

CIRCULAR DATED 21 SEPTEMBER 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt in relation to the contents of this Circular or as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

If you have sold or transferred all your ordinary shares in the capital of CNMC Goldmine Holdings Limited (the “**Company**”) held through The Central Depository (Pte) Ltd (the “**CDP**”), you need not forward this Circular to the purchaser or the transferee as arrangements will be made by the CDP for a separate Circular to be sent to the purchaser or the transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Circular with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).



CNMC

CNMC GOLDMINE HOLDINGS LIMITED

中色金礦有限公司

(Incorporated in the Republic of Singapore on 11 August 2011)
(Company Registration Number 201119104K)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED SHARE OFFER (AS DEFINED HEREIN) OF UP TO 18,000,000 OFFER SHARES (AS DEFINED HEREIN) FOR SUBSCRIPTION AT THE OFFER PRICE (AS DEFINED HEREIN) TO BE CARRIED OUT IN CONJUNCTION WITH THE PROPOSED SEHK LISTING (AS DEFINED HEREIN); AND**
- (2) THE PROPOSED AMENDMENTS TO THE CONSTITUTION (AS DEFINED HEREIN)**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	12 October 2018 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	15 October 2018 at 10.00 a.m.
Place of Extraordinary General Meeting	:	745 Toa Payoh Lorong 5 #04-01 The Actuary Singapore 319455

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DEFINITIONS

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

“1Q”	:	The three-month financial period ended, or as the case may be, ending 31 March
“2Q”	:	The three-month financial period ended, or as the case may be, ending 30 June
“Board”	:	The board of Directors of the Company for the time being
“Business Day”	:	A day on which the SGX-ST and/or SEHK are open for the business of dealing in securities, as the context may require
“Catalist”	:	The Catalist of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, supplemented or otherwise modified from time to time
“CCASS”	:	The Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	:	A person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	:	A person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	:	A person admitted to participate in CCASS as an investor participant, who may be an individual or joint individuals or a corporation
“CCASS Participant”	:	A person admitted to participate in CCASS as (i) a direct clearing participant or general clearing participant, (ii) a person admitted to participate in CCASS as a custodian participant, or (iii) a CCASS Investor Participant
“CDP” or “Depository”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 21 September 2018
“Companies Act”	:	Companies Act (Chapter 50) of Singapore, as may be amended, supplemented or otherwise modified from time to time
“Company”	:	CNMC Goldmine Holdings Limited
“Constitution”	:	The constitution of the Company as at the Latest Practicable Date
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“CPF”	:	Central Provident Fund
“Directors”	:	The directors of the Company for the time being

DEFINITIONS

“EGM”	:	The extraordinary general meeting of the Company to be held at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455 on 15 October 2018 at 10.00 a.m., for the purposes of considering and if, thought fit, passing with or without modifications, the resolutions as set out in the Notice of EGM
“Existing Issued Share Capital”	:	407,693,000 Shares, which was the issued share capital of the Company as at the Latest Practicable Date
“FY”	:	Financial year ended, or as the case may be, ending 31 December
“Group”	:	The Company and its subsidiaries, collectively
“HK Listing Rules”	:	The Rules Governing the Listing of Securities on the SEHK as amended, supplemented or otherwise modified from time to time
“HK Takeovers Code”	:	The Codes on Takeovers and Mergers and Share Repurchases issued by the SFC, as amended, supplemented or otherwise modified from time to time
“HKCO”	:	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“HKSCC”	:	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	:	The Hong Kong Special Administrative Region of the People’s Republic of China
“Joint Policy Statement”	:	The Joint Policy Statement Regarding the Listing of Overseas Companies issued jointly by the SFC and SEHK on 27 September 2013
“Latest Practicable Date”	:	10 September 2018, being the latest practicable date prior to the printing of this Circular
“Lead Manager”	:	The lead manager to the Proposed Share Offer
“Listing Date”	:	The date on which dealings of the Shares on the SEHK Main Board first commences
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Notice of EGM”	:	The notice of EGM as set out on pages 135 and 136 of this Circular
“Offer Price”	:	The final price per Offer Share in Hong Kong dollars (exclusive of brokerage fee, SFC transaction levy and SEHK trading fee) at which the Offer Shares are to be subscribed pursuant to the Proposed Share Offer, to be determined by the Company and the Lead Manager (for itself and on behalf of the Underwriters)
“Offer Shares”	:	Up to 18,000,000 new ordinary shares in the capital of the Company to be offered for subscription by the Company pursuant to the Proposed Share Offer

DEFINITIONS

“Placing”	:	The conditional placing of the Placing Shares by the Placing Underwriters on behalf of the Company with professional, institutional and other investors in Hong Kong for cash at the Offer Price
“Placing Shares”	:	16,200,000 Offer Shares expected to be initially offered by the Company for subscription pursuant to the Placing, representing approximately 90.0% of the total number of Offer Shares, subject to reallocation
“Placing Underwriters”	:	The underwriters of the Placing
“PRC”	:	The People’s Republic of China which, for the purpose of this Circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed SEHK Listing”	:	The proposed dual primary listing of and permission to deal in, on the SEHK Main Board, the Shares in issue and listed on Catalist and Shares that may be allotted and issued pursuant to the Proposed Share Offer
“Proposed Share Offer”	:	The proposed Public Offer and Placing
“Prospectus”	:	The prospectus to be issued in Hong Kong in connection with the Proposed SEHK Listing
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Public Offer”	:	The offer to the public in Hong Kong for subscription of the Public Offer Shares for cash at the Offer Price on and subject to the terms and conditions in the Prospectus and the application forms relating thereto
“Public Offer Shares”	:	1,800,000 Offer Shares expected to be initially offered by the Company for subscription pursuant to the Public Offer, representing approximately 10.0% of the total number of Offer Shares, subject to reallocation
“Public Offer Underwriters”	:	The underwriters of the Public Offer
“SEHK”	:	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“SEHK Main Board”	:	The stock exchange (excluding the option market) operated by SEHK which is independent from and operated in parallel with the GEM of the SEHK. For the avoidance of doubt, the SEHK Main Board excludes the GEM of the SEHK
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as may be amended, supplemented or otherwise modified from time to time
“SFC”	:	Securities and Futures Commission of Hong Kong
“SFO”	:	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“SGXNET”	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares, mean the persons to whose securities accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Singapore Take-over Code”	:	Singapore Code on Take-overs and Mergers, as may be amended, supplemented or otherwise modified from time to time
“Sokor Block”	:	Mining area covering approximately 10 square kilometres within Sungai Amang and Sungai Sejana, Mukim Sokor, Sokor, Tanah Merah, Kelantan, Malaysia
“Sole Sponsor”	:	Alliance Capital Partners Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, acting as the sole sponsor to the Company’s application for the Proposed Share Offer and Proposed SEHK Listing
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“subsidiary holdings”	:	Shares referred to in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“Substantial Shareholder”	:	A person who holds directly or indirectly 5% or more of the total number of voting Shares (excluding treasury shares) in the capital of the Company
“Undertaking Shareholders”	:	Collectively, Professor Lin Xiang Xiong @ Lin Ye, Tan Swee Ngin, Innovation (China) Limited, Choo Chee Kong, Lim Sok Cheng Julie and Messiah Limited
“Underwriters”	:	The Public Offer Underwriters and the Placing Underwriters
“Underwriting Agreements”	:	The underwriting agreements relating to the Public Offer and Placing

CURRENCIES, UNITS AND OTHERS

“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“US\$” and “US cents”	:	United States dollars and cents, respectively
“%” or “percent”	:	Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

DEFINITIONS

The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act. The term “**associated company**” shall have the meaning ascribed to it in the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules, the HKCO, the HK Listing Rules, the SFO or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning ascribed to that word under the Companies Act, the SFA, the Catalist Rules, the HKCO, the HK Listing Rules, the SFO or any statutory modification thereof, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Companies Act, the SFA, the Catalist Rules, the HKCO, the HK Listing Rules and the SFO) contained in this Circular are of such laws and regulations as at the Latest Practicable Date.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the sum of listed amounts and the totals thereof shown are due to rounding.

LETTER TO SHAREHOLDERS

CNMC GOLDMINE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201119104K)

Directors:

Professor Lin Xiang Xiong @ Lin Ye (Executive Chairman)
Mr Choo Chee Kong (Executive Vice Chairman)
Mr Lim Kuoh Yang (Executive Director and Chief Executive Officer)
Mr Kuan Cheng Tuck (Independent Director)
Mr Tan Poh Chye Allan (Independent Director)
Ms Gan Siew Lian (Independent Director)

Registered Office:

745 Toa Payoh Lorong 5
#04-01 The Actuary
Singapore 319455

21 September 2018

To: The Shareholders of CNMC Goldmine Holdings Limited

Dear Sir/Madam

(1) THE PROPOSED SHARE OFFER OF UP TO 18,000,000 OFFER SHARES FOR SUBSCRIPTION AT THE OFFER PRICE TO BE CARRIED OUT IN CONJUNCTION WITH THE PROPOSED SEHK LISTING; AND

(2) THE PROPOSED AMENDMENTS TO THE CONSTITUTION

1. INTRODUCTION

The Directors are convening the EGM for the purpose of seeking the approval of Shareholders for the following matters to be tabled at the EGM:

- (a) the Proposed Share Offer and Proposed SEHK Listing, to be tabled as an ordinary resolution; and
- (b) the proposed amendments to the Constitution, to be tabled as a special resolution.

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the above resolutions to be tabled at the EGM to be held at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455 on 15 October 2018 at 10.00 a.m., notice of which is set out on pages 135 and 136 of this Circular.

The Sponsor and the SGX-ST assume no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

2. THE PROPOSED SHARE OFFER AND PROPOSED SEHK LISTING

On 15 January 2018, the Company announced that it proposes to seek a dual primary listing of the Shares on the SEHK Main Board.

On 10 July 2018, the Company made an announcement that it had, on 9 July 2018, submitted an application to the SEHK in relation to the Proposed Share Offer and Proposed SEHK Listing. The Proposed Share Offer may comprise up to 18,000,000 Offer Shares, representing approximately 4.42% of the Existing Issued Share Capital.

LETTER TO SHAREHOLDERS

The Proposed Share Offer and Proposed SEHK Listing is conditional upon, *inter alia*:

- (a) the listing committee of the SEHK granting the approval for the listing of and permission to deal in, on the SEHK Main Board, the Shares in issue and listed on Catalist and Shares that may be allotted and issued pursuant to the Proposed Share Offer, and such approval and permission not subsequently being revoked prior to the commencement of dealings in the Shares on the SEHK;
- (b) the SGX-ST granting approval for the listing of and quotation for, on Catalist, the Offer Shares to be issued under the Proposed Share Offer;
- (c) agreement of the Offer Price between the Company and the Lead Manager (for itself and on behalf of the Underwriters) and the execution of the price determination agreement; and
- (d) the obligations of the Underwriters under each of the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of waiver of any condition(s)) and such obligations not being terminated in accordance with the terms of the Underwriting Agreements.

On 31 August 2018, the Company announced that the SGX-ST has granted in-principal approval for the listing of and quotation for the Shares that may be allotted and issued pursuant to the Proposed Share Offer, subject to certain conditions. Please refer to Section 2.3 of this Circular for further information on the approvals required.

Copies of the announcements made by the Company on 15 January 2018, 10 July 2018 and 31 August 2018 in relation to the Proposed Share Offer and Proposed SEHK Listing are available on the website of the SGX-ST at www.sgx.com.

2.1 Dual primary listing

In the event that the Company successfully proceeds with the Proposed Share Offer and Proposed SEHK Listing, the Company will be concurrently listed on Catalist and the SEHK Main Board. Pursuant to this, the Company will be required to comply with the relevant Singapore and Hong Kong laws, listing rules and regulations, including, *inter alia*, the takeover requirements, the disclosure requirements and the listing requirements of the SGX-ST and the SEHK. In the event of any conflict or inconsistency between the listing rules of both the SGX-ST and the SEHK or the requirements of the Singapore Take-over Code and the HK Takeovers Code, the Company shall comply with the more onerous rules and requirements. Further information relating to, *inter alia*, the takeover obligations of the Company and the salient provisions of the Catalist Rules, the HK Listing Rules and relevant laws and regulations which are applicable to the Company after the Proposed Share Offer and Proposed SEHK Listing is set out in **Appendix A** to this Circular.

In addition, Shareholders who may wish to switch trading from the SGX-ST to the SEHK or from the SEHK to the SGX-ST will need to comply with the relevant procedures for trading and transfer of Shares between the two securities exchanges. The procedures for trading and transfer of Shares of the Company from the SGX-ST to the SEHK, and *vice versa*, are set out in **Appendix B** to this Circular.

