantial shareholder or an independent non-executive director of the listed issuer, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve (12) month period up to and including the date of such grant, (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and (b) (where the securities are listed on the Hong Kong Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HKD five million (5,000,000), such further grant of options must be approved by shareholders of the listed issuer. The listed issuer must send a circular to the shareholders. The grantee, his associates and all core connected persons of the listed issuer must abstain from voting in favour at such general meeting.

Rule 17.06A, Hong Kong Listing Rules: Announcement on Grant of Options

As soon as possible upon the granting by the issuer of an option under its share option scheme, the issuer must publish an announcement setting out the following details:-

- (1) date of grant;
- (2) exercise price of the options grant;
- (3) number of options granted;

Rule 704(29): Announcement on employee share option scheme

(29) Any grant of options or shares. The announcement must be made on the date of the offer and provide details of the grant, including the following:-

- (a) date of grant;
- (b) exercise price of options granted;
- (c) number of options or shares granted;

- (4) market price of its securities on the date of grant;
 - (5) where any of the grantees is a director, chief executive or substantial shareholder of the issuer, or an associate of any of them, the names of such grantees and the number of options granted to each of them; and
 - (6) validity period of the options.
- (d) market price of its securities on the date of grant;
 - (e) number of options or shares granted to each director and controlling shareholder (and each of their associates), if any; and
 - (f) validity period of the options.

2. Rules 13.46 to 13.50, Hong Kong Listing Rules: Disclosure of Financial Information

Announcement of financial results and annual reports

Distribution of annual report and accounts

Rule 705, Listing Manual: Financial Statements

An issuer is required to send (i) every member of the issuer; and (ii) every other holder of its listed securities (not being bearer securities), a copy of either (a) its annual report including its annual accounts and, where the issuer prepares consolidated financial statements, its consolidated financial statements, together with a copy of the auditors' report thereon or (b) its summary financial report not less than twenty-one (21) days before the date of the issuer's annual general meeting and in any event not more than four (4) months after the end of the financial year to which they relate.

(1) An issuer must announce the financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.

(2) An issuer must announce the financial statements for each of the first three (3) quarters of its financial year immediately after the figures are available, but in any event not later than 45 days after the quarter end if:-

- (a) its market capitalisation exceeded S\$75 million as at 31 March 2003; or
- (b) it was listed after 31 March 2003 and its market capitalisation exceeded S\$75 million at the time of listing (based on the IPO issue price); or

Interim reports

In respect of the first six (6) months of each financial year of an issuer unless that financial year is of six (6) months or less, the issuer shall send (i) every member of the issuer; and (ii) every other holder of its listed securities (not being bearer securities), either (a) an interim report, or (b) a summary interim report not later than three (3) months after the end of that period of six (6) months.

(c) its market capitalisation is S\$75 million or higher on the last trading day of each calendar year commencing from 31 December 2006. An issuer whose obligation falls within this sub-section (c) will have a grace period of a year to prepare for quarterly reporting. As an illustration, an issuer whose market capitalisation is S\$75 million or higher as at the end of the calendar year 31 December 2006 must announce its quarterly financial statements for any quarter of its financial year commencing in 2008. Notwithstanding the grace period, all issuers whose obligation falls under this sub-section (c) are strongly encouraged to adopt quarterly reporting as soon as possible.

Preliminary announcements of results – Full financial year

An issuer shall publish its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is thirty (30) minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than three (3) months after the end of the financial year.

(3) (a) An issuer who falls within the sub-sections

Preliminary announcements of results – First half of the financial year

The issuer shall publish a preliminary announcement in respect of its results for the first six (6) months of each financial year, unless that financial year is of six (6) months or less, as soon as possible, but in any event not later than the time that is thirty (30) minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than two (2) months after the end of that period of six (6) months.

Rule 4.03, Hong Kong Listing Rules: Reporting Accountants

All accountants' reports must normally be prepared by certified public accountants who are qualified under the Professional Accountants Ordinance for appointment as auditors of a company and who are independent both of the issuer and of any other company concerned to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the requirements on independence issued by the Hong Kong Institute of Certified Public Accountants.

in Rule 705(2) above must comply with Rule 705(2) even if its market capitalisation subsequently decreases below S\$75 million.

- (b) An issuer who does not fall within the subsections in Rule 705(2) above must announce its first half financial statements immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.
- (4) Notwithstanding the foregoing, with respect to the first announcement to be made by the issuer pursuant to Rules 705(1) or (2) following its listing on the SGX-ST, where the time period between the date of its listing and the final date for the issuer to make the relevant announcement pursuant to Rule 705(1) or (2) above is less than 30 days, the issuer shall have 30 days from the relevant deadline to make the relevant announcement of the financial statements provided that the following conditions are satisfied:-
 - (a) the extension is announced by the issuer at the time of the issuer's listing; and
 - (b) in the announcement referred to in paragraph (a), the issuer must confirm that there is no material adverse change to the financial position of the issuer since the date of its prospectus or introductory document in connection with its listing on SGX-ST.
- (5) In the case of an announcement of interim financial statements (quarterly or half-yearly, as applicable, but excluding full year financial statements), an issuer's directors must provide a confirmation that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect. In order to make this confirmation, directors would not be expected to commission an audit of these financial statements. The confirmation may be signed by two (2) directors on behalf of the board of directors.

Rule 712, Listing Manual: Appointment of Auditors

- (1) An issuer must appoint a suitable auditing firm to meet its audit obligations, having regard to

the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit.

- (2) The auditing firm appointed by the issuer must be:-
 - (a) registered with the Accounting and Corporate Regulatory Authority;
 - (b) registered with and/or regulated by an independent audit oversight body acceptable to the SGX-ST; or
 - (c) any other auditing firm acceptable by the SGX-ST.
- (3) A change in auditors must be specifically approved by shareholders in a general meeting.

Rule 713, Listing Manual

- (1) An issuer must disclose in its annual report the date of appointment and the name of the audit partner in charge of auditing the issuer and its group of companies. The audit partner must not be in charge of more than five (5) consecutive audits for a full financial year, the first audit being for the financial year beginning on or after 1 January 1997, regardless of the date of listing. The audit partner may return after two (2) years.
- (2) If the listing of an issuer occurs after five (5) consecutive audits by the same audit partner in charge, the same audit partner may complete the audit of the financial year in which the issuer lists.

Rule 707, Listing Manual

- (1) The time between the end of an issuer's financial year and the date of its annual general meeting (if any) must not exceed four (4) months.
- (2) 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.

3. Public Float Requirement

Chapter 8 of the Hong Kong Listing Rules (Qualifications for Listing)

Rule 8.08(1), Hong Kong Listing Rules: Qualifications for listing

Save and except for the circumstances specified under Chapter 8 of the Hong Kong Listing Rules, an issuer must maintain at least 25.0% of its total number of issued shares at all times be held by the public.

4. Shareholders' Reporting Obligations

Part XV of the SFO: Disclosure of Interests by Substantial Shareholders

The Hong Kong Listing Rules require that the interests held by directors and chief executives and substantial shareholders (i.e. shareholders interested in 10.0% or more of the voting power) be disclosed in annual reports, interim reports and circulars of the listed company.