2.2 Conditionality and cautionary statement

Assuming all necessary approvals are obtained, the Company intends to proceed with the Proposed Share Offer and Proposed SEHK Listing.

In connection with the Proposed Share Offer and Proposed SEHK Listing, the Company is proposing to adopt the amendments to the Constitution as set out in **Appendix C** of this Circular.

LETTER TO SHAREHOLDERS

The Company wishes to highlight that Shareholders' approvals for both (a) the Proposed Share Offer and Proposed SEHK Listing and (b) the adoption of the proposed amendments to the Constitution are required in order for the Company to successfully complete the Proposed Share Offer and Proposed SEHK Listing. As such, Shareholders should note that the ordinary resolution relating to the Proposed Share Offer and Proposed SEHK Listing and the special resolution relating to the proposed amendments to the Constitution are inter-conditional on each other. This means that if any of these resolutions is not approved, the other resolution will not be passed and the Company will not proceed with the Proposed Share Offer and Proposed SEHK Listing.

As the Proposed Share Offer and Proposed SEHK Listing is subject to the approval of the SEHK, SGX-ST and other relevant authorities, as well as dependent on the approval of Shareholders for the Proposed Share Offer and Proposed SEHK Listing and the proposed amendments to the Constitution, the Proposed Share Offer and Proposed SEHK Listing may or may not occur. There is no assurance that the necessary approvals for the Proposed Share Offer and Proposed SEHK Listing will be granted by the SEHK, SGX-ST or any other relevant authorities, or that the approval of Shareholders on matters relating to the Proposed Share Offer and Proposed SEHK Listing and/or proposed amendments to the Constitution will be obtained.

The Company reserves the right not to proceed with the Proposed Share Offer and Proposed SEHK Listing in the event, amongst others, that (a) after assessing various factors, including the prevailing general economic and capital market conditions, the Company does not consider the Proposed Share Offer and Proposed SEHK Listing to be in the best interests of the Company, (b) the Company and Lead Manager (for itself and on behalf of the Underwriters) cannot agree on the Offer Price and/or (c) the requisite approvals required for the Proposed Share Offer and Proposed SEHK Listing and/or proposed amendments to the Constitution have not been or cannot be practicably obtained.

In the event that all the resolutions set out in the Notice of EGM are approved by Shareholders and the Proposed Share Offer and Proposed SEHK Listing does not occur for any reason whatsoever, the proposed amendments to the Constitution as set out in *Appendix C* of this Circular will not come into effect.

2.3 Submission and listing approval

On 9 July 2018, the Company had submitted to the SEHK an application for the listing of and the permission to deal in, on the SEHK Main Board, the Shares in issue and listed on Catalist and Shares that may be allotted and issued pursuant to the Proposed Share Offer. The Proposed Share Offer and Proposed SEHK Listing are subject to receipt of all necessary approvals under the applicable laws, rules and regulations.

As at the Latest Practicable Date, the SEHK had not granted its approval for the Proposed Share Offer and Proposed SEHK Listing. Accordingly, the Proposed Share Offer and Proposed SEHK Listing may or may not proceed. The Company will make the appropriate announcements as and when approval by the SEHK is granted.

The SGX-ST had by way of a listing and quotation notice dated 31 August 2018 (the "**LQN**"), granted its approval for the listing of and quotation of the Offer Shares on Catalist, subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the Proposed Share Offer at a general meeting to be convened;
and

LETTER TO SHAREHOLDERS

- (c) submission of the following documents:
- (i) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1204(22) of the Catalist Rules in relation to the use of the proceeds from the issue of the Offer Shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
 - (ii) a written undertaking from the Company that it will comply with Rule 803 of the Catalist Rules;
 - (iii) a written undertaking from the Company that it will not issue Offer Shares to persons prohibited under Rule 812(1) of the Catalist Rules;
 - (iv) a written undertaking from the Sole Sponsor that it will ensure that the Company will comply with Rules 803 and 812(1) of the Catalist Rules; and
 - (v) a written undertaking from the Company that in the event of any difference between the HK Listing Rules and the Catalist Rules, the Company will comply with the more onerous set of rules and requirements.

The LQN is not to be taken as an indication of the merits of the Proposed Share Offer, the Offer Shares, the Company, its subsidiaries or their securities.

2.4 Sole Sponsor

The Company has appointed Alliance Partners Capital Limited as its sole sponsor in respect of the Proposed Share Offer and Proposed SEHK Listing.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED SHARE OFFER AND PROPOSED SEHK LISTING

While the Directors consider it important to maintain the Company's listing on Catalist, they also deem it desirable and beneficial for the Company to have a dual primary listing of the Shares in both Singapore and Hong Kong for the following reasons, amongst others:

- (a) Based on fine gold production in 2017, the Company is the second largest gold producing company in Malaysia in 2017. As such, the Directors believe it is important to expand the shareholder base of the Company by making the Shares available and accessible to investors in Hong Kong and greater China, given their belief that the stock market in Hong Kong can attract different geographically based investors. The unique connectivity of the Hong Kong stock market with the PRC markets would enable eligible Hong Kong listed companies to attract PRC investors, thus broadening the investor base for the Hong Kong stock market.
- (b) Consequently, the primary objective of the Proposed Share Offer is not to raise capital for the Group's business expansion needs in the immediate future but to create meaningful liquidity of the Shares in Hong Kong. With the trading of the Shares on both SGX-ST and SEHK, the Company will be in a position to tap into two different equity markets should there be a need for capital fund-raising for the purpose of the Group's future business expansion.
- (c) In addition, the Directors believe that the Company will be able to enhance its profile internationally through the Proposed SEHK Listing, enabling it to increase its presence among international corporations, and attract investors from the established international and PRC-related institutional investor base in Hong Kong. This is an important factor for the future growth and long-term development of the Company, given that it continually explores and assesses various opportunities in the gold production industry.

LETTER TO SHAREHOLDERS

4. PROPOSED SHARE OFFER TO BE CARRIED OUT IN CONJUNCTION WITH THE PROPOSED SEHK LISTING

4.1 Information on the Proposed Share Offer

(a) Structure

Pursuant to the Proposed Share Offer, the Company may issue up to 18,000,000 Offer Shares at the Offer Price.

The Offer Shares will comprise up to 18,000,000 new ordinary shares in the capital of the Company. The Proposed Share Offer will, subject to re-allocation, comprise 1,800,000 Public Offer Shares and 16,200,000 Placing Shares.

Based on the structure of the Proposed Share Offer, the Offer Shares may comprise up to approximately 4.42% and 4.23% of the Existing Issued Share Capital and the enlarged issued share capital of the Company immediately following the completion of the Proposed Share Offer, respectively.

Prior to the listing committee of the SEHK granting the approval for the listing of and permission to deal in, on the SEHK Main Board, the Shares in issue and listed on Catalist and Shares that may be allotted and issued pursuant to the Proposed Share Offer, the exact Offer Price, the number of Offer Shares to be issued and the structure of the Proposed Share Offer are subject to changes.

The Company will determine the exact structure and details of the Proposed Share Offer (including the actual number of Offer Shares to be issued and the exact Offer Price) closer to the launch of the Proposed Share Offer, having regard to, *inter alia*, the demand for the Proposed Share Offer and the prevailing market price of the Shares on the SGX-ST. The Proposed Share Offer is expected to be fully underwritten by the Underwriters to be engaged by the Company. If, for any reason, the Offer Price is not agreed between the Company and the Lead Manager (for itself and on behalf of the Underwriters), the Proposed Share Offer will not proceed and will lapse. As at the Latest Practicable Date, the Underwriters had not been appointed.

The illustrative Offer Price and any indicative Offer Price and the number (and percentage) of Offer Shares used in this Circular in relation to the Proposed Share Offer is strictly intended as an illustration and should not be taken to be in any way a statement or indication of the expected, forecasted or actual Offer Price and the actual number (or percentage) of Offer Shares. Accordingly, there is no assurance that the actual Offer Price or the actual number (or percentage) of Offer Shares will not vary from the illustrations shown in this Circular.

The Offer Shares will not be allotted and issued so as to transfer a controlling interest in the Company without the prior approval of the Shareholders in a general meeting as required under Rule 803 of the Catalist Rules and the Offer Shares will not be placed to any of the persons set out as restricted persons under Rule 812(1) of the Catalist Rules.

(b) Offer Price

The Offer Price at which the Offer Shares will be issued pursuant to the Proposed Share Offer will be determined by the Company and the Lead Manager (for itself and on behalf of the Underwriters), closer to the date of the commencement of the Proposed Share Offer.

If, for any reason, the Company and the Lead Manager (for itself and on behalf of the Underwriters) are unable to reach an agreement on the Offer Price, the Proposed Share Offer will not proceed and will lapse. In determining the Offer Price, the Company and the Lead Manager (for itself and on behalf of the Underwriters) will take into consideration factors such as the demand for the Proposed Share Offer and the prevailing price of the Shares on the SGX-ST.

LETTER TO SHAREHOLDERS

The Company will require certain flexibility in determining the Offer Price in order to successfully complete the Proposed Share Offer.

(c) Offer Shares

The Offer Shares to be issued under the Proposed Share Offer will rank *pari passu* in all respects with the other Shares in issue, except that holders of such Offer Shares shall not be entitled to any dividends or distributions the record date for which falls prior to the date of their issue.

(d) Underwriting

The Placing Underwriters will procure subscribers to subscribe for, or failing which they shall subscribe for, the Placing Shares initially being offered pursuant to the Placing. The Placing is expected to be fully underwritten by the Placing Underwriters pursuant to an underwriting agreement to be executed.

The Public Offer Underwriters will procure subscribers for, or failing which they shall subscribe for, the Public Offer Shares being offered under the Public Offer. The Public Offer is expected to be fully underwritten by the Public Offer Underwriters pursuant to an underwriting agreement to be executed.

(e) Re-allocation

The allocation of the Offer Shares between the Public Offer and the Placing is subject to re-allocation. If the Public Offer Shares are not fully subscribed, the Lead Manager (for itself and on behalf of the Underwriters) will have the discretion (but shall not be under any obligation) to re-allocate all or any unsubscribed Public Offer Shares to the Placing in such amounts as the Lead Manager (for itself and on behalf of the Underwriters) deems appropriate.

If the Placing Shares are not fully subscribed, the Lead Manager (for itself and on behalf of the Underwriters) will have the discretion (but shall not be under any obligation) to re-allocate all or any unsubscribed Placing Shares to the Public Offer in such amounts as the Lead Manager (for itself and on behalf of the Underwriters) deems appropriate.

Paragraph 4.2 of Practice Note 18 of the HK Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Public Offer Shares under the Public Offer to a certain percentage of the total number of Offer Shares offered in the Proposed Share Offer if certain prescribed total demand levels are reached. In the event of over-subscription in the Public Offer, the Lead Manager (for itself and on behalf of the Underwriters) shall apply a clawback mechanism following the closing of the application lists.

4.2 Undertakings

(a) Undertaking by the Undertaking Shareholders

Each of the Undertaking Shareholders, namely, Professor Lin Xiang Xiong @ Lin Ye, Ms. Tan Swee Ngin, Innovation (China) Limited, Mr. Choo Chee Kong, Ms. Lim Sok Cheng Julie and Messiah Limited, is expected to give an undertaking to the Company and to the SEHK that, except pursuant to the Proposed Share Offer or unless in compliance with the requirements of the HK Listing Rules, the Undertaking Shareholders shall not, and shall procure that the relevant registered holder(s) shall not:

- (i) at any time during the period commencing on the date by reference to which disclosure of its or his or her shareholding in the Company is made in the Prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights,

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interests or encumbrances in respect of, any of the Shares or other securities of the Company in respect of which it or he or she is shown by the Prospectus to be the beneficial owner; and

- (ii) at any time during the period of six months from the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it or he or she would cease to be a controlling shareholder of the Company (as defined under the HK Listing Rules).

Each of the Undertaking Shareholders is also expected to give an undertaking to the Company and to the SEHK that, within the period commencing on the date by reference to which disclosure of the shareholdings of the Undertaking Shareholders are made in the Prospectus and ending on the date which is 12 months from the Listing Date, it or he or she will immediately inform the Company:

- (i) of any pledges or charges of any Shares or other securities of the Company beneficially owned by it or him or her in favour of any authorised institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, and the number of such Shares or other securities of the Company so pledge or charged; and
 - (ii) when it or he or she or the relevant registered holder receives indication, either verbal or written, from any pledgee or chargee of any Shares or other securities of the Company pledged or charged that any of such securities will be disposed of, immediately inform the Company of such indication.
- (b) Undertaking by the Company

The Company is expected to give an undertaking to the SEHK that no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may be issued or form the subject of any agreement or arrangement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except pursuant to the Proposed Share Offer or in certain circumstances prescribed by the HK Listing Rules.

4.3 Use of Net Proceeds from the Proposed Share Offer

Purely for illustrative purposes, assuming an Offer Price of HK\$1.28 (or S\$0.225, being the volume weighted average price for trades done on SGX-ST as at the Latest Practicable Date), the aggregate net proceeds from the Proposed Share Offer after deducting estimated fees, costs and expenses payable in connection with and attributable to the Proposed Share Offer and Proposed SEHK Listing, will be approximately HK\$0.6 million (or approximately S\$0.1 million) based on the exchange rate of S\$1.00: HK\$5.6902 as at the Latest Practicable Date (the “**Net Proceeds**”).

Prospective investors and/or Shareholders should note that the above Offer Price and the Net Proceeds are set out herein purely for illustrative purposes as the final Offer Price is subject to final determination between the Company and the Lead Manager (for itself and on behalf of the Underwriters) at a date closer to the Proposed Share Offer.

The Board presently intends to apply the Net Proceeds as follows:

- (a) approximately 95.4% will be used for drilling and exploration activities for the Sokor Block. The Group intends to continue exploration activities to expand its existing mineral resource and ore reserves at the Sokor Block and extending the life of its mine; and

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- (b) approximately 4.6% will be used for laboratory testing in relation to the ore and soil samples, taken during drilling and exploration, as part of the Group's on-going evaluation activities for the Sokor Block.

As and when the Net Proceeds are materially disbursed, the Company will make the appropriate announcements as may be required under the Catalist Rules and the HK Listing Rules, on the SGXNET and the website of the SEHK, respectively. The Company will also provide a status update on the use of proceeds in its annual report.

Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. Where the Net Proceeds have been used for working capital, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied in the Company's interim and full-year financial statements as well as annual reports until such time the Net Proceeds have been fully utilised.

In determining the Offer Price, the Company and the Lead Manager (for itself and on behalf of the Underwriters) will take into consideration, among other things, the demand for the Proposed Share Offer and the prevailing market price of the Shares.

To the extent that the Net Proceeds are not immediately applied to the purposes described above and to the extent permitted by applicable laws and regulations, the Company intends to deposit the Net Proceeds into short term demand deposits with authorised financial institutions and/or licensed banks in Singapore or Hong Kong.

4.4 Financial effects of the Proposed Share Offer

The illustrative financial effects of the Proposed Share Offer on the Group based on the audited financial statements of the Group for FY2017 and the unaudited financial statements of the Group for 2Q2018 (as announced via the SGXNET on 14 August 2018) are set out below. The financial effects below are set out solely for illustrative purposes and are not intended to reflect the actual future financial situation of the Company or the Group after completion of the Proposed Share Offer. Such financial effects are based primarily on the following assumptions:

- (i) the maximum number of 18,000,000 Offer Shares, constituting approximately 4.42% of the Existing Issued Share Capital are issued at the illustrative Offer Price of HK\$1.28 (or S\$0.225) for each Offer Share pursuant to the Proposed Share Offer;
- (ii) the Net Proceeds of approximately HK\$0.6 million (or S\$0.1 million), after deducting the estimated expenses payable by the Company in relation to the Proposed Share Offer of an aggregate of approximately HK\$22.5 million (or S\$4.0 million), will be used for the purposes as set out in Section 4.3. The estimated expenses of the Proposed Share Offer will be adjusted depending on the exact number of Offer Shares to be issued and the exact Offer Price to be determined;
- (iii) the Group's net tangible assets per Share and net assets per Share was computed on the basis that the issue of Offer Shares was completed on 31 December 2017;
- (iv) the Group's earnings per Share was computed on the basis that the issue of Offer Shares was completed on 1 January 2017;
- (v) no additional Shares are issued by the Company other than the 18,000,000 Offer Shares pursuant to the Proposed Share Offer; and
- (vi) exchange rates of S\$1.00: HK\$5.6902 and S\$1.00: US\$0.7249 as at the Latest Practicable Date.

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(a) Share capital

	As at the Latest Practicable Date	After the Proposed Share Offer
Number of issued Shares	407,693,000	425,693,000
Share Capital (S\$)	23,335,633	26,958,750
Share Capital (US\$)	18,032,233	20,658,630

(b) Net tangible assets

	As at 31 December 2017	After the Proposed Share Offer
Net tangible assets (US\$'000)	24,218	24,290
Number of issued Shares	407,693,000	425,693,000
Net tangible assets per Share (US cents)	5.94	5.71
Net tangible assets per Share (Singapore cents)	8.19	7.87

(c) Net assets

	As at 31 December 2017	After the Proposed Share Offer
Net assets (US\$'000)	47,197	47,269
Number of issued Shares	407,693,000	425,693,000
Net assets per Share (US cents)	11.58	11.10
Net assets per Share (Singapore cents)	15.97	15.32

(d) Earnings per Share

	FY2017	After the Proposed Share Offer
Profit attributable to Shareholders (US\$'000)	2,777	223
Number of issued Shares	407,693,000	425,693,000
Earnings per Share (US cents)	0.68	0.05
Earnings per Share (Singapore cents)	0.94	0.07

(e) Gearing

	As at 31 December 2017	After the Proposed Share Offer
Total borrowings (US\$'000)	673	673
Total equity (US\$'000)	47,197	47,269
Gearing (times)	0.01	0.01

Shareholders should note that the financial effects set out above are purely for illustrative purposes only and that the actual financial effects may differ significantly if any of the abovementioned assumptions changes significantly.

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5. PROPOSED AMENDMENTS TO THE CONSTITUTION

5.1 Introduction

The present Constitution was adopted by special resolution of the Shareholders passed on 28 April 2016.

In connection with the Proposed Share Offer and Proposed SEHK Listing, the Company is required, to the extent that it does not contravene the applicable laws of Singapore, to amend its Constitution to comply with the HK Listing Rules and where applicable, the HKCO. In addition, the Company has to comply with the Joint Policy Statement. The Joint Policy Statement draws references to certain aspects of Hong Kong laws and prescribes mandatory requirements in relation to the standards of shareholder's protection to be included in the articles of association or equivalent document of Hong Kong listed issuers which are incorporated in Hong Kong or other jurisdictions (including but not limited to Singapore).

If approved by the Shareholders at the EGM, Shareholders should note that the amendments to the Constitution shall only come into effect if the Company proceeds with the Proposed Share Offer and Proposed SEHK Listing. The proposed amendments to the Constitution as set out in **Appendix C** of this Circular shall come into effect on the date of listing of the Company on the SEHK Main Board.

5.2 Summary of Key Provisions

The following is a summary of the key provisions which are proposed to be added to or substantially amended in the Constitution. It should be read in conjunction with the relevant provisions of the amended Constitution set out in **Appendix C** to this Circular.

(a) Definitions

(i) "book-entry securities"

It is proposed that the definition of "book-entry securities" be added and shall mean "Listed securities, documents of title to which are deposited by a Depositor with the CDP or a clearing house (as the case may be), which are registered in the name of the CDP or a clearing house or their respective nominees and transferable by way of book-entry in the Depository Register and not by way of an instrument of transfer."

As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, it is proposed that this new definition of "book-entry securities" includes documents of title which are deposited with the CDP or the clearing house for logistics purposes.

(ii) "CDP", "Depositor", "Depository Agent" and "Depository Register"

The existing definitions of the terms "Depository", "Depositor", "Depository Agent" and "Depository Register" are proposed to be replaced with full definitions of the terms "CDP", "Depositor", "Depository Agent" and "Depository Register" respectively to reflect the relevant logistics arrangements as the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing.

(iii) "clearing house"

It is proposed that the definition of "clearing house" be included in the Constitution as the proposed amendments and insertions in the Constitution include references to such term.

(iv) "Direct Account Holder"

It is proposed that the definition of "Direct Account Holder" be included in the Constitution and shall mean "a person who has a securities account directly with CDP or a clearing house (as the case may be) and not through a Depository Agent".

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As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, it is proposed that this new definition of “Direct Account Holder” in the Constitution includes a securities account with CDP or a clearing house for logistics purposes.

(v) *“Register of Members”*

It is proposed that the definition of “Register of Members” be included in the Constitution and shall mean “the Company’s register of Members and where applicable, any branch register of Members to be maintained at such place within or outside Singapore as the Directors shall determine from time to time”. As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, a branch register of Members is required to be maintained by the Company in Hong Kong.

(vi) *“Registration Office”*

It is proposed that the definition of “Registration Office” be included in the Constitution and shall mean “in respect of any class of share capital, such place as the Directors may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Directors otherwise direct) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.

(vii) *“Securities Account”*

It is proposed that the definition of “Securities Account” be included in the Constitution and shall mean “the securities account maintained by a Depositor with CDP or a clearing house (as the case may be)”.

As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, it is proposed that this new definition of “Securities Account” in the Constitution includes a securities account with CDP or a clearing house for logistic purposes.

(viii) *“Statutes”*

A new definition of “Statutes” has been included in the Constitution and shall mean “the Act, the Securities and Futures Act (Chapter 289) of Singapore, and every other written law for the time being in force concerning companies and affecting the Company, including but not limited to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as applicable) and any reference to any provision as so amended, supplemented or otherwise modified from time to time”.

(ix) *“Stock Exchange”*

As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, it is proposed that the definition of “Stock Exchange” in the Constitution be amended to include both the SGX-ST and the SEHK.

(x) *“close associate” and “corporate communication”*

As some of the proposed amendments to the Constitution include references to the terms “close associate” and “corporate communication”, it is proposed that the definitions of the terms “close associate” and “corporate communication” be included in the Constitution.

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(xi) *Reference to “holder(s)”*

It is proposed that references to “holder(s)” of shares or a class of shares shall exclude CDP or a clearing house or their respective nominees, except where otherwise expressly provided in the Constitution, or where the term “registered holders” or “registered holder” is used in the Constitution.

(b) Authorised share capital

A new Article 5A has been included in the Constitution which states that “the Company does not have an authorised share capital and the shares do not have par value.” As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, such amendment is needed to ensure that the Constitution is in compliance with paragraph 9 of Appendix 3 of the HK Listing Rules.

(c) Company’s power to purchase its own Shares

Article 6, which relates to the Company’s power to purchase its own shares, is proposed to be amended to clarify that where the Company purchases redeemable shares, purchases not made through the market or by tender shall be limited to a maximum price. If purchases are by tender, tenders shall be available to all Members holding redeemable shares alike. As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, such amendment is needed to ensure that the Constitution is in compliance with paragraph 8 of Appendix 3 of the HK Listing Rules.

(d) Issue of different classes of Shares

The Catalist Rules do not currently permit the Company to issue shares which confer different voting rights or do not confer voting rights. To clarify this, it is proposed that Articles 7, 8(1), 52 and 64(1) be amended, Article 8(3) be deleted and references to Article 8(3) in Articles 53(2) and 152(1) be deleted.

Notwithstanding the foregoing, Article 8(1), which relates to the Company’s power to issue different classes of shares, is proposed to be amended to clarify that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares, and where the equity capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, shall include the words “restricted voting” or “limited voting”. As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, such amendment is needed to ensure that the Constitution is in compliance with paragraphs 10(1) and 10(2) of Appendix 3 of the HK Listing Rules.

(e) Treasury shares

Article 9, which relates to the Company’s rights in respect of treasury shares, is proposed to be amended to clarify that the Company shall not have any treasury shares as the HK Listing Rules do not permit shares to be held in treasury.

(f) Variation of rights

Article 10, which relates to the variation of rights attached to any class of share capital of the Company, is proposed to be amended to clarify that the provisions of the Constitution relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class. The amendment is to ensure that the Constitution is in compliance with paragraph 6(2) of Appendix 3 of the HK Listing Rules.

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(g) Joint holders

Article 16(a), which relates to joint holders of the Shares, is proposed to be amended to allow the Company to register four persons, instead of three persons, as joint holders of Shares. This amendment is proposed to be made pursuant to paragraph 1(3) of Appendix 3 of the HK Listing Rules which provides that where power is taken to limit the number of shareholders in a joint account, such limit shall not prevent the registration of a maximum of four persons.

(h) Failure of Members to disclose their interests to the Company

Article 16A is proposed to be added to clarify that the Company has no power to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company. The inclusion of new Article 16A is to ensure that the Constitution is in compliance with paragraph 12 of Appendix 3 of the HK Listing Rules.

(i) Certificates

Article 17 is proposed to be amended to clarify that every certificate shall be issued under the Seal, which may only be affixed with the authority of the Directors, or be executed under signature of appropriate officials with statutory authority. The amendment is to ensure that the Constitution is in compliance with paragraph 2(1) of Appendix 3 of the HK Listing Rules.