The SFO and the Outline (the “**Outline**”) of Part XV of the SFO – Disclosure of Interests issued by the Securities and Futures Commission (the “**Commission**”) provides that a substantial shareholder (i.e. shareholder interested in 5.0% or more of the shares in the listed company) is required to disclose his interest, and short positions, in the shares of the listed company, within ten (10) business days after first becoming a substantial shareholder, or to disclose his changes in percentage figures of his shareholdings in the listed company or ceasing to be a substantial shareholder within three (3) business days after becoming aware of the relevant events. Please see to Section 2.7 of the Outline for examples of relevant events.

Rule 723, Listing Manual

An issuer must ensure that at least 10.0% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

Rule 724, Listing Manual

- (1) If the percentage of securities in public hands falls below 10.0%, the issuer must, as soon as practicable, make an announcement and the SGX-ST may suspend trading of the class, or all of the securities of the issuer.
- (2) The SGX-ST may allow the issuer a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of securities in public hands to at least 10.0%, failing which the issuer may be delisted.

Obligation to notify our Company and SGX-ST of substantial shareholding and change in substantial shareholding

Substantial shareholder

Under the Companies Act, a substantial shareholder (i.e. shareholder having not less than 5.0% of the total votes attached to all the voting shares in the company) of a company shall within two (2) business days after becoming a substantial shareholder, or when there is a change in the percentage level (as defined in the Companies Act) of the substantial shareholder's interest, or when he ceases to be a substantial shareholder, give notice in writing to the company.

Under the Securities and Futures Act (Cap 289) (“**SFA**”), a substantial shareholder shall within two (2) business days after becoming a substantial shareholder, or when there is a change in the percentage level of the substantial shareholder's interest, or when he ceases to be a substantial shareholder give notice in writing to the SGX-ST.

Section 81 of the Companies Act

A person has a substantial shareholding in a company if he has an “interest” in one (1) or more voting shares in the company, and the total votes attached to those shares is not less than 5.0% of the total votes attached to all the voting shares in the company.

Section 82 of the Companies Act

A substantial shareholder of a company is required to notify the company of his “interests” in the voting shares in the company within two (2) business days after becoming a substantial shareholder.

Sections 83 and 84 of the Companies Act

A substantial shareholder is required to notify the company of changes in the “percentage level” of his shareholding or his ceasing to be a substantial shareholder, again within two (2) business days after he becomes aware of such changes.

The reference to changes in “percentage level” means any changes in a substantial shareholder’s interest in the company which results in his interest, following such change, increasing or decreasing to the next discrete 1.0% threshold. For example, an increase in interests in the company from 5.1% to 5.9% need not be notified, but an increase from 5.9% to 6.1% will have to be notified.

Sections 135 to 137, SFA

A substantial shareholder is also required to give the above notifications to the SGX-ST at the same time.

5. Part XV of the SFO: Disclosure of Interests by Directors and Chief Executives

A director or a chief executive of a listed company is required to disclose his interest and short position in any shares in a listed company (or any of its associated companies) and their interest in any debentures of the listed company (or any of its associated companies) within ten (10) business days after becoming a director or chief executives of the listed company or within three (3) business days after becoming aware of the relevant events.

If a person, who is both a substantial shareholder and a director of the listed company concerned under the SFO, such person may have separate duties to file notices (one in each capacity) as a result of a single event. For example, a person who is interested in 5.9% of the shares of a listed company and buys a further 0.2% will have to file a notice because he is a director (and therefore has to disclose all transactions) and will also have to file a notice as a substantial shareholder because his interest has crossed the 6.0% level.

Directors

Under Section 164(1) of the Companies Act, a company shall keep a register showing with respect to each director and chief executive officer of the company particulars of:-

- (a) shares;
- (b) debentures of or participatory interests;
- (c) rights or options of the director; and
- (d) contracts to which the director (or the chief executive officer) or under which he is entitled to a benefit,

of the company or a related company. A director or chief executive officer of a company shall be deemed to hold or have an interest or a right in or over any shares or debentures if the spouse or child of less than 18 years of age of that director or chief executive officer holds or has an interest or a right in or over any shares or debentures or makes or is granted any contract, assignment or right of subscription.

Under Section 165(1) of the Companies Act, a director and chief executive officer of a company shall give notice in writing to the company of such particulars relating to shares, debentures, participatory interests, rights, options and contracts as are necessary for the purposes of compliance by the first-mentioned company with Section 164, among other disclosure requirements.

Securities and Futures (Amendment) Act 2009

The Securities and Futures (Amendment) Act 2009 (the “**Amendment Act**”) has, *inter alia*, migrated all the disclosure obligations in the Companies Act into the Singapore SFA and has also introduced new disclosure requirements, for example, the requirement for foreign incorporated companies which have a primary listing on the SGX-ST to comply with the disclosure obligations in the Singapore SFA. The new amendments to the Singapore SFA expand the current scope of disclosure obligations.

Under the Amendment Act, the disclosure obligations currently under the Singapore SFA and the Companies Act have been consolidated and inserted into the Singapore SFA.

Duty of director or chief executive officer to notify corporation of his interests

Sections 133 and 134 of the SFA

Section 133 of the SFA stipulates that every director and chief executive officer of a corporation shall give notice in writing to the corporation of particulars of, *inter alia*, shares in the corporation; or a related corporation of the corporation, which he holds, or in which he has an interest and the nature and extent of that interest, within two (2) business days after:-

- (a) the date on which the director or chief executive officer becomes such a director or chief executive officer; or
- (b) the date on which the director or chief executive officer becomes a holder of, or acquires an interest in, the shares,

whichever last occurs.

Under Section 134, any director or chief executive officer of a corporation who intentionally or recklessly contravenes Section 133 in relation to the disclosure of shares held in the corporation, or furnishes any information which he knows is false

or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

Power of corporation to require disclosure of beneficial interest in its voting shares

Any corporation may, under Section 137F of the SFA, require any member of the corporation within such reasonable time as is specified in the notice (which shall comply with the requirements stipulated by the Monetary Authority of Singapore):-

- (a) to inform it whether he holds any voting shares in the corporation as beneficial owner or as trustee; and
- (b) if he holds them as trustee, to indicate so far as he can the persons for whom he holds them (either by name or by other particulars sufficient to enable those persons to be identified) and the nature of their interest.

Whenever a corporation receives information from a person pursuant to a requirement imposed on him under this section with respect to shares held by a member of the corporation, it shall be under an obligation to inscribe against the name of that member in a separate part of the register kept by it under Section 137C:-

- (i) the fact that the requirement was imposed and the date on which it was imposed; and
- (ii) the information received pursuant to the requirement.

Any person who intentionally or recklessly contravenes the requirement to comply with the notice, or in purported compliance with the requirement, furnishes any information which he knows is false or misleading in a material particular or is reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 or to imprisonment for a term not exceeding two (2) years or to both and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

Duty of corporation to make disclosure

Section 137G of the SFA

Where a corporation has been notified in writing by a director or chief executive officer of the corporation or a substantial shareholder in respect of a change in the particulars of his shareholdings, the corporation shall announce or otherwise disseminate the information stated in the notice to the securities market operated by the securities exchange on whose official list any or all of the shares of the corporation are listed, as soon as practicable and in any case, no later than the end of the business day following the day on which the corporation received the notice.

Any corporation that intentionally or recklessly contravenes this duty of disclosure; or in purported compliance, announces or disseminates any information knowing that it is false or misleading in a material particular or reckless as to whether it is, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$250,000 and, in the case of a continuing offence, to a further fine not exceeding S\$25,000 for every day or part thereof during which the offence continues after conviction.