(j) Entitlement to certificates

Article 18 is proposed to be amended to clarify that if a Member shall require several certificates each for a part of the shares so allotted or transferred or included in the transmission or if a Member transfers part only of the shares comprised in a certificate or requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the Member shall pay prior to the issue of the certificates or certificate a fee not exceeding S\$2 (or such lesser sums as the Directors shall from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange) for each such new certificate as the Directors may determine. The amendment is to ensure that the Constitution is in compliance with paragraph 1(1) of Appendix 3 of the HK Listing Rules.

(k) New certificates may be issued

Article 19 is proposed to be amended to clarify that subject to the provisions of the Companies Act, if any certificate shall be defaced, worn out, destroyed, lost or stolen, a new certificate may be issued in lieu thereof on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S\$2 (or such other fee as the Directors may determine having regard to any limitation as may be prescribed by the Stock Exchange) as the Directors may from time to time require. The amendment is to ensure that the Constitution is in compliance with paragraph 1(1) of Appendix 3 of the HK Listing Rules.

(l) Replacement of share warrant issued to bearer

Article 19A is proposed to be added to the Constitution and it provides that the Directors may issue warrants to subscribe for any class of shares or other securities of the Company, and where such warrants are issued to bearer, no new certificate shall be issued to replace a lost one unless the Directors are satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and unless the Company has received an appropriate indemnity relating to the issue of the replacement certificate. The inclusion of new Article 19A is to ensure that the Constitution is in compliance with paragraph 2(2) of Appendix 3 of the HK Listing Rules.

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(m) Transfer of Shares

Articles 20 and 21, which relate to the transfer of Shares, are proposed to be amended to reflect the logistics arrangements for the transfer of Shares in Singapore and in Hong Kong as the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing.

(n) Restrictions on transfers

Article 23, which states that there shall be no restriction on the transfer of fully paid up Shares (except as required by law, the listing rules of the Stock Exchange or the rules and/or bye-laws governing the Stock Exchange), is proposed to be amended to clarify that such fully paid up Shares shall also be free from all lien. The amendment is to ensure that the Constitution is in compliance with paragraph 1(2) of Appendix 3 of the HK Listing Rules.

(o) Fee for registration of transfer of shares

Article 25(a) is proposed to be amended to clarify that the fee payable to the Company for the registration of an instrument of transfer shall not exceed the amount prescribed by the listing rules of the Stock Exchange, as the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing. This is in compliance with paragraph 1(1) of Appendix 3 of the HK Listing Rules.

(p) Transfer of Shares between the register of members in Singapore and branch register of members in Hong Kong

As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, and Shareholders may wish to switch trading from the SGX-ST to SEHK, or *vice versa*, it is proposed that the new Article 27A be inserted in the Constitution to provide the mechanism for the transfer of shares from the register kept in Singapore and the branch register kept in Hong Kong, and *vice versa*.

(q) Capital paid on Shares in advance of calls

Article 39, which relates to capital paid on shares in advance of calls, is proposed to be amended to comply with paragraph 3(1) of Appendix 3 of the HK Listing Rules which provides that any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend or other distribution subsequently declared.

(r) Central Depository System

Article 51A, which relates to the use of the Central Depository System (or a clearing house, as the case may be), is proposed to be added to the Constitution.

(s) Holding of general meetings

Article 62, which relates to the holding of extraordinary general meetings on requisition, is proposed to be amended to specify that the Directors shall, on the requisition of members holding not less than 10% of the total number of paid-up shares as at the date of the deposit of the requisition carries the right of voting at general meetings, convene an extraordinary general meeting and such Members, holding a minority stake in the Company not higher than 10% of the total number of paid-up shares as at the date of requisition carries the right of voting at general meetings, may also add resolutions to the meeting agenda of a general meeting. This proposed amendment ensures compliance with paragraph 39 of the Joint Policy Statement.

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(t) Notice of general meetings

Article 63(1), which relates to the notice of general meetings, is proposed to be amended to specify that subject to such other minimum period as may be specified in the Statutes from time to time, an annual general meeting shall be called by notice of not less than 21 clear days or 20 clear business days (whichever is longer) and any extraordinary general meeting at which it is proposed to pass a special resolution shall be called by notice of not less than 21 clear days or 20 clear business days (whichever is longer). All other extraordinary general meetings may be called by notice of not less than 14 clear days or 10 clear business days (whichever is longer). This proposed amendment ensures compliance with paragraph 37 of the Joint Policy Statement and the HK Listing Rules.

(u) Multiple proxies regime

The multiple proxies regime in Hong Kong is proposed to be incorporated into Article 77 to allow “a clearing house (or its nominee(s))” to appoint more than two proxies to attend, speak and vote at general meetings.

(v) Authorisation by a clearing house and register of members

The proposed insertion of Article 78A is made pursuant to Section 607 of the HKCO which requires a recognised clearing house, if it or its nominee is a member of a company, to authorise such person or persons to act as its representatives at any meeting of the company or at any meeting of any class of members of the company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of each such person is so authorised.

The proposed insertion of Article 78B is made to provide clearly that the Company shall keep a register of members and enter the relevant particulars into the register. This is in line with the requirement under Section 627 of the HKCO.

The proposed insertion of Article 78C is made pursuant to Section 632 of the HKCO which provides that a company may, on giving notice by advertisement in a newspaper circulating generally in Hong Kong, close the register for any time or times not exceeding, in whole, 30 days in each year.

The proposed insertion of Article 78D is to clarify that the Company or the Directors have the right to fix, subject to the listing rules of the SGX-ST and the HK Listing Rules, the record date for various events for logistics purposes.

(w) Counting of votes in a general meeting

Article 80 is proposed to be amended to clarify that where the Company has knowledge that any Shareholder is required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted. The proposed amendment of Article 80 is to ensure that the Constitution is in compliance with paragraph 14 of Appendix 3 of the HK Listing Rules.

(x) Execution of proxies

Article 83(1) is proposed to be amended to clarify that an instrument appointing a proxy shall be in writing (provided always that this shall not preclude the use of the two-way form) and in the case of a corporation shall be either given under its common seal or signed under the hand of an attorney or an officer of the corporation duly authorised if the instrument of proxy is delivered personally or sent by post. The proposed amendment of Article 83(1) is to ensure that the Constitution is in compliance with paragraphs 11(1) and (2) of Appendix 3 of the HK Listing Rules.

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(y) Registration of proxy

Articles 85 and 88, which relate to the registration of proxy, are proposed to be amended to include references to “Registration Office” for logistics purpose as the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing.

(z) Instrument appointing a proxy

Article 87, which relates to the use of an instrument appointing a proxy, is proposed to be amended to clarify that an instrument appointing a proxy shall not preclude the use of a two-way form. This proposed amendment is made to ensure compliance with paragraph 11(1) of Appendix 3 to the HK Listing Rules.

(aa) Transactions between the Company and the Directors

Article 94 is proposed to be amended pursuant to paragraph 4(1) of Appendix 3 of the HK Listing Rules, which provides that a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting.

(bb) Vacation of office of Directors

Article 121, which relates to the vacation of office of Directors, is proposed to be amended to clarify that the Company may by Ordinary Resolution of which special notice has been given remove any Director (including a managing or other executive director) before the expiration of his period of office. This proposed amendment is made to ensure compliance with paragraph 4(3) of Appendix 3 to the HK Listing Rules.

(cc) Financial statements

Article 133, which relates to the sending of the Company’s financial statements and related documents to Shareholders, is proposed to be amended to provide that such documents shall be sent not less than 21 days before the date of the general meeting, to comply with paragraph 5 of Appendix 3 to the HK Listing Rules.

(dd) Application and apportionment of dividends

Article 140, which relates to the application and apportionment of dividends, is proposed to be amended to provide that for the purposes of Article 140, any amount paid or credited as paid on a share in advance of a call is to be ignored and shall not entitle the holder of such share to participate in respect thereof in a dividend subsequently declared. This proposed amendment is made to ensure compliance with paragraph 3(1) of Appendix 3 to the HK Listing Rules.

(ee) Service of notices to Shareholders

Articles 153(1), 155 and 156 are proposed to be amended to clarify that the address supplied by a Shareholder to the Company or to CDP or a clearing house need not be in Singapore. This is in line with paragraph 7 of Appendix 3 of the HK Listing Rules.

(ff) Untraceable Members

Article 158A, which relates to the power that the Company may have in relation to the Shareholders whose whereabouts are unknown, is proposed to be added to the Constitution. This is consistent with paragraph 13 of Appendix 3 of the HK Listing Rules which covers the situations where there are untraceable members.

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(gg) Winding up

Article 159, which relates to the winding up of the Company, is proposed to be amended to provide that a special resolution is required to approve the voluntary winding up of the Company. This proposed amendment is made to ensure compliance with paragraph 31(c) of the Joint Policy Statement.

(hh) Conflicts of laws

Article 163, which relates to the actions that will be taken by the Company in the event of any conflict between the laws of Singapore and the laws of Hong Kong, is proposed to be added to the Constitution. It is the intention of the Company that in the event that there is any conflict between the Singapore laws that are applicable to the Company and the Hong Kong laws which are also applicable to the Company, the Company shall endeavour to comply with the more onerous of the two, subject to approvals from the SGX-ST, SEHK and/or relevant authorities.

(ii) Amendment of Constitution

A new Article 164 has been included in the Constitution which states that “No article shall be rescinded, altered or amended and no new article shall be made until the same has been approved by a Special Resolution of the Members. A Special Resolution shall be required to alter the provisions of the Constitution or to change the name of the company and as permitted in the circumstances provided under the Statutes.” and a new Article 165 has been included in the Constitution which states that “There should not be any alteration in this Constitution to increase an existing Member’s liability to the Company unless such increase is agreed by such Member in writing.” As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, such amendment is needed to ensure that the Constitution is in compliance with paragraphs 31(b) and 34 of the Joint Policy Statement.

(jj) References to “clearing house”

As the Company intends to be concurrently listed on Catalist and the SEHK Main Board after completion of the Proposed SEHK Listing, it is proposed that in Articles 14, 21, 44, 149, 150, 153, 155 and 156, references to both CDP and/or a clearing house be included for logistics purposes.

The above list is not exhaustive and Shareholders are advised to refer to the full text of the proposed amendments to the Constitution as set out in **Appendix C** to this Circular.

LETTER TO SHAREHOLDERS

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 Interests of Directors and Substantial Shareholders

The interests of the Directors and Substantial Shareholders in the Shares of the Company as at the Latest Practicable Date and after the Proposed Share Offer are, as follows:-

	As at the Latest Practicable Date				After the Proposed Share Offer			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽³⁾	Number of Shares	% ⁽⁴⁾	Number of Shares	% ⁽⁴⁾
Directors								
Professor Lin Xiang Xiong @ Lin Ye ⁽¹⁾	1,100,000	0.27	106,987,500	26.24	1,100,000	0.26	106,987,500	25.13
Choo Chee Kong ⁽²⁾	205,000	0.05	50,662,500	12.43	205,000	0.05	50,662,500	11.90
Lim Kuoh Yang ⁽¹⁾	–	–	108,087,500	26.51	–	–	108,087,500	25.39
Substantial Shareholders (other than Directors)								
Innovation (China) Limited ⁽¹⁾	106,987,500	26.24	–	–	106,987,500	25.13	–	–
Messiah Limited ⁽²⁾	50,662,500	12.43	–	–	50,662,500	11.90	–	–
Ng Eng Tiong	24,995,400	6.13	–	–	24,995,400	5.87	–	–

Notes:

- (1) Innovation (China) Limited is a private investment company incorporated in Hong Kong whose shareholders are Professor Lin Xiang Xiong @ Lin Ye (65.0%) and his wife, Tan Swee Ngin (35.0%). Lim Kuoh Yang is the son of Professor Lin Xiang Xiong @ Lin Ye and Tan Swee Ngin. As such, Professor Lin Xiang Xiong @ Lin Ye and Tan Swee Ngin are deemed to be interested in all the Shares held by Innovation (China) Limited by virtue of their respective interests in Innovation (China) Limited and Lim Kuoh Yang is deemed to be interested in all the Shares held and deemed to be held by Professor Lin Xiang Xiong @ Lin Ye and Tan Swee Ngin by virtue of Section 7 of the Act.
- (2) Messiah Limited is a private investment holding company incorporated in the British Virgin Islands whose shareholders are Choo Chee Kong (51.0%) and his wife, Lim Sok Cheng Julie (49.0%). As such, Choo Chee Kong and Lim Sok Cheng Julie are deemed to be interested in all the Shares held by Messiah Limited by virtue of Section 7 of the Act.
- (3) The percentages of issued share capital are calculated based on 407,693,000 issued Shares in the capital of the Company as at the Latest Practicable Date.
- (4) The percentages of issued share capital are calculated based on 425,693,000 issued Shares in the capital of the Company after the Proposed Share Offer.