Restrictions and notification requirements on issuers purchasing their own shares on a stock exchange

Rule 10.05, Hong Kong Listing Rules

Subject to the provisions of the Code on Share Buy-backs, an issuer may purchase its shares on the Hong Kong Stock Exchange or on another stock exchange recognised for this purpose by the Commission and the Hong Kong Stock Exchange. All such purchases must be made in accordance with Rule 10.06 of the Hong Kong Listing Rules. The Code on Share Buy-backs must be complied with by an issuer and its directors and any breach thereof by an issuer will be a deemed breach of the Hong Kong Listing Rules and the Hong Kong Stock Exchange may in its absolute discretion take such action to penalise any breach of this paragraph or the listing agreement as it shall think appropriate. It is for the issuer to satisfy itself that a proposed purchase of shares does not contravene the Code on Share Buy-backs.

Rule 10.06, Hong Kong Listing Rules

Share Buyback

(a) Shareholder Approval

Rule 881, Listing Manual

An issuer may purchase its own shares if it has obtained the prior specific approval of shareholders in general meeting.

Rule 882, Listing Manual

A share buy-back may only be made by way of on-market purchases transacted through the SGX-ST's trading system or on another stock exchange on which the issuer's equity securities are listed ("market acquisition") or by way of an off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Companies Act. Unless a lower limit is prescribed under the issuer's law of incorporation, such share buy-back shall not exceed 10.0% of the total number of issued ordinary shares in the capital of the issuer as at the date of the resolution passed by shareholders for the share buy-back.

An issuer with primary listing on the Hong Kong Stock Exchange may only purchase its shares on the Hong Kong Stock Exchange if the relevant shares are fully-paid up, the issuer has previously sent to the shareholders an explanatory statement complying with the provisions of Rule 10.06(1)(b) of the Hong Kong Listing Rules and that the shareholders of the issuer have given a specific approval or a general mandate to the directors to make such a purchase, provided that the number of shares so purchased under the general mandate shall not exceed 10.0% of the number of issued shares of the issuer as at the date of the passing of the relevant shareholders' resolution granting the mandate of purchase.

Rule 10.06(1)(b), Hong Kong Listing Rules: Explanatory statement

For the purpose of obtaining shareholders' approval, the issuer must have previously sent to our shareholders an explanatory statement containing all the information reasonably necessary to enable those shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the purchase by the issuer of shares including the information set out below:-

- (1) a statement of the total number and description of the shares which the issuer proposes to purchase;
- (2) a statement by the directors of the reasons for the proposed purchase of shares;
- (3) a statement by the directors as to the proposed source of funds for making the proposed purchase of shares, which shall be funds legally available for such purposes in accordance with the issuer's constitutive documents and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;
- (4) a statement as to any material adverse impact on the working capital or gearing position of the issuer (as compared with the position disclosed in its most recent published audited accounts) in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period, or an appropriate negative statement;
- (5) a statement of the name of any directors, and

Rule 883, Listing Manual

For the purpose of obtaining shareholder approval, the issuer must provide at least the following information to shareholders:-

- (1) the information required under the Companies Act;
- (2) the reasons for the proposed share buy-back;
- (3) the consequences, if any, of share purchases by the issuer that will arise under the Singapore Takeover Code or other applicable takeover rules;
- (4) whether the share buy-back, if made, could affect the listing of the issuer's equity securities on the SGX-ST;
- (5) details of any share buy-back made by the issuer in the previous 12 months, giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (6) whether the shares purchased by the issuer will be cancelled or kept as treasury shares.

(b) Dealing Restrictions:

Rule 884, Listing Manual

In the case of a Market Purchase, the purchase price must not exceed 105.0% of the average closing price ("Average Closing Price").

"Average Closing Price" means the average of the closing market prices of a share over the last five (5) market days preceding the day of the market purchase on which transactions in the shares were recorded and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.

Rule 885, Listing Manual

In the case of off-market acquisition in accordance with an equal access scheme, an issuer must issue an offer document to all shareholders containing at least the following information:-

- (1) terms and conditions of offer;

to the best of the knowledge of the directors having made all reasonable enquiries, any close associates of the directors, who have a present intention, in the event that the proposal is approved by shareholders, to sell shares to the issuer, or an appropriate negative statement;

- (6) a statement that the directors have undertaken to the Hong Kong Stock Exchange to exercise the power of the issuer to make purchases pursuant to the proposed resolution in accordance with the Hong Kong Listing Rules and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;
- (7) a statement as to the consequences of any purchases which will arise under the HK Takeovers Code of which the directors are aware, if any;
- (8) a statement giving details of any purchases by the issuer of share made in previous six (6) months (whether on the Hong Kong Stock Exchange or otherwise) giving the date of each purchase and the purchase price per share or the highest and lowest prices paid for such purchases, where relevant;
- (9) a statement as to whether or not any core connected persons of the issuer have notified the issuer that they have a present intention to sell shares to the issuer or have undertaken not to sell any of the shares held by them to the issuer, in the event that the issuer is authorised to make purchases of shares;
- (10) a statement giving the highest and lowest prices at which the relevant shares have traded on the Hong Kong Stock Exchange during each of the previous twelve (12) months; and
- (11) the disclaimer of the Hong Kong Stock Exchange in the form set out under the Hong Kong Listing Rules.

Rule 10.06(2), Hong Kong Listing Rules: Dealing Restrictions

The buy-back of shares by an issuer is subject to various dealing restrictions, including, among others, that an issuer shall not purchase its shares on the Hong Kong Stock Exchange if the

(2) period and procedures for acceptances; and

(3) information in Rule 883(2), (3), (4), (5) and (6).

(c) Reporting Requirements

Rule 886(1), Listing Manual

Where an issuer purchases its shares by way of a market purchase, the issuer shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9:00 a.m. on the market day following the day of purchase of any of its shares.

In a case of an off market purchase under an equal access scheme, an issuer must notify the SGX-ST by 9:00 a.m. on the second market day after the close of acceptances of the offer.

Rule 886(2), Listing Manual

Notification of a purchase by the issuer of its shares must be in the form of Appendix 8.3.2 of the Listing Manual for an issuer with a dual listing on another stock exchange. Such notification would include, *inter alia*, the name of the overseas exchange on which the company's shares are also listed, the maximum number of shares authorised for purchase, details of the total number of shares authorised for purchase, the date of purchases, the total number of shares purchased, the purchase price per share, the highest and lowest prices paid for such shares, the total purchase consideration, the cumulative number of shares purchased to date and the number of issued shares after the purchase.

purchase price is higher by 5.0% or more than the average closing market price for the five (5) preceding trading days on which its shares were traded on the Hong Kong Stock Exchange.

Rule 10.06(4), Hong Kong Listing Rules: Reporting Requirements

- (a) An issuer is required to submit for publication to the Hong Kong Stock Exchange within thirty (30) minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a purchase of shares (whether on the Hong Kong Stock Exchange or otherwise), the total number of shares purchased by the issuer the previous day, the purchase price per share or the highest and lowest prices paid for such purchases, where relevant, and shall confirm that those purchases which were made on the Hong Kong Stock Exchange were made in accordance with the Hong Kong Listing Rules and if the issuer's primary listing is on the Hong Kong Stock Exchange, that there have been no material changes to the particulars contained in the explanatory statement. In respect of purchases made on another stock exchange, the issuer's report must confirm that those purchases were made in accordance with the domestic rules applying to purchases on that other stock exchange. Such reports shall be made on a return in such form and containing such information as the Hong Kong Stock Exchange may from time to time prescribe. In the event that no shares are purchased on any particular day then no return need be made to the Hong Kong Stock Exchange. The issuer should make arrangements with its brokers to ensure that they provide to the issuer in a timely fashion the necessary information to enable the issuer to make the report to the Hong Kong Stock Exchange.
- (b) An issuer is also required to include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the number of shares purchased each month (whether on the Hong Kong Stock Exchange or otherwise) and the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid by the issuer for

such purchases. The directors' report shall contain reference to the purchases made during the year and the directors' reasons for making such purchases.

Solicitation for Proxy

Investors holding securities in listed companies listed on the Hong Kong Stock Exchange through CCASS who want to attend the shareholders' meetings in person or appoint proxies to vote on their behalf have to solicit for proxy by giving instructions to CCASS directly or through their broker firms (as the case may be) to authorise the investors as corporate representatives or proxies of Hong Kong Securities Clearing Company Limited Nominees (or any successor thereto) in respect of such shareholding of the investors in the listed companies.

Depositors who wish to attend and vote at the extraordinary general meeting, and whose names are shown in the records of the Central Depository (Pte) Limited ("CDP") as at a time not earlier than 72 hours prior to the time of the extraordinary general meeting supplied by CDP to the company, may attend the extraordinary general meeting in person. Such depositors who are individuals and who wish to attend the extraordinary general meeting in person need not take any further action and can attend and vote at the extraordinary general meeting.

Issuance of New Shares, Convertible Bonds or Bonds with Warrants

Sections 140 and 141, HKCO: Allotment and Issues of Shares

The directors of a company may exercise a power (i) to allot shares in the company; or (ii) to grant rights to subscribe for, or to convert any security into, shares in the company, only if the company gives approval in advance by resolution of the company.

Rules 13.36(1) to (3), Hong Kong Listing Rules: Pre-emptive rights

Except in the circumstances, mentioned in Rule 13.36(2) of the Hong Kong Listing Rules:

- (a) the directors of the issuer shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting: (i) shares; (ii) securities convertible into shares; or (iii) options, warrants or similar rights to subscribe for any shares or such convertible securities; and
- (b) the directors of the issuer shall obtain consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.

No such consent as is referred to in Rule 13.36(1)(a) of the Hong Kong Listing Rules shall be required:

Power of Directors to Allot and Issue Shares

The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the constitution of that company.

However, notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to authorise the directors to exercise any power of the company to issue shares. Such approval need not be specific but may be general.

Rule 805, Listing Manual

Except as provided in Rule 806, an issuer must obtain the prior approval of shareholders in general meeting for the following:-

- (1) the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer; or
- (2) if a principal subsidiary of an issuer issues shares or convertible securities or options that will or may result in:-
 - (a) the principal subsidiary ceasing to be a subsidiary of the issuer; or
 - (b) a percentage reduction of 20.0% or more of the issuer's equity interest in the principal subsidiary.

- (a) for the allotment, issue or grant of such securities pursuant to an offer made to the shareholders of the issuer which excludes for that purpose any shareholder that is resident in a place outside Hong Kong provided the directors of the issuer consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings; or
- (b) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of (i) 20.0% of the number of issued shares of the issuer as at the date of the resolution granting the general mandate (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in Rule 7.14(3) of the Hong Kong Listing Rules, 20.0% of the number of issued shares of an overseas issuer following the implementation of such scheme) and (ii) the number of such securities repurchased by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the number of issued shares of the issuer as at the date of the resolution granting the repurchase mandate), provided that the existing shareholders of the issuer have by a separate ordinary resolution in general meeting given a general mandate to the directors of the issuer to add such repurchased securities to the 20.0% general mandate.

A general mandate to directors to issue and allot shares shall only continue in force until (a) the conclusion of the first annual general meeting of

Rule 806(1), Listing Manual

A company need not obtain the prior approval of shareholders in a general meeting for the issue of securities if the shareholders had by ordinary resolution in a general meeting, given a general mandate to the directors of the issuer to issue:-

- (i) shares; or
- (ii) convertible securities; or
- (iii) additional convertible securities issued pursuant to Rule 829, notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or
- (iv) shares arising from the conversion of the securities in (ii) and (iii) notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued.

Rule 806(2), Listing Manual

A general mandate must limit the aggregate number of shares and convertible securities that may be issued. The limit must be not more than 50.0% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20.0% of the total number of issued shares excluding treasury shares.

Unless prior shareholder approval is required under the Listing Manual, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits.

Rule 806(6), Listing Manual

A general mandate may remain in force until the earlier of the following:-

- (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution. By an ordinary resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or
- (b) it is revoked or varied by ordinary resolution of

the issuer following the passing of the resolution at which time it shall lapse, unless such mandate is renewed by the shareholders; or (b) revoked or varied by the shareholders at general meeting, whichever occurs first.

the shareholders in general meeting.

Specific Mandate

Rule 824, Listing Manual

Every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting.

Rule 13.36(5), Hong Kong Listing Rules: Placing of Securities for Cash

In the case of a placing of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given under Rule 13.36(2)(b) of the Hong Kong Listing Rules if the relevant price represents a discount of 20.0% or more to the benchmarked price of the securities, Such benchmarked price being the higher of:-

- (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
- (b) the average of the closing prices in the five (5) trading days immediately prior to the earlier of:-
 - (i) the date of the announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;
 - (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
 - (iii) the date on which the placing or subscription price is fixed,

unless the issuer can satisfy the Hong Kong Stock Exchange that it is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves the issue of new securities at a price representing a discount of 20.0% or more to

Issue of Shares, Company Warrants and Convertible Securities For Cash (Other than Rights Issues)

Rule 811, Listing Manual

- (1) An issue of shares must not be priced at more than 10.0% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the issuer's shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed.

Rule 811(2): Issuance of warrants and other convertible securities

Rule 811(2), Listing Manual

An issue of company warrants or other convertible securities is subject to the following requirements:-

- (a) if the conversion price is fixed, the price must not be more than 10.0% discount to the prevailing market price of the underlying shares prior to the signing of the placement or subscription agreement; and
- (b) if the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10.0% of the prevailing market price of the underlying shares before conversion.

Rule 811(3), Listing Manual

Rules 811(1) and (2) are not applicable if specific

the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide the Hong Kong Stock Exchange with detailed information on the allottees to be issued with securities under the general mandate.

Rule 15.02, Hong Kong Listing Rules: Options, warrants and similar rights

All warrants must, prior to the issue or grant thereof, be approved by the Hong Kong Stock Exchange and in addition, where they are warrants to subscribe equity securities, by the shareholders in general meeting. In the absence of exceptional circumstances which would include, by way of example, a rescue reorganisation, the Hong Kong Stock Exchange will only grant approval to the issue or grant of warrants to subscribe securities if the following requirements are complied with:

- (1) the securities to be issued on exercise of the warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20.0% of the number of issued shares of the issuer at the time such warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Hong Kong Listing Rules are excluded for the purpose of this limit; and
- (2) such warrants must expire not less than one and not more than five (5) years from the date of issue or grant and must not be convertible into further rights to subscribe securities which expire less than one year or more than five (5) years after the date of issue or grant of the original warrants.