6.2 Interests of Directors and Substantial Shareholders in the Proposed Share Offer and Proposed SEHK Listing and the proposed amendments to the Constitution

Save for their respective shareholdings in the Company and as disclosed in this Circular, none of the Directors or Substantial Shareholders as well as their respective associates has any interest in the Proposed Share Offer and Proposed SEHK Listing and the proposed amendments to the Constitution.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, the Group was not involved in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim is known to the Directors to be pending or threatened by or against the Group, that would have a material adverse effect on the Group's results of operations or financial condition.

LETTER TO SHAREHOLDERS

8. DIRECTORS' RECOMMENDATIONS

8.1 The Proposed Share Offer and Proposed SEHK Listing

Having considered the rationale for and benefits of the Proposed Share Offer and Proposed SEHK Listing, the Directors are of the opinion that the Proposed Share Offer and Proposed SEHK Listing is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Share Offer and Proposed SEHK Listing as set out in the Notice of EGM.

8.2 The proposed amendments to the Constitution

Having considered the rationale for the proposed amendments to the Constitution, the Directors are of the opinion that the proposed amendments to the Constitution is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the special resolution relating to the proposed amendments to the Constitution as set out in the Notice of EGM.

8.3 Advice to Shareholders

Shareholders are advised to read this Circular in its entirety and, for those who may require advice in the context of their specific investments, to consult their stockbrokers, bank managers, accountants, solicitors, tax advisers or other professional advisers.

In compliance with its continuing listing obligations under the Catalist Rules, the Company will also be announcing, from time to time, material information relating to the Company. As such, Shareholders are also advised to refer to such announcements when considering the resolutions to be tabled at the EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's registered office at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455 not less than 72 hours before the time fixed for holding the EGM. The completion and lodgment of the Proxy Form by a Shareholder shall not preclude him from attending and voting at the EGM in person if he so wishes.

A Depositor will not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the time fixed for holding the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

LETTER TO SHAREHOLDERS

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the existing Constitution;
- (b) audited financial statements of the Group for each of FY2015, FY2016 and FY2017 and the unaudited financial statements for 1Q2018 and 2Q2018;
- (c) annual reports of the Company for each of FY2015, FY2016 and FY2017; and
- (d) the SGXNET announcements made by the Company in relation to the Proposed Share Offer and Proposed SEHK Listing.

Yours faithfully

For and on behalf of the Board of Directors of
CNMC GOLDMINE HOLDINGS LIMITED

Lim Kuoh Yang
Chief Executive Officer

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

The Shares are currently listed on Catalist and the Company intends to list the Shares on the SEHK. The Company sets out below a summary of the major differences between the Catalist Rules and HK Listing Rules, certain applicable laws and regulations of Singapore and Hong Kong, the takeover rules under the Singapore Take-over Code and 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 the 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 Singapore laws, rules and regulations, including the Catalist Rules, the Companies Act, the Singapore Take-over Code and the SFA, on the one hand, and the Hong Kong laws, rules and regulations, including the HK Listing Rules, the HK Takeovers Code and Part XV of the SFO, on the other hand, the Company shall comply with the more restrictive or stringent rule or requirement.

The Sole Sponsor and the Directors are not aware of any major conflicts between the Catalist Rules and the HK Listing Rules which may cause difficulties to the Company in complying with the rules under both regimes.

I. SUMMARY OF THE MAJOR DIFFERENCES BETWEEN THE HK LISTING RULES AND THE CATALIST RULES AND CERTAIN APPLICABLE SINGAPORE AND HONG KONG LAWS

HK Listing Rules and Hong Kong Laws

Catalist Rules and Singapore Laws

A. REPORTING REQUIREMENTS

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

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

In the case that the Company makes a disclosure pursuant to HK Listing Rules, it will make the same disclosure in Singapore.

In the case that the Company makes a disclosure pursuant to the Catalist Rules, it will make the same disclosure in Hong Kong.

1. Chapter 13 of HK Listing Rules (Continuing Obligations)

Chapter 7 of the Catalist Rules (Continuing Obligations)

Rule 13.09, HK Listing Rules: General Obligation of Disclosure

Rule 703, Catalist Rules: Disclosure of Material Information

- (1) Without prejudice to Rule 13.10 of HK Listing Rules, where in the view of the SEHK 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 SEHK, 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.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

Notes:

- (1) This obligation exists whether or not the SEHK makes enquiries under Rule 13.10 of the HK Listing Rules.
- (2) If an issuer believes that there is likely to be a false market in its listed securities, it must contact the SEHK as soon as reasonably practicable.
- (2) (a) Where an issuer is required to disclose inside information under the Inside Information Provisions (as defined in HK Listing Rules), it must also simultaneously announce the information.
- (b) An issuer must simultaneously copy to the SEHK any application to the SFC for a waiver from disclosure under the Inside Information Provisions, and promptly upon being notified of the SFC's decision copy the SEHK with the SFC's decision.
- (2) Rule 703(1) does not apply to information which would be a breach of law to disclose.
- (3) Rule 703(1) does not apply to particular information which satisfies the following conditions:
- 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;
- (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 7A to the Catalist Rules, 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 13.10B, HK 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.

Rule 13.51, HK 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, Catalist Rules: 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 Register of Members or any other register of securities of the issuer is kept.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

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|---|--|
| <p>(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 SEHK as soon as practicable after their appointment a declaration and undertaking in the form set out in Form B, H or I, where applicable in Appendix 5 to HK Listing Rules. Where a new director, supervisor or chief executive is appointed or the resignation, redesignation, 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 required pursuant to Rule 13.51(2) of HK Listing Rules of any newly appointed or re-designated director, supervisor or chief executive in the announcement;</p> | <p>(2) Any proposed alteration to the memorandum of association or articles of association or constitution of the issuer.</p> |
| <p>(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;</p> | <p>(3) [Deleted]</p> |
| <p>(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 (including, but not limited to, information set out in the outgoing auditors' confirmation in relation to the change in auditors);</p> | <p>(4) Any qualification or emphasis of a matter by the auditors on the financial statements of:</p> <p style="margin-left: 20px;">(a) the issuer; or</p> <p style="margin-left: 20px;">(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.</p> |
| <p>(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;</p> | <p>(5) If an issuer has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.</p> |
| <p>(6) any change in its compliance adviser; and</p> | <p>Appointment or Cessation of Service</p> |
| <p>(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, if any.</p> | <p>(6) (a) Any 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, company secretary, registrar or auditors of the issuer. The announcement of an appointment or cessation of service of any 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 7F or Appendix 7G to the Catalist Rules, as the case may be.</p> <p style="margin-left: 20px;">(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 in the issuer which would have a material impact on the group, including financial reporting.</p> |

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

- Rule 13.25A, HK Listing Rules: Changes in Issued Shares**
- (1) In addition and without prejudice to specific requirements contained elsewhere in HK Listing Rules, 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 HK Listing Rules, submit for publication on the SEHK's website a return in such form and containing such information as the SEHK 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 HK 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 HK Listing Rules; and
- (7) Any appointment or reappointment of a director to the audit committee. The issuer must state in the announcement whether the board considers the director to be independent. The issuer must also provide such additional disclosure as may be appropriate in the circumstances to enable its shareholders to assess the independence or otherwise of the appointed director. In the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months.
- (8) 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. The announcement must state the job title, duties and responsibilities of the appointee, and the information required in Rule 704(6).
- (9) Any promotion of an appointee referred to in Rule 704(8).
- (10) 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 7C Part II to the Catalist Rules. 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.
- (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, and enter into binding obligations on behalf of, the issuer and/or that principal subsidiaries.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

- (b) subject to Rule 13.25A(3) of HK 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
 - (v) redemption of shares or other securities.
- (3) The disclosure obligation for an event in Rule 13.25A(2)(b) of HK 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 HK Listing Rules or last return under this Rule 13.25A (whichever is the later), results in a change of 5% or more of the listed issuer's issued shares; or
 - (b) an event in Rule 13.25A(2)(a) of HK Listing Rules has occurred and the event in Rule 13.25A(2)(b) of HK Listing Rules has not yet been disclosed in either a monthly return published under Rule 13.25B of HK Listing Rules or a return published under this Rule 13.25A.
- (4) For the purposes of Rule 13.25A(3) of HK 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 HK Listing Rules or a return published under this Rule 13.25A.
- (12) For issuers with principal subsidiaries based in jurisdictions other than Singapore, any of its independent director's appointment or cessation of service from the board of these principal subsidiaries.
- Appointment of Special Auditors**
- (13) 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 sponsor, 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 SGX-ST directs. The issuer may be required by the SGX-ST to announce the findings of the special auditors.
- Sponsorship**
- (27) If its sponsor will cease, or ceases to sponsor it for any reason, stating the reasons and effective date of such cessation.
- (28) Any confirmation made by the sponsor pursuant to Rule 228(5) upon receipt of such confirmation.
- (29) The appointment of a new sponsor.
- Loan agreements/Issue of Debt Securities**
- (33) When the issuer or any of its subsidiaries enters into a loan agreement or issues debt securities that contain a condition making reference to shareholding interests of any controlling shareholder in the issuer, or places restrictions on any change in control of the issuer, and the breach of this condition or restriction will cause a default in respect of the loan agreement or debt securities, significantly affecting the operations of the issuer:
- (a) The details of the condition(s) making reference to shareholding interests of such controlling shareholder in the issuer or restrictions placed on any change in control of the issuer; and

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

Rule 13.25B, HK 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 SEHK 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.

2. General Meetings

Rule 13.73, HK Listing Rules: Notices

In addition to any direction of the court, the issuer shall ensure that notice of every meeting of its 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 HK Listing Rules. The issuer shall despatch a circular to its 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 its 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 Rule 2.07C of HK Listing Rules not less than 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 10 business day requirement by the chairman or, if that is not permitted by the issuer's constitutional documents, by resolution to that effect.

(b) The aggregate level of these facilities that may be affected by a breach of such condition or restriction.

(34) Any breach of the terms of loan agreements or debt issues which may have a significant impact on the operations of the issuer.

Rule 704, Catalist Rules: Announcement of Specific Information

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

General Meetings

(14) 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).

(15) 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.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

Rules 13.39(4) and (5), HK 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 30 minutes before the earlier of either the commencement of the morning trading session or any pre-opening session on the business day after the meeting.

Paragraph E.1.3 in Appendix 14, HK 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 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.

3. Rule 13.23(1), HK 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 HK Listing Rules and, where applicable, must circularise holders of its securities with their details and obtain their approval thereto.

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

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

- (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%;

Rule 730A, Catalist Rules: 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.

Rule 704, Catalist Rules: Announcement of Specific Information

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

Acquisitions and Realisations

- (16) Any acquisition of:
 - (a) shares resulting in the issuer holding 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings, of a quoted company;

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

- (2) discloseable transaction: a transaction or a series of transactions (aggregated under Rules 14.22 and 14.23 of HK Listing Rules) by a listed issuer where any percentage ratio is 5% or more, but less than 25%;
- (3) major transaction: a transaction or a series of transactions (aggregated under Rules 14.22 and 14.23) by a listed issuer where any percentage ratio is 25% or more, but less than 100% for an acquisition or 75% for a disposal;
- (4) very substantial disposal: a disposal or a series of disposals (aggregated under Rules 14.22 and 14.23 of HK Listing Rules) of assets (including deemed disposals referred to in Rule 14.29 of HK Listing Rules) by a listed issuer where any percentage ratio is 75% or more;
- (5) very substantial acquisition: an acquisition or a series of acquisitions (aggregated under Rules 14.22 and 14.23 of HK Listing Rules) of assets by a listed issuer where any percentage ratio is 100% or more;
- (6) reverse takeover: an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of the SEHK, 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 HK Listing Rules.
- (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% of the issuer's latest audited consolidated net tangible assets. The announcement must state:
- (i) the aggregate cost of the issuer's quoted investments before and after the acquisition, and such amounts as a percentage of the latest audited consolidated net tangible assets of the issuer;
- (ii) the total market value of its quoted investments before and after the acquisition; and
- (iii) the amount of any provision for diminution in value of investments;
- (c) shares resulting in a company becoming a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and
- (d) shares resulting in the issuer increasing its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5)).
- (17) Any sale of:
- (a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares and subsidiary holdings, of a quoted company;

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;

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- (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 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 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.
- (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. The announcement must contain the same information as required under Rule 704(14)(b)(i) to (iii), relating to a sale instead of an acquisition;
 - (c) shares resulting in a company ceasing to be a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and
 - (d) shares resulting in the issuer reducing its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5)).
- (18) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10 of the Catalist Rules.

Rule 14.34, HK 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 finalised, the listed issuer must in each case inform the SEHK and publish an announcement as soon as possible.

Chapter 10 of the Catalist Rules (Acquisitions and Realisations)

Part IV Classification of Transactions Rule 1004, Catalist Rules

Under Chapter 10, transactions are classified into the following categories:

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

Rule 1005, Catalist Rules

In determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004, the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. The SGX-ST retains the discretion to determine whether the aggregation was correctly applied, and/or to direct the sponsor to aggregate other transactions.