Rule 15.03, Hong Kong Listing Rules

The circular or notice to be sent to shareholders convening the requisite meeting under Rule 15.02 of the Hong Kong Listing Rules must include, at least, the maximum number of securities which would be issued on exercise of the warrants, the period during which the warrants may be exercised and the date when this right commences, the amount payable on the exercise of the warrants, the arrangements for transfer or

shareholder approval is obtained for the issue of shares, company warrants or other convertible securities.

Rule 811(4), Listing Manual

Where specific shareholders' approval is sought, the circular must include the following:-

- (a) information required under Rule 810 of the Listing Manual; and
- (b) the basis upon which the discount was determined.

Rule 824, Listing Manual

Every issue of company warrants or other convertible securities not covered under a general mandate (Rule 806, Listing Manual) must be specifically approved by shareholders in general meeting.

Rule 825, Listing Manual

In procuring the approval of shareholders in a general meeting, the circular to the shareholders must include the recommendations of the board of directors of the issuer on such an issue of company warrants or convertible securities and the basis for such recommendation(s).

Rule 826, Listing Manual

If application is made for the listing of company warrants or other convertible securities, the SGX-ST will normally require a sufficient spread of holdings to provide for an orderly market in the securities. As a guide, the SGX-ST expects at least 100 warrantholders for a class of company warrants.

Rule 827, Listing Manual

Company warrants or other convertible securities may be listed only if the underlying securities are (or will become at the same time) one of the following:-

- (1) a class of equity securities listed on the SGX-ST; or
- (2) a class of equity securities listed or dealt in on a stock market approved by the SGX-ST.

transmission of the warrants, the rights of the holders on the liquidation of the issuer, the arrangements for the variation in the subscription or purchase price or number of securities to take account of alterations to the share capital of the issuer, the rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer, and a summary of any other material terms of the warrants.

Rule 828, Listing Manual

Each company warrant must:-

- (1) give the registered holder the right to subscribe for or buy one (1) share in the total number of issued shares excluding treasury shares of the issuer; and
- (2) not be expressed in terms of dollar value.

Rule 829, Listing Manual

The terms of the issue must provide for:-

- (1) adjustment to the exercise or conversion price and, where appropriate, the number of company warrants or other convertible securities, in the event of rights, bonus or other capitalisation issues;
- (2) the expiry of the company warrants or other convertible securities to be announced, and notice of expiry to be sent to all holders of the company warrants or other convertible securities at least one (1) month before the expiration date; and
- (3) any material alteration to the terms of company warrants or other convertible securities after issue to the advantage of the holders of such securities to be approved by shareholders, except where the alterations are made pursuant to the terms of the issue.

Rule 830, Listing Manual

An issuer must announce any adjustment made pursuant to Rule 829(1).

Rule 831, Listing Manual

Except where the alterations are made pursuant to the terms of an issue, an issuer must not:-

- (i) extend the exercise period of an existing company warrant;
- (ii) issue a new company warrant to replace an existing company warrant;
- (iii) change the exercise price of an existing company warrant; or
- (iv) change the exercise ratio of an existing

company warrant.

Rule 832, Listing Manual

A circular or notice to be sent to shareholders in connection with a general meeting to approve the issue of company warrants or other convertible securities must include at least the following information:-

- (1) the maximum number of the underlying securities which would be issued or transferred on exercise or conversion of the company warrants or other convertible securities;
- (2) the period during which the company warrants or other convertible securities may be exercised and the dates when this right commences and expires;
- (3) the amount payable on the exercise of the company warrants or other convertible securities;
- (4) the arrangement for transfer or transmission of the company warrants or other convertible securities;
- (5) the rights of the holders on the liquidation of the issuer;
- (6) the arrangements for the variation in the subscription or purchase price and in the number of company warrants or other convertible securities in the event of alterations to the share capital of the issuer;
- (7) the rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer;
- (8) a summary of any other material terms of the company warrants or other convertible securities;
- (9) purpose for and use of proceeds of the issue, including the use of future proceeds arising from the conversion/exercise of the company warrants or other convertible securities; and
- (10) the financial effects of the issue to the issuer.

Rules 7.19(6), Hong Kong Listing Rules: Rights issue

Chapter 8 Part V: Rights Issue

Rule 814, Listing Manual

If the proposed rights issue would increase either the number of issued shares or the market capitalisation of the issuer by more than 50.0% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the twelve (12) month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such twelve (12) month period where dealing in respect of the shares issued pursuant thereto commenced within such twelve (12) month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers):

- (a) the rights issue must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour. The issuer must disclose the information required under Rule 2.17 of the Hong Kong Listing Rules in the circular to shareholders;
- (b) the issuer shall set out in the circular to shareholders the purpose of the proposed rights issue, together with the total funds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds. The issuer shall also include the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities in the twelve (12) months immediately preceding the announcement of the proposed rights issue, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount; and
- (c) the Hong Kong Stock Exchange reserves the right to require the rights issue to be fully underwritten.

- (1) An issuer which intends to make a right issue must announce (having regard to Rule 704(25)) the issue promptly, stating the following:-
 - (a) price, terms and purpose of the issue, including the amount of proceeds proposed to be raised from the issue and the intended use of such proceeds on a percentage allocation basis (which could be expressed as a range if the exact allocation has not been determined);
 - (b) whether the issue will be underwritten;
 - (c) the financial circumstances which call for the issue; and
 - (d) whether it has obtained or will be seeking the approval of the SGX-ST for the listing and quotation of the new shares arising from the rights issue.

In addition, an issuer must observe the disclosure requirements in Appendix 8.2 of the Listing Manual.

- (2) If a rights issue involves an issue of convertible securities, the issuer must also comply with Part VI of Chapter 8 of the Listing Manual.

Rule 815, Listing Manual

An issuer must announce any significant disbursement of the proceeds raised from the rights issue.

Rule 816, Listing Manual

- (1) Subject to Rule 816(2), a rights issue must provide for the rights to subscribe for securities to be renounceable in part or in whole in favour of a third party at the option of the entitled shareholders.
- (2) (a) An issuer can undertake non-renounceable rights issues:-
 - (i) subject to specific shareholders' approval; or
 - (ii) in reliance on the general mandate to issue rights shares in a non-renounceable rights issue if the rights shares are priced at not more than

10.0% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the rights issue is announced. If trading in the issuer's shares is not available for a full market day, the weighted average price must be based on the trades done on the preceding market day up to the time the rights issue is announced.

- (b) The non-renounceable rights issue must comply with Part V of Chapter 8 of the Listing Manual except Rule 816(1).

Rule 823, Listing Manual

An issuer making a rights issue must observe any time-table published by the SGX-ST.

Rule 833, Listing Manual

The following additional requirements apply to an offer of company warrants or other convertible securities by way of a rights issue or bought deal:-

- (1) The issuer's announcement of the rights issue or bought deal must include either:-
 - (a) the exercise or conversion price of the company warrants or other convertible securities; or
 - (b) a price-fixing formula to determine the exercise or conversion price. The price-fixing formula must not contain any discretionary element and the amount of premium or discount (in relation to the underlying share price) must be specified.
- (2) Where a price-fixing formula is adopted:-
 - (a) if the issue is not underwritten, the issuer must fix and announce the exercise or conversion price before the close of the offer; or
 - (b) if the issue is underwritten, the issuer must fix and announce the exercise or conversion price before the commencement of nil-paid rights trading.

Section 270 of the SFO: Insider dealing

Sections 218 and 219, SFA

In general terms, subject to the specified Sections 218 and 219 of the Singapore SFA prohibit

exempted circumstances, Section 270 of the SFO prohibits persons from dealing in listed securities (or their derivatives) of a corporation, or otherwise counsels or procures another person to deal in such listed shares (or their derivatives) when such person is connected with the corporation and has information which he knows is relevant information in relation to the corporation.