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Rules 14.38A to 14.57, HK Listing Rules: Additional Requirements for Major Transaction, Very Substantial Disposal, Very Substantial Acquisition, 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 SEHK are required for reverse takeover.

Rule 1006, Catalyst Rules

A transaction may fall into category (a), (b), (c) or (d) of Rule 1004 depending 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.
- (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. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.

Rules 1008, 1010, 1014 and 1015, Catalyst Rules: Non-Discloseable Transactions, Discloseable Transactions, Major Transactions and Very Substantial Acquisitions or Reverse Takeovers

Under Chapter 10, transactions are categorised as follows in the Catalyst Rules:

- **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%;

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- **Rule 1014(1):** major transaction: where any of the relative figures computed on the bases set out in Rule 1006 exceeds (a) for an acquisition, 75.0% but is less than 100.0%; or (b) for a disposal, 50.0%; 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, the issuer must, after terms have been agreed, make an immediate announcement in accordance with the Catalist Rules.

For very substantial acquisitions/reverse takeovers, the issuer must also immediately announce the latest two years of historical financial information (of the assets to be acquired) and one year of proforma financial information (of the enlarged group).

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, if applicable, the issue of a listing and quotation notice by 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 Catalist Rules.

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4. Rule 13.25, HK Listing Rules: Winding-up and Liquidation

- (1) An issuer shall inform the SEHK 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 HK Listing Rules;
 - (b) the presentation of any winding-up petition, or equivalent application in the country of 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 HK Listing Rules;
 - (c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of HK 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;

Rule 704, Catalist Rules: Announcement of Specific Information

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

Winding Up, Judicial Management, etc

- (19) 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.
- (20) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.
- (21) 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.
- (22) Where Rule 704(19), (20) or (21) applies, a monthly update must be announced regarding the issuer's financial situation, including:
 - (a) the state of any negotiations between the issuer and its principal bankers or trustee; and
 - (b) the issuer's future direction, or other material development that may have a significant impact on the issuer's financial position.

If any material development occurs between the monthly updates, it must be announced immediately.

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- (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% under any of the percentage ratios defined under Rule 14.04(9) of HK 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% under any of the percentage ratios defined under Rule 14.04(9) of HK Listing Rules.
- (2) Rules 13.25(1)(a), (b) and (c) will apply to a subsidiary of the issuer if the value of that subsidiary's total assets, profits or revenue represents 5% or more under any of the percentage ratios defined under Rule 14.04(9) of HK Listing Rules.

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5. Rules 13.45, HK 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;
- (3) any preliminary announcement of profits or losses for any year, half-year or other period;
- (4) any proposed change in the capital structure, including any redemption of its listed securities; and
- (5) any decision to change the general character or nature of the business of the issue or group.

Rule 704, Catalist Rules: Announcement of Specific Information

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

Announcement of Results, Dividends, etc

- (23) 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 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.
- (24) After the end of each of the first three 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.

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6. Rule 13.66, HK 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 business days before the closure for a rights issue, or 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 business days before the announced closure or the new closure, whichever is earlier, notify the SEHK 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 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.

7. There are no corresponding or similar provisions in HK Listing Rules dealing with treasury shares and subsidiary holdings.

Rule 704, Catalist Rules: Announcement of Specific Information

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

Books Closure

- (25) 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 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 1 day after the general meeting, if a general meeting is required to be held.
- (26) The issuer must not close its books for any purpose until at least 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 and Subsidiary Holdings

Rule 704, Catalist Rules: Announcement of Specific Information

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

- (31) 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;

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- (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.

(31A) Any sale, transfer, cancellation and/or use of subsidiary holdings 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 subsidiary holdings sold, transferred, cancelled and/or used;
- (d) number of subsidiary holdings before and after such sale, transfer, cancellation and/or use; and
- (e) percentage of the number of subsidiary holdings against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use.

8. Chapter 17 of HK Listing Rules (Share Option Schemes)

**Rule 17.02, HK Listing Rules:
Adoption of a new scheme**

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

Chapter 8 of the Catalist Rules (Changes in Capital)

Part VIII Share Option Schemes or Share Schemes

Rule 842(3), Catalist Rules

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 842(4), Catalist Rules

If shareholder approval is not required pursuant to Rule 842(3), an issuer must announce the principal terms of any such share option scheme or share scheme implemented by its subsidiaries.

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Notes to Rule 17.03(3), HK 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% of the relevant class of securities of the listed 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% limit.

The listed issuer may seek shareholders' approval in general meeting to "refresh" the 10% 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% of the relevant class of securities in issue as at the date of approval of the limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as "refreshed". The listed issuer must send a circular to its shareholders containing the information required under Rule 17.02(2)(d) of HK Listing Rules and the disclaimer required under Rule 17.02(4) of HK Listing Rules.

Rule 17.04(1), Listing Rules: Granting Options to a Director, Chief Executive or Substantial Shareholder of a 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 HK Listing Rules and the note to Rule 17.03(4) of HK 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). 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).

Terms of Schemes

Rule 843, Catalyst Rules

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.
- (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 844, Catalyst Rules

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.

Rule 846, Catalyst Rules

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

Shareholder Approval

Rule 852, Catalyst Rules

Participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer. A separate resolution must be passed for each person and to approve the actual number and terms of options to be granted to that participant.

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Where any grant of options to a substantial shareholder or an independent nonexecutive 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 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 SEHK), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$ 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. The circular must include the following information:

- (a) the terms of the share option scheme including, among others, the purpose of the scheme, the participants of the scheme and basis of determining the eligibility of the participants, total number of securities which may be issued upon exercise of all options to be granted under the scheme, maximum entitlement of each participant under the scheme, the period within which the securities must be taken up under the option, the amount, if any, payable on application or acceptance of the option as required under Rule 17.03 of the Listing Rules;
- (b) an explanation as to how the terms of the scheme, in particular, the minimum period, if any, for which an option must be held before it can be exercised, the performance targets, if any, and the basis of determination of the exercise price will serve the purpose of the scheme as set out in the scheme document;
- (c) information relating to any directors of the listed issuer who are trustees of the scheme or have a direct or indirect interest in the trustees; and
- (d) directors' responsibility statement as set out in paragraph 2 of Appendix 1, Part B.

Rule 853, Catalyst Rules

Any grant of options to a director or employee of the issuer's parent company and its subsidiaries that, together with options already granted to the person under the scheme, represents 5% or more of the total number of options available to such directors and employees, must be approved by independent shareholders. A separate resolution must be passed for each such person and to approve the aggregate number of options to be made available for grant to all directors and employees of the parent company and its subsidiaries.

Rule 854, Catalyst Rules

When seeking shareholder approval, an issuer must explain the basis for the following in the circular:

- (1) Participation by, and the specific grant of options to, each of the controlling shareholders or their associates;
- (2) Participation by, and the grant of options to, directors and employees of the parent company and its subsidiaries;
- (3) Participation by non-executive directors;
- (4) Participation by directors and employees of the associated companies;
- (5) Discount quantum; and
- (6) Size of the scheme.

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Where the scheme involves options over listed securities, the listed issuer is encouraged to disclose in the circular the value of all options that can be granted under the scheme as if they had been granted at the latest practicable date prior to the approval of the scheme. Where the listed issuer considers that disclosure of value of options is not appropriate, it must state the reason for such non-disclosure in the circular.

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

As soon as possible upon the granting by the listed issuer of an option under its share option scheme, the listed 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;
- (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 listed 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.

9. Material change in use of proceeds

Pursuant to section 307B(1) of the SFO, a listed corporation must, as soon as reasonably practicable after any inside information has come to its knowledge, disclose the information to the public. Any material change of use of proceeds is generally price sensitive and hence, inside information for the purpose of the SFO. If such information was not previously disclosed in the listing document, the listed issuer must make an announcement to notify investors of the change after listing.

Rule 704, Catalyst Rules: Announcement of Specific Information

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

Employee Share Option or Share Scheme

- (32) 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;
 - (d) market price of its securities on the date of grant;
 - (e) number of options or shares granted to each director and controlling shareholders (and each of their associates), if any; and
 - (f) validity period of the options.

Rule 704, Catalyst Rules: Announcement of Specific Information

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

Use of Proceeds

- (30) The use of the IPO proceeds and any proceeds arising from any offerings pursuant to Chapter 8 as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the offer document or the announcement of the issuer. Where there is any material deviation from the stated use of proceeds, the issuer must announce the reasons for such deviation.

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10. Rules 13.46 to 13.50, HK Listing Rules: Disclosure of Financial Information

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 months of each financial year, unless that financial year is of six months or less, as soon as possible, but in any event not later than the time that is 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 months after the end of that period of six months.

Interim reports

In respect of the first six months of each financial year of an issuer unless that financial year is of six months or less, the issuer shall send to (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 months after the end of that period of six months. The issuer may send a copy of its summary interim report to a member and a holder of its listed securities in place of a copy of its interim report, provided that such summary interim report complies with the relevant provisions of the Companies (Summary Financial Reports) Regulation governing summary financial reports.

Rule 705, Catalyst Rules: Financial Statements

- (1) An issuer must announce the financial statements for the full financial year (as set out in Appendix 7C to the Catalyst Rules) 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 its financial statements for each of the first three quarters of its financial year (as set out in Appendix 7C to the Catalyst Rules) 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;
 - (b) it was listed after 31 March 2003 and its market capitalisation exceeded S\$75 million at the time of listing (based on the initial public offering issue price); or
 - (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 who falls within this category for the first time, will have an initial grace period of one year to prepare to meet the requirements in Rule 705(2).
- (3)
 - (a) An issuer who falls within any of the categories in this Rule 705(2), must comply with the requirements in Rule 705(2), even if its market capitalisation subsequently decreases below S\$75 million.
 - (b) An issuer whose market capitalisation does not exceed S\$75 million must announce its first half financial statements (as set out in Appendix 7C to the Catalyst Rules) immediately after the figures are available, but in any event not later than 45 days after the relevant financial period.

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- (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 announcements 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 offer document issued in connection with its listing on the 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 2 directors on behalf of the board of directors.

Distribution of annual report and accounts

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 group accounts, its group accounts, together with a copy of the auditors' report thereon or (b) its summary financial report, not less than 21 days before the date of the issuer's annual general meeting and in any event not more than four months after the end of the financial year to which they relate.

Rules 707(1) and (2), Catalist Rules: Annual Report

- (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 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.

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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 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 months after the end of the financial year.

An issuer must disclose Environmental, Social and Governance (“ESG”) information including information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer on an annual basis and regarding the same period covered in its annual report. An ESG report may be presented as information in the issuer’s annual report, in a separate report, or on the issuer’s website. Regardless of the format adopted, the ESG report should be published on the Exchange’s website and the issuer’s website.

An issuer’s directors’ report for a financial year must contain a business review which includes, to the extent necessary for an understanding of the development, performance or position of the issuer’s business:

- (i) a discussion of the issuer’s environmental policies and performance;
- (ii) a discussion of the issuer’s compliance with the relevant laws and regulations that have a significant impact on the issuer; and
- (iii) an account of the issuer’s key relationships with its employees, customers and suppliers and others that have a significant impact on the issuer and on which the issuer’s success depends.

Sustainability Report

Rule 711A, Catalyst Rules

An issuer must issue a sustainability report for its financial year, no later than 5 months after the end of the financial year.

Rule 711B, Catalyst Rules

- (1) The sustainability report must describe the sustainability practices with reference to the following primary components:
 - (a) material environmental, social and governance factors;
 - (b) policies, practices and performance;
 - (c) targets;
 - (d) sustainability reporting framework; and
 - (e) Board statement.
- (2) If the issuer excludes any primary component, it must disclose such exclusion and describe what it does instead, with reasons for doing so.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

Rule 4.03, HK 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.

Appointment of Auditors

Rule 712, Catalist Rules

- (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. A mineral oil and gas company must appoint an auditing firm where the auditing firm and audit partner-in-charge have the relevant industry experience.
- (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. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies; or
 - (c) Any other auditing firm acceptable by the SGX-ST.
- (3) A change in auditing firm must be specifically approved by shareholders in a general meeting.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

Rule 713, Catalyst Rules

- (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 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 years.
- (2) If the listing of an issuer occurs after 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.

11. Public Float Requirement Chapter 8 of HK Listing Rules (Qualifications for Listing)

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

Save and except for the circumstances specified under Chapter 8 of HK Listing Rules, an issuer must maintain at least 25% of its total number of issued shares at all times be held by the public.

Free Float

Rule 723, Catalyst Rules

An issuer must ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public.