Section 278 of the SFO: Stock Market Manipulation

Section 278 of the SFO prohibits persons in Hong Kong or elsewhere from:

- (a) entering into or carrying out, directly or indirectly, two (2) or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction increase, or are likely to increase, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to purchase or subscribe for, or to refrain from selling, securities of the corporation or of a related corporation of the corporation;
- (b) entering into or carrying out, directly or indirectly, two (2) or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction reduce, or are likely to reduce, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to sell, or to refrain from purchasing, securities of the corporation or of a related corporation of the corporation; or
- (c) entering into or carrying out, directly or indirectly, two (2) or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction maintain or stabilise, or are likely to maintain or stabilise, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to sell, purchase or subscribe for, or to refrain from selling, purchasing or subscribing for, securities of the corporation or of a related corporation of the corporation.

persons from dealing in securities of a corporation if any such person knows or reasonably ought to know that he is in possession of information that is not generally available, and if it was generally available it might have a material effect on the price or value of securities of that corporation.

Such persons include:-

- (1) officers of a corporation or a related corporation;
- (2) substantial shareholders of a corporation or a related corporation; and
- (3) person who occupy position reasonably expected to give him access to inside information by virtue of:-
 - any professional or business relationship existing between himself (or his employer or a corporation of which he is an officer) and that corporation or a related corporation; or
 - being an officer of a substantial shareholder in that corporation or in a related corporation.

Securities Market Manipulation Section 198(1), SFA

No person shall effect, take part in, be concerned in or carry out, directly or indirectly, two (2) or more transactions in securities of a corporation, being transactions that have or likely to have the effect of raising, lowering, maintaining, or stabilising the price of the securities with intent to induce other persons to subscribe for, purchase or sell securities of the corporation or of a related corporation.

Rules 3.10 and 8.12, Hong Kong Listing Rules: Board Composition

Every board of directors of an issuer must include at least three (3) independent non-executive directors and the number of independent non-executive directors must represent at least one-third of the board; and at least one (1) of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise.

A new applicant applying for a primary listing on the Hong Kong Stock Exchange must have sufficient management presence in Hong Kong, which normally means that at least two (2) of its executive directors must be ordinarily resident of Hong Kong.

Rules 3.21, 3.22 and paragraph C.3 of Appendix 14, Hong Kong Listing Rules: Audit Committee

Every listed issuer must establish an audit committee comprising nonexecutive directors only. The audit committee must comprise a minimum of three (3) members, at least one (1) of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise. The majority of the audit committee members must be independent nonexecutive directors of the listed issuer. The audit committee must be chaired by an independent non-executive director.

The board of directors of the issuer must approve and provide written terms of reference as required under Rule 3.21 and paragraph C.3 of Appendix 14 to the Hong Kong Listing Rules for the audit committee.

Rules 3.25, 3.26 and paragraph B.1 of Appendix 14, Hong Kong Listing Rules: Remuneration Committee

An issuer must establish a remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors, with specific terms of reference that clearly establish its authority and duties, including the terms of references set out in paragraph B.1.2 of Appendix 14 to the Hong Kong Listing Rules.

Board composition Audit Committee

Rule 12 of the Code of Corporate Governance (“COCG”)

The board of directors (“**Board**”) should establish an audit committee (“**AC**”) with written terms of reference which clearly set out its authority and duties.

Rule 12.1, COCG

The AC should comprise at least three directors, all non-executive, the majority of whom including the chairman should be independent. All of the members of the AC should be non-executive directors.

Rule 12.2, COCG

Our Board should ensure that the members of the AC are appropriately qualified to discharge their responsibilities. At least two (2) members of the AC, including the AC Chairman, should have accounting or related financial management expertise or experience, as the board of directors interprets such qualification in its business judgment.

Remuneration Committee

Rule 7, COCG

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Rule 7.1, COCG

The board of directors must approve and provide written terms of reference for the remuneration committee which clearly establish its authority and duties.

Paragraphs A.5.1 and A.5.2 of Appendix 14 of the Hong Kong Listing Rules: Nominating Committee

Issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

The nomination committee should be established with specific written terms of reference which deal clearly with its authority and duties.

Our Board should establish a Remuneration Committee (“RC”) with written terms of reference which clearly set out its authority and duties. The RC should comprise at least three (3) directors, the majority of whom, including the RC Chairman, should be independent.

Nominating Committee

Rule 4, COCG

There should be a formal and transparent process for the appointment and reappointment of directors to our Board.

Rule 4.1, COCG

Our Board should establish a NC to make recommendations to our Board on all board appointments, with written terms of reference which clearly set out its authority and duties. The NC should comprise at least three (3) directors, the majority of whom, including the NC Chairman, should be independent. The lead independent director, if any, should be a member of the NC.

Interested Person Transactions or Connected Transactions

Chapter 14A of the Hong Kong Listing Rules (Connected Transactions)

Chapter 14A of the Hong Kong Listing Rules specifies circumstances in which transactions between an issuer and certain specified persons (including connected persons) are, unless otherwise exempted, subject to the shareholders’ approval, annual review and disclosure requirements.

Rules 14A.07 and 14A.24, Hong Kong Listing Rules

“Connected person” is defined to include a director, chief executive or substantial shareholder of the listed issuer or any of its subsidiaries, any person who was a director of the listed issuer or any of its subsidiaries in the last twelve (12) months, a supervisor of a PRC issuer or any of its subsidiaries, an associate of the respective persons as aforesaid, a connected subsidiary, or a person deemed to be connected by the Hong Kong Stock Exchange.

“Financial assistance” includes granting credit, lending money, or providing an indemnity against

Chapter 9, Listing Manual

Chapter 9 of the Listing Manual, which applies to our Company, prescribes situations in which transactions between entities at risk (as defined in the Listing Manual) and interested persons (as defined in the Listing Manual) are required to be disclosed or are subject to the prior approval of shareholders.

Rule 904, Listing Manual

For the purposes of Chapter 9, the following definitions apply:-

- (1) “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;
- (2) “entity at risk” means:-
 - (a) the issuer;
 - (b) a subsidiary of the issuer that is not listed

obligations under a loan, or guaranteeing or providing security for a loan;

“Transaction” include both capital and revenue nature transactions, whether or not conducted in the ordinary and usual course of business of the listed issuer’s group. This includes the following types of transactions:-

- (a) the acquisition or disposal of assets by a listed issuer’s group including deemed disposals;
- (b) any transaction involving a listed issuer’s group granting, accepting, transferring, exercising or terminating an option to acquire or dispose of assets or to subscribe for securities; or the issuer’s group deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;
- (c) entering into or terminating finance leases or operating leases or subleases;
- (d) granting an indemnity or providing or receiving financial assistance;
- (e) entering into an agreement or arrangement to set up a joint venture entity in any form, such as a partnership or a company, or any other form of joint arrangement;
- (f) issuing new securities of the listed issuer or its subsidiaries;
- (g) providing, receiving or sharing of services; or
- (h) acquiring or providing raw materials, intermediate products and/or finished goods.

on the SGX-ST or an approved exchange; or

- (c) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.

(3) “financial assistance” includes:-

- (a) the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and
- (b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another.

(4) “interested person” means:-

- (a) a director, chief executive officer, or controlling shareholder of the issuer; or
- (b) an associate of any such director, chief executive officer, or controlling shareholder.

(5) “interested person transaction” means a transaction between an entity at risk and an interested person.

(6) “transaction” includes:-

- (a) the provision or receipt of financial assistance;
- (b) the acquisition, disposal or leasing of assets;
- (c) the provision or receipt of services;
- (d) the issuance or subscription of securities;
- (e) the granting of or being granted options; and
- (f) the establishment of joint ventures or joint investments;

whether or not in the ordinary course of business, and whether or not entered into

directly or indirectly (for example, through one or more interposed entities).

Rules 14A.35 to 37, 14A.49, 14A.71, 14A.76, Hong Kong Listing Rules: Reporting, Announcement and Independent Shareholders' Approval Requirements for Connected Transactions

Rules 14A.35, 14A.36 and 14A.47 of the Hong Kong Listing Rules

Where any connected transaction is proposed, the transaction must be announced as soon as practicable after its terms have been agreed and a circular must be sent to shareholders giving information about the transaction. Prior approval of the shareholders in general meeting will be required before the transaction can proceed, unless it is otherwise exempted under the Hong Kong Listing Rules.

Rules 14A.37, 14A.73, 14A.76 of the Hong Kong Listing Rules

Certain categories of transactions are exempt from the general meeting requirements subject only to disclosure requirements and certain categories of transactions are exempt from all such requirements. Amongst others, exemptions under the Hong Kong Listing Rules include a connected transaction on normal commercial terms constituting a de minimis transaction under Rule 14A.76(1) of the Hong Kong Listing Rules, which will be exempt from shareholders' approval, annual review and all disclosure requirements, where each of the percentage ratios (other than the profits ratio) is less than 0.1% or less than 1.0% (where the connected transaction only involves a connected person at the issuer's subsidiary's level), or each of the percentage ratios (other than the profits ratio) is less than 5.0% and the total consideration is less than HK\$3,000,000.

The Hong Kong Stock Exchange may waive the general meeting requirement and accept a written shareholders' approval, subject to the conditions as set out in Rule 14A.37 of the Hong Kong Listing Rules.

Rules 14A.49, 14A.71, Hong Kong Listing Rules: Reporting Requirements

The listed issuer's annual report must contain the following information on the connected transactions conducted in that financial year

When Announcement Required Rule 905, Listing Manual

- (1) An issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3.0% of the group's latest audited net tangible assets.
- (2) If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.
- (3) Rules 905 (1) and (2) do not apply to any transaction below S\$100,000.

When Shareholder Approval Required Rule 906, Listing Manual

- (1) an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:-
 - (a) 5.0% of the group's latest audited net tangible assets; or
 - (b) 5.0% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.
- (2) Rule 906(1) does not apply to any transaction below S\$100,000.

Rule 907, Listing Manual

An issuer must disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person and the corresponding aggregate value of the interested

(including continuing connected transactions under agreements signed in previous years):-

- (1) the transaction date;
- (2) the parties to the transaction and a description of their connected relationship;
- (3) a brief description of the transaction and its purpose;
- (4) the total consideration and terms;
- (5) the nature of the connected person's interest in the transaction; and
- (6) for continuing connected transactions,
 - a. a confirmation from the listed issuer's independent non- executive directors on the matters set out in Rule 14A.55 of the Hong Kong Listing Rules; and
 - b. a statement from the listed issuer's board of directors whether the auditors have confirmed the matters set out in Rule 14A.56 of the Hong Kong Listing Rules.

person transactions entered into with the same interested person must be presented in the prescribed format.

Rule 920, Listing Manual

- (1) An issuer may seek a general mandate from 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. A general mandate is subject to annual renewal.
 - (a) An issuer must:-
 - (i) disclose the general mandate in the annual report, giving details of the aggregate value of transactions conducted pursuant to the general mandate during the financial year; and
 - (ii) announce the aggregate value of transactions conducted pursuant to the general mandate for the financial periods which it is required to report on pursuant to Rule 705 within the time required for the announcement of such report.
 - (b) A circular to shareholders seeking a general mandate must include:-
 - (i) the class of interested persons with which the entity at risk will be transacting;
 - (ii) the nature of the transactions contemplated under the mandate;
 - (iii) the rationale for and benefit to the entity at risk;
 - (iv) the methods or procedures for determining transaction prices;
 - (v) the independent financial adviser's opinion on whether the methods or procedures in (iv) 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 issuer and its minority shareholders;
 - (vi) an opinion from the audit committee if it takes a different view to the independent

financial adviser;

- (vii) a statement from the issuer that it will obtain a fresh mandate from shareholders if the methods or procedures in (iv) become inappropriate; and
 - (viii) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.
- (c) An independent financial adviser's opinion is not required for the renewal of a general mandate provided that the audit committee confirms that:—
- (i) the methods or procedures for determining the transaction prices have not changed since last shareholder approval; and
 - (ii) the methods or procedures in Rule 920(1)(c)(i) of the Listing Manual 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 issuer and its minority shareholders.
- (d) Transactions conducted under a general mandate are not separately subject to Rules 905 and 906 of the Listing Manual.

Rule 14A.81, Hong Kong Listing Rules: Aggregation of Transactions

The Hong Kong Stock Exchange will aggregate a series of connected transactions and treat them as if they were one (1) transaction if they were all entered into or completed within a twelve (12) month period or are otherwise related. The listed issuer must comply with the applicable connected transaction requirements based on the classification of the connected transactions when aggregated. The aggregation period will cover twenty- four (24) months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover.

Rule 14A.82, Hong Kong Listing Rules: Aggregation of Transactions

Factors that the Hong Kong Stock Exchange will consider for aggregation of a series of connected transactions include whether:

Rule 908, Listing Manual

In interpreting the term “same interested person” for the purpose of aggregation in Rules 905 and 906 of the Listing Manual, the following applies:-

- (1) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.
- (2) If an interested person, (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are

completely different.

- (1) they are entered into by the listed issuer's group with the same party, or parties who are connected with one another;
- (2) they involve the acquisition or disposal of parts of one asset, or securities or interests in a company or group of companies; or
- (3) they together lead to substantial involvement by the listed issuer's group in a new business activity.

Rule 14A.83, Hong Kong Listing Rules: Aggregation of Transactions

The Hong Kong Stock Exchange may aggregate all continuing connected transactions with a connected person.

Rule 14A.84, Hong Kong Listing Rules: Aggregation of Transactions

The issuer must consult the Hong Kong Stock Exchange before the listed issuer's group enters into any connected transaction if:

- (1) the transaction and any other connected transactions entered into or completed by the listed issuer's group in the last twelve (12) months fall under any of the circumstances described in Rule 14A.82 of the Hong Kong Listing Rules; or
- (2) the transaction and any other transactions entered into by the listed issuer's group involve the acquisition of assets from a person or group of persons or any of their associates within twenty-four (24) months after the person(s) gain control (as defined in the HK Takeovers Code) of the listed issuer.

Rule 14A.85, Hong Kong Listing Rules: Aggregation of Transactions

The listed issuer must provide information to the Hong Kong Stock Exchange on whether it should aggregate the transactions.

Rule 14A.86, Hong Kong Listing Rules: Aggregation of Transactions

The Hong Kong Stock Exchange may aggregate a listed issuer's connected transactions even if the listed issuer has not consulted the Hong Kong Stock Exchange.