Rule 724, Catalyst Rules

- (1) If the percentage of securities held in public hands falls below 10%:
 - (a) The issuer must, as soon as practicable:
 - (i) notify its sponsor of that fact; and
 - (ii) announce that fact.
 - (b) The SGX-ST may suspend trading of the class, or all the securities of the issuer.
- (2) The SGX-ST may allow the issuer a period of 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%. The issuer may be removed from the official list if it fails to restore the percentage of securities in public hands to at least 10% after that period.

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12. Shareholders' Reporting Obligations

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

HK Listing Rules require that the interests held by directors and chief executives and substantial shareholders (i.e. shareholders interested in 10% or more of the voting power) be disclosed in annual reports, interim reports and circulars of the listed company. The SFO and the Outline of Part XV of the SFO – Disclosure of Interests (“**Outline**”) issued by the SFC provides that a substantial shareholder (i.e. shareholder interested in 5% or more of any class of voting shares in a listed company) is required to disclose his interest, and short positions, in the shares of the listed company, within 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 business days after becoming aware of the relevant events. Please refer to Section 2.7 of the Outline for examples of relevant events.

Obligation to notify the Company and SGX-ST of substantial shareholding, change in substantial shareholding and cessation of 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 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 company.

Under the SFA, a substantial shareholder shall within two 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 Company.

Section 81, Companies Act

A person has a substantial shareholding in a company if he has an interest or interests in one 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, 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 business days after becoming a substantial shareholder.

Sections 83 and 84, 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 business days after he becomes aware of such changes.

If the change results in a fraction of a percent, it should be rounded down to a whole number to determine if the percentage level has been crossed, warranting a disclosure. For example, if the interest increases from 5% to 5.8%, rounding 5.8% down to the nearest whole number yields 5%. Hence there is no change in percentage level of interest and no notification is required.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

13. 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 his interest in any debentures of the listed company (or any of its associated companies) within 10 business days after becoming a director or chief executive of the listed company or within three business days after becoming aware of the relevant events.

If a person 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.

Sections 135 to 137, SFA

A substantial shareholder is also required to give the above notifications to the Company at the same time.

Register of director's and chief executive officer's shareholdings

Section 164, Companies Act

Under section 164(1) of the Singapore Companies Act, a company shall keep a register showing with respect to each director of the company particulars of:

- (a) shares in that company or a related corporation being shares of which the director is a registered holder or in which he has an interest and the nature and extent of that interest;
- (b) debentures of or participatory interests made available by the company or a related corporation which are held by the director or in which he has an interest and the nature and extent of that interest;
- (c) rights or options of the director or of the director and another person or other persons in respect of the acquisition of disposal of shares in the company or a related corporation; and
- (d) contracts to which the director is a party or under which he is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the company or in a related corporation.

Under section 164(1A) of the Singapore Companies Act, a company shall keep a register showing with respect to each chief executive officer of the company particulars of:

- (a) shares in that company, being shares of which the chief executive officer is their registered holder or in which he has an interest and the nature and extent of that interest;
- (b) debentures of the company which are held by the chief executive officer or in which he has an interest and the nature and extent of that interest;

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

- (c) rights or options of the chief executive officer or of the chief executive officer and another person or other persons in respect of the acquisition or disposal of shares in the company; and
- (d) contracts to which the chief executive officer is a party or under which he is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the 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:

- (i) a wife or husband of the director or chief executive officer (as the case may be) (not being herself or himself a director or chief executive officer thereof) holds or has an interest or a right in or over any shares or debentures; or
- (ii) a child of less than 18 years of age of that director or chief executive officer (as the case may be) (not being himself or herself a director or chief executive officer) holds or has an interest in shares or debentures.

Section 165, Companies Act

Under Section 165(1) of the Companies Act, every 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.

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 business days after:

- (a) the date on which the director or chief executive officer becomes such a director or chief executive officer; or

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

- (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 in purported compliance with disclosure of shares held in the corporation 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 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

Under Section 137F(1) of the SFA, any corporation may by notice in writing require any member of the corporation within such reasonable time as is specified in the notice:

- (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.

Under Section 137F(6), whenever a corporation receives information from a person pursuant to a requirement imposed on him under Section 137F 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:

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

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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, in the case of an individual, 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 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, 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.

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

Rule 10.05, HK Listing Rules

Subject to the provisions of the Code on Share Buy-backs, approved by the SFC and as amended from time to time, an issuer may purchase its shares on the SEHK or on another stock exchange recognised for this purpose by the SFC and the SEHK. All such purchases must be made in accordance with Rule 10.06 of HK 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 HK Listing Rules and the SEHK 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 Buybacks.

Rule 10.06, HK Listing Rules

An issuer with primary listing on the SEHK can purchase its shares on the SEHK, either directly or indirectly, 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 HK Listing Rules and that the shareholders of the issuer have given specific approval or a general mandate to the directors to make such a purchase, provided that the amount of shares so purchased under the general mandate shall not exceed 10% 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.

Chapter 8 of the Catalist Rules (Changes in Capital)

Part XI Share Buy-Back

Rule 866, Catalist Rules: Shareholder Approval

An issuer may purchase its own shares ("share buy-back") if it has obtained the prior specific approval of shareholders in general meeting.

Rule 867, Catalist Rules

A share buy-back may only be made by way of:

- (1) 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
- (2) 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 per cent of the total number of issued shares excluding treasury shares and subsidiary holdings as at the date of the resolution passed by shareholders for the share buy-back.

Rule 868, Catalist Rules

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 Take-over 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; and

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

For the purpose of obtaining shareholders' approval, the issuer must have previously sent to its shareholders an explanatory statement (at the same time as the notice of the relevant shareholders' meeting) 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 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;

- (5) Details of any share buy-back made by the issuer in the previous 12 months (whether market acquisitions or off-market acquisitions in accordance with an equal access scheme), 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.
- (6) Whether the shares purchased by the issuer will be cancelled or kept as treasury shares.

Rule 869, Catalist Rules: Dealing Restriction

An issuer may only purchase shares by way of a market acquisition at a price which is not more than 5.0% above the average closing market price. For this purpose, the average closing market price is:

- (1) the average of the closing market prices of the shares over the last 5 market days, on which transactions in the share were recorded, before the day on which the purchases are made; and
- (2) deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.

Rule 870, Catalist Rules: Off-market Acquisition On An Equal Access Scheme

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

- (1) Terms and conditions of the offer;
- (2) Period and procedures for acceptances; and
- (3) Information in Rule 868(2), (3), (4), (5) and (6).

Rule 871(1), Catalist Rules: Announcement of Share Buy-Back

An issuer must announce any share buy-back as follows:

- (a) In the case of a market acquisition, by 9.00 am on the market day following the day on which it purchased shares,

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- (6) a statement that the directors have undertaken to the SEHK to exercise the power of the issuer to make purchases pursuant to the proposed resolution in accordance with HK 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 shares made in the previous six months (whether on the SEHK 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 SEHK during each of the previous 12 months; and
- (11) the disclaimer of the SEHK in the form set out under HK Listing Rules.
- (b) In the case of an off market acquisition under an equal access scheme, by 9.00 am on the second market day after the close of acceptances of the offer.

Rule 871(2), Catalist Rules

The announcement must be in the form of Appendix 8D to the Catalist Rules. Such announcement 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, 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 excluding treasury shares and subsidiary holdings after the purchase.

15. Rule 10.06(2), HK 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 SEHK if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on SEHK.

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The listing of all shares which are purchased by an issuer (whether on the Exchange or otherwise) shall be automatically cancelled upon purchase and the issuer must apply for listing of any further issues of that type of shares in the normal way. The issuer shall ensure that the documents of title of purchased shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such purchase.

Rule 10.06(4), HK Listing Rules: Reporting Requirements

- (a) An issuer shall submit for publication to SEHK 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 following any day on which the issuer makes a purchase of shares (whether on the SEHK 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 SEHK were made in accordance with HK Listing Rules and if the issuer's primary listing is on the SEHK, 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 SEHK 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 SEHK. 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 SEHK.

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- (b) An issuer shall also 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 SEHK 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 SEHK through CCASS who want to attend the shareholders' meetings in person or appoint proxies to vote on their behalf must make a request through their broker firms or directly to HKSCC (as the case may be) to authorise the investors as corporate representatives or proxies of HKSCC Nominees Limited (or any successor thereto) in respect of such shareholding of the investors in the listed companies.

Depository not members of company and depositors deemed to be members

Depositors who wish to attend and vote at the extraordinary general meeting, and whose names are shown in the records of the 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.

B. ISSUANCE OF NEW SHARES, CONVERTIBLE BONDS OR BONDS WITH WARRANTS

1. Sections 140 and 141, Companies Ordinance: 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.

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 803, Catalyst Rules

An issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

Rules 13.36(1) to (3), HK Listing Rules: Preemptive rights

Except in the circumstances, mentioned in Rule 13.36(2) of HK 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 HK Listing Rules shall be required:

- (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

Rule 805, Catalyst Rules

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% or more of the issuer's equity interest in the principal subsidiary. For example, if the issuer has a 70% interest in a principal subsidiary, shareholder approval will be required for any issue of shares in the principal subsidiary reducing the issuer's equity interest to 56%.

Rule 806(1), Catalyst Rules

Subject to Rule 803, approval by an issuer's shareholders under Rule 805(1) is not required if shareholders had, by resolution in a general meeting, given a general mandate to the directors of the issuer, either unconditionally or on such conditions to issue:

- (a) shares; or
- (b) convertible securities; or
- (c) 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
- (d) shares arising from the conversion of the securities in (b) and (c), notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued.

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- (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% 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 HK Listing Rules, 20% 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% general mandate.

A general mandate given to directors to issue and allot shares under Rule 13.36(2) of HK Listing Rules shall only continue in force until (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or (b) revoked or varied by ordinary resolution of the shareholders at general meeting, whichever occurs first.

Rule 806(2), Catalist Rules

A general mandate must limit the aggregate number of shares and convertible securities that may be issued according to the limits in Rules 806(2)(a) and (b) below. Unless prior shareholder approval is required under the Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the following limits.

- (a) If shareholders approve the mandate by ordinary resolution, the limit must be not more than 100% of the total number of issued shares excluding treasury shares and subsidiary holdings, 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 50% of the total number of issued shares excluding treasury shares and subsidiary holdings; or
- (b) If shareholders approve the mandate by special resolution, the limit on the aggregate number of shares and convertible securities issued, whether on a pro rata or non pro rata basis, may be up to 100% of the total number of issued shares excluding treasury shares and subsidiary holdings. Shareholder approval under Rule 806(2)(b) must not be deemed by way of subscription for shares.

Rule 806(3), Catalist Rules

For the purpose of Rule 806(2), the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings is based on the issuer's total number of issued shares excluding treasury shares and subsidiary holdings at the time of the passing of the resolution approving the mandate after adjusting for:

- (a) new shares arising from the conversion or exercise of convertible securities;
- (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares.

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Rule 806(5), Catalist Rules

An issuer cannot rely on the general mandate for an issue of convertible securities if the maximum number of shares to be issued upon conversion cannot be determined at the time of issue of the convertible securities.

Rule 806(6), Catalist Rules

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 a 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 shareholders in general meeting.

2. Rule 13.36(5), HK 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 HK Listing Rules if the relevant price represents a discount of 20% 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 closing price in the five 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

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

Rule 810(1), Catalist Rules

An issuer which intends to issue shares, company warrants or other convertible securities for cash must announce the issue promptly.

Rule 811(1), Catalist Rules

An issue of shares must not be priced at more than 10% 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), Catalist Rules

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% discount to the prevailing market price of the underlying shares prior to the signing of the placement or subscription agreement.

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- (iii) the date on which the placing or subscription price is fixed,

unless the issuer can satisfy the SEHK 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% or more to the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide the SEHK with detailed information on the allottees to be issued with securities under the general mandate.

Rule 15.02, HK Listing Rules: Options, Warrants and Similar Rights

All warrants must, prior to the issue or grant thereof, be approved by the SEHK and in addition, where they are warrants to subscribe equity securities, by the shareholders in general meeting (unless they are issued by the directors under the authority of a general mandate granted to them by shareholders in accordance with Rule 13.36(2) of HK Listing Rules). In the absence of exceptional circumstances which would include, by way of example, a rescue reorganisation, the SEHK 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% 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 HK Listing Rules are excluded for the purpose of this limit; and

- (b) If the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10% of the prevailing market price of the underlying shares before conversion.

Rule 811(3), Catalyst Rules

Rule 811(1) and (2) is not applicable if specific shareholder approval is obtained for the issue of shares, company warrants or other convertible securities.

Rule 811(4), Catalyst Rules

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

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

Issue of Company Warrants and Other Convertible Securities

Rule 824, Catalyst Rules

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 825, Catalyst Rules

In procuring the approval of shareholders in a general meeting, the circular to the shareholders must include the recommendation(s) 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, Catalyst Rules

When listing company warrants or other convertible securities, the issuer should ensure a sufficient spread of holdings to provide for an orderly market in the securities. As a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants.