Rule 918, Listing Manual

If a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

Rule 919, Listing Manual

In a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

Rules 14A.76, 14A.87 to 14A.91 14A.92 to 14A.96, 14A.97 to 14A.101, Hong Kong Listing Rules: Exemptions

The connected transactions which can be exempt from the connected transaction requirements include:-

- (1) de minimis transactions under Rule 14A.76 of the Hong Kong Listing Rules;
- (2) financial assistance under Rules 14A.87 to 14A.91 of the Hong Kong Listing Rules;
- (3) issue of new securities by the listed issuer or its subsidiary if (a) the connected person receives a pro rata entitlement to the issue as a shareholder; (b) the connected person subscribes for the securities in a rights issue or open offer; (c) the securities are issued to the connected person under a share option scheme; or (d) the securities are issued under a “top-up placing and subscription”. The detailed requirements of the aforesaid are set out in Rule 14A.92 of the Hong Kong Listing Rules;
- (4) the Hong Kong Stock Exchange dealings under Rule 14A.93 of the Hong Kong Listing Rules;
- (5) any buy-back under Rule 14A.94 of the Hong Kong Listing Rules of own securities by a listed issuer or its subsidiary from a connected person on the Hong Kong Stock Exchange or a recognised stock exchange or under a general offer made under the Code on Share Buy-backs;
- (6) the entering into of a service contract by a director of the listed issuer with the listed issuer or its subsidiary under Rule 14A.95 of the Hong Kong Listing Rules and purchase and maintenance of insurance for a director of the listed issuer or its subsidiaries in accordance with Rule 14A.96 of the Hong Kong Listing Rules;
- (7) buying as consumer or selling consumer goods or services to a connected person on normal commercial terms or better in its ordinary and usual course of business if such goods and services are (a) of a type ordinarily supplied for private use or consumption, (b)

Exceptions

Rule 915, Listing Manual

The following transactions are not required to comply with Rules 905, 906 and 907 of the Listing Manual:-

- (1) a payment of dividends, a subdivision of shares, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of the issuer’s shares, made to all shareholders on a prorata basis, including the exercise of rights, options or company warrants granted under the preferential offer;
 - (2) the grant of options, and the issue of securities pursuant to the exercise of options, under an employees’ share option scheme approved by the SGX-ST;
 - (3) a transaction between an entity at risk and an investee company, where the interested person’s interest in the investee company, other than that held through the issuer, is less than 5.0%;
 - (4) a transaction in marketable securities carried out in the open market where the counterparty’s identity is unknown to the issuer at the time of the transaction;
 - (5) a transaction between an entity at risk and an interested person for the provision of goods or services if:-
 - (a) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and
 - (b) the sale prices are applied consistently to all customers or class of customers.
- Such transactions include telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets.
- (6) the provision of financial assistance or services by a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business;
 - (7) the receipt of financial assistance or services

for the buyer's own consumption or use, (c) consumed or used by the buyer in the same state as when they were bought (d) on terms no more favourable to the connected person or no less favourable to the listed issuer's group than those available from independent third parties;

- (8) the sharing of administrative services between a listed issuer and a connected person on a cost basis under Rule 14A.98 of the Hong Kong Listing Rules;
- (9) transactions with associates of passive investors under Rule 14A.99 to 14A.100 of the Hong Kong Listing Rules; and
- (10) transactions with connected persons at the subsidiary level under Rule 14A.101 of the Hong Kong Listing Rules.

from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business; and

- (8) director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).

Rule 916, Listing Manual

The following transactions are not required to comply with Rule 906 of the Listing Manual:-

- (1) the entering into, or renewal of a lease or tenancy of real property of not more than three (3) years if the terms are supported by independent valuation;
- (2) investment in a joint venture with an interested person if:-
 - (a) the risks and rewards are in proportion to the equity of each joint venture partner;
 - (b) issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and
 - (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.
- (3) The provision of a loan to a joint venture with an interested person if:-
 - (a) the loan is extended by all joint venture partners in proportion to their equity and on the same terms;
 - (b) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture; and
 - (c) the issuer confirms by an announcement that its audit committee is of the view that:
 - (i) the provision of the loan is not

prejudicial to the interests of the issuer and its minority shareholders; and

(ii) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders.

(4) the award of a contract by way of public tender to an interested person if:-

(a) the awarder entity at risk announces the following information:-

(i) the prices of all bids submitted;

(ii) an explanation of the basis for selection of the winning bid; and

(b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awarder (or if the awarder is unlisted, its listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

(5) the receipt of a contract which was awarded by way of public tender, by an interested person if:-

(a) the bidder entity at risk announces the prices of all bids submitted; and

(b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awarder (or if the awarder is unlisted, the listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

RESTRICTIONS ON DEALINGS OF DIRECTORS BEFORE PUBLICATION OF THE FINANCIAL RESULTS

Rules A.3, B.8 and C.14 of Appendix 10, Hong Kong Listing Rules **Rule 1207(19)(c), Listing Manual**

Rule A.3 of Appendix 10, Hong Kong Listing Rules

A director must not deal in any securities of the listed issuer on any day on which its financial results are published and:-

- (i) during the period of sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional as described in Rule C.14 of Appendix 10 of the Hong Kong Listing Rules below. In any event, the director must comply with the procedure in the Rules B.8 and B.9 of the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Directors Dealing Code**”).

The listed issuer must notify the Hong Kong Stock Exchange in advance of the commencement of each period during which directors are not allowed to deal under Rule A.3 of Appendix 10 of the Hong Kong Listing Rules. Such period will cover any period of delay in the publication of a results announcement.

Rule C.14 of Appendix 10, Hong Kong Listing Rules

If a director proposes to sell or otherwise dispose of securities of the listed issuer under exceptional circumstances where the sale or disposal is otherwise prohibited under our Directors Dealing Code, the director must comply with the provisions of the Rule B.8 of our Directors Dealing Code regarding prior written notice and acknowledgement. The director must satisfy the chairman or the designated director that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the director before the director can sell or dispose of the securities. The listed issuer shall give written notice of such sale or disposal to the

A listed issuer and its officers should not deal in the listed issuer’s securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three (3) quarters of its financial year and one month before the announcement of the company’s full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the company’s half year and full year financial statements (if not required to announce quarterly financial statements).

Hong Kong Stock Exchange as soon as practicable stating why it considered the circumstances to be exceptional. The listed issuer shall publish an announcement in accordance with Rule 2.07C of the Hong Kong Listing Rules immediately after any such sale or disposal and state that the chairman or the designated director is satisfied that there were exceptional circumstances for such sale or disposal of securities by the director.

Rule B.8

Under our Directors Dealing Code, a director must not deal in any securities of the listed issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement. In his own case, the chairman must first notify the board at a board meeting, or alternatively notify a director (otherwise than himself) designated by the board for the purpose and receive a dated written acknowledgement before any dealing. The designated director must not deal in any securities of the listed issuer without first notifying the chairman and receiving a dated written acknowledgement.

In each case, (a) a response to a request for clearance to deal must be given to the relevant director within five (5) business days of the request being made; and (b) the clearance to deal in accordance with (a) above must be valid for no longer than five (5) business days of clearance being received.

Rule B.9

The procedure established within the listed issuer must, as a minimum, provide for there to be a written record maintained by the listed issuer that the appropriate notification was given and acknowledged pursuant to Rule B.8 of our Directors Dealing Code, and for the director concerned to have received written confirmation to that effect.