Rule 827, Catalyst Rules

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

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- (2) such warrants must expire not less than one and not more than five 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 years after the date of issue or grant of the original warrants.

Rule 15.03, HK Listing Rules

The circular or notice to be sent to shareholders convening the requisite meeting under Rule 15.02 of HK Listing Rules must include, at least, (1) the maximum number of securities which could be issued on exercise of the warrants, (2) the period during which the warrants may be exercised and the date when this right commences, (3) the amount payable on the exercise of the warrants, (4) the arrangements for transfer or transmission of the warrants, (5) the rights of the holders on the liquidation of the issuer, (6) 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, (7) the rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer, and (8) a summary of any other material terms of the warrants.

Rule 828, Catalist Rules

Each company warrant must:

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

Rule 829, Catalist Rules

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 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, Catalist Rules

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

Rule 831, Catalist Rules

An issuer must not:

- (a) extend the exercise period of an existing company warrant;
- (b) issue a new company warrant to replace an existing company warrant;
- (c) change the exercise price of an existing company warrant except where the alterations are made pursuant to the terms of an issue pursuant to Rule 829(1); or
- (d) change the exercise ratio of an existing company warrant.

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Rule 832, Catalyst Rules

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 arrangements 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) The 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.
- (10) The financial effects of the issue to the issuer.

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3. Rule 7.19(6), HK Listing Rules: Rights Issue

If the proposed rights issue would increase either the number of issued shares or the market capitalisation of the issuer by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month 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 nonexecutive 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 HK 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 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 SEHK reserves the right to require the rights issue to be fully underwritten.

Chapter 8 Part V: Rights Issues

Rule 814, Catalyst Rules

- (1) An issuer which intends to make a rights issue must announce (having regard to Rule 704(24)) the issue promptly. The announcement must include the following:
 - (a) price, terms and purpose of the issue;
 - (b) the amount of proceeds proposed to be raised;
 - (c) breakdown of the proposed use of proceeds;
 - (d) where the issue is proposed to be used mainly for general working capital purposes, the issuer must provide reasons for such use taking into account its working capital position;
 - (e) whether the issuer's directors are of the opinion that, after taking into consideration:
 - (i) the present bank facilities, the working capital available to the group is sufficient to meet its present requirements and if so, the directors must provide reasons for the issue; and
 - (ii) the present bank facilities and net proceeds of the issue, the working capital available to the group is sufficient to meet its present requirements;
 - (f) whether the issue will be underwritten;
 - (g) the financial circumstances which call for the issue; and
 - (h) whether it has obtained a listing and quotation notice from the SGX-ST or will be seeking the listing and quotation of the new shares arising from the rights issue.

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In addition, an issuer must observe the disclosure requirements in Appendix 8A to the Catalist Rules.

- (2) If a rights issue involves an issue of convertible securities, the issuer must also comply with Part VI of Chapter 8 of the Catalist Rules.
- (3) In the allotment of any excess rights shares, a confirmation to the sponsor that preference will be given to the rounding of odd lots. Directors and substantial shareholders who have control or influence over the issuer in connection with the day-to-day affairs of the issuer or the terms of the rights issue, or have representation (direct or through a nominee) on the board of the issuer will rank last in priority for the rounding of odd lots and allotment of excess rights shares.

Rule 815, Catalist Rules

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

Rule 816, Catalist Rules

- (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% 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.

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

Rule 821, Catalist Rules

No date must be fixed for the closing of books until the SGX-ST has issued a listing and quotation notice.

Rule 823(2), Catalist Rules

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

Rule 833, Catalist Rules

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.
- (3) An offer of company warrants or convertible securities by way of a bought deal must comply with Part V of Chapter 8 of the Catalist Rules.

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4. Rule 17.03, Listing Rules: Terms of Share Option Schemes

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

- (j) 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% 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% 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 must not be more than 10 years from the date of grant of the option, and the life of the scheme 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 12 month period must not exceed 1% of the relevant class of securities of the issuer (or the subsidiary) in issue; and

Share Option Schemes or Share Schemes

Rule 843, Catalist Rules

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.
- (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 844, Catalist Rules

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.

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- (iii) the 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 the 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 the SEHK's daily quotations sheets for the five 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.

5. **Section 270 of the SFO: Insider dealing**

In general terms, subject to the specified 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 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;

Section 218, SFA: Prohibited conduct by connected person in possession of insider information

Section 218 of the SFA prohibits connected 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 were generally available it might have a material effect on the price or value of securities of that corporation.

Such connected persons include:

- (1) officers of a corporation or a related corporation;
- (2) substantial shareholders of a corporation or a related corporation; and
- (3) a person who occupies a position that may be reasonably expected to give him access to inside information by virtue of:
 - (a) 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
 - (b) being an officer of a substantial shareholder in that corporation or in a related corporation.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

- (b) entering into or carrying out, directly or indirectly, two 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 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.

C. BOARD COMPOSITION

Rules 3.10, 3.10a and 8.12, HK Listing Rules

Every board of directors of an issuer must include at least three independent non-executive directors; and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. An issuer must appoint independent non-executive directors representing at least one-third of the board.

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

Section 219, SFA: Prohibited conduct by other persons in possession of inside information

Section 219 of the SFA prohibits persons (who is not a connected person referred to in Section 218 of the SFA) from dealing in securities of a corporation if any such person knows that he is in possession of information that is not generally available, and if it were generally available it might have a material effect on the price or value of securities of that corporation.

Section 198(1), SFA: Securities Market Manipulation

No person shall effect, take part in, be concerned in or carry out, directly or indirectly, two 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 subscribe for, purchase or sell securities of the corporation or of a related corporation.

Chairman and Chief Executive Officer

Principle 3 of the Code of Corporate Governance (“COCG”)

There should be a clear division of responsibilities between the leadership of the board of directors and the executives responsible for managing the company’s business. No one individual should represent a considerable concentration of power.

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Rules 3.21, 3.22 and paragraph C.3.3 of Appendix 14, HK Listing Rules: Audit Committee

Every listed issuer must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of three members, at least one 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 non-executive 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 3.22 and paragraph C.3.3 of Appendix 14 to HK Listing Rules for the audit committee.

Guideline 3.1, COCG

The Chairman of the board of directors (the “**Chairman**”) and the chief executive officer (the “**CEO**”) should in principle be separate persons, to ensure an appropriate balance of power, increased accountability and greater capacity of the board of directors for independent decision making. The division of responsibilities between the Chairman and the CEO should be clearly established, set out in writing and agreed by the board of directors. In addition, the board of directors should disclose the relationship between the Chairman and the CEO if they are immediate family members.

Guideline 3.3, COCG

Every company should appoint an independent director to be the lead independent director where:

- (a) the Chairman and the CEO is the same person;
- (b) the Chairman and the CEO are immediate family members;
- (c) the Chairman is part of the management team; or
- (d) the Chairman is not an independent director.

The lead independent director (if appointed) should be available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the chief financial officer (or equivalent) has failed to resolve or is inappropriate.

Audit Committee

Principle 12, COCG

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

Guideline 12.1, COCG

The AC should comprise at least three directors, the majority of whom, including the AC chairman, should be independent. All of the members of the AC should be non-executive directors. The board of directors should disclose in the company’s annual report the names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the board of directors.

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Guideline 12.2, COCG

The board of directors should ensure that the members of the AC are appropriately qualified to discharge their responsibilities. At least two members, including the AC chairman, should have recent and relevant accounting or related financial management expertise or experience, as the board of directors interprets such qualification in its business judgment.

Section 201B, Companies Act

- (1) Every listed company shall have an audit committee.
- (2) An audit committee shall be appointed by the directors from among their number (pursuant to a resolution of the board of directors) and shall be composed of 3 or more members of whom a majority shall not be
 - (a) executive directors of the company or any related corporation;
 - (b) a spouse, parent, brother, sister, son or adopted son or daughter or adopted daughter of an executive director of the company or of any related corporation; or
 - (c) any person having a relationship which, in the opinion of the board of directors, would interfere with the exercise of independent judgment in carrying out the functions of an audit committee.
- (3) The members of an audit committee shall elect a chairman from among their number who is not an executive director or employee of the company or any related corporation.
- (4) If a member of an audit committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below 3, the board of directors shall, within 3 months of that event, appoint such number of new members as may be required to make up the minimum number of 3 members.

APPENDIX A – FURTHER INFORMATION RELATING TO SINGAPORE AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

Rules 3.25, 3.26 and paragraph B.1.2 of Appendix 14, HK 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 HK Listing Rules. 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 HK Listing Rules: Nomination 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 and should perform the duties as set out in paragraph A.5.2 of Appendix 14 to HK Listing Rules.

Remuneration Committee

Principle 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.

Guideline 7.1, COCG

The board of directors 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 directors, the majority of whom, including the RC chairman, should be independent. All of the members of the RC should be non-executive directors. This is to minimise the risk of any potential conflict of interest. The board of directors should disclose in the company’s annual report the names of the members of the RC and the key terms of reference of the RC, explaining its role and authority delegated to it by the board of directors.

Nominating Committee

Principle 4, COCG

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

Guideline 4.1, COCG

The board of directors should establish a nominating committee (“**NC**”) to make recommendations to the board of directors on all board appointments, with written terms of reference which clearly set out its authority and duties. The NC should comprise at least three 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. The board of directors should disclose in the company’s annual report the names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the board of directors.

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D. INTERESTED PERSON TRANSACTIONS OR CONNECTED TRANSACTIONS

Chapter 14A of HK Listing Rules (Connected Transactions)

Chapter 14A of HK 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, HK 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 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 SEHK.

"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 listed 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. "Financial assistance" includes granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan;

Chapter 9 of the Catalist Rules (Interested Person Transactions)

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

Rule 904, Catalist Rules

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 in Chapter 9.
- (2) "entity at risk" means:
 - (a) the issuer;
 - (b) a subsidiary of the issuer that is not listed 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

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- (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.
- (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).
- (7) “defence funding” means:
- (a) The provision of a loan to a director or a chief executive officer of an entity at risk to meet expenditure incurred or to be incurred:
 - (i) in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by that person in relation to the entity at risk; or
 - (ii) in connection with an application for relief; or

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(iii) defending himself in an investigation by a regulatory authority or against any action proposed to be taken by a regulatory authority, in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the entity at risk; or

(b) any action to enable such director or chief executive officer to avoid incurring such expenditure.

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

Rules 14A.35, 14A.36 and 14A.47, HK Listing Rules

Where any connected transaction is proposed, the transaction must be announced as soon as practicable after its terms have been agreed and where shareholders' approval for the connected transaction is required, 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 HK Listing Rules.

Rules 14A.37, 14A.73, 14A.76, HK Listing Rules

Certain categories of transactions are exempt from the general meeting requirements and the SEHK accepts a written shareholder's approval (subject to certain conditions as set out in Rule 14A.37 of HK Listing Rules), and certain transactions are subject only to annual review and disclosure requirements. Amongst other exemptions under HK Listing Rules, a connected transaction conducted on normal commercial terms or better will constitute a de minimis transaction under Rule 14A.76(1) of HK 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% (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% and the total consideration is less than HK\$3,000,000.

General Requirements

Rule 905, Catalyst Rules

- (1) An issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% 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% 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) Rule 905(1) and (2) does not apply to any transaction below S\$100,000.

Rule 906, Catalyst Rules

- (1) An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:
 - (a) 5% of the group's latest audited net tangible assets; or

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Rules 14A.49, 14A.71, HK Listing Rules: Reporting Requirements

The listed issuer's annual report must contain the following information on the connected transactions conducted in that financial year (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) confirmation from the listed issuer's independent non-executive directors on the matters set out in Rule 14A.55 of HK Listing Rules; and
 - (b) statement from the listed issuer's board of directors whether the auditors have confirmed the matters set out in Rule 14A.56 of HK Listing Rules.

- (b) 5% 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, Catalyst Rules

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

General Mandate

Rule 920(1), Catalyst Rules

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. The disclosure must be in the form set out in Rule 907; 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. The disclosure must be in the form set out in Rule 907.

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- (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

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(ii) the methods or procedures in Rule 920(1)(c)(i) 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.

Rules 14A.81 to 14A.86 HK Listing Rules: Aggregation of Transactions

The SEHK will aggregate a series of connected transactions and treat them as if they were one transaction if they were all entered into or completed within a 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 24 months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover.

Factors that the SEHK will consider for aggregation of a series of connected transactions include whether:

- (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.

The SEHK may aggregate all continuing connected transactions with a connected person.

Rule 908, Catalyst Rules

In interpreting the term "same interested person" for the purpose of aggregation in Rules 905 and 906, 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.

As an example, Entity-At-Risk A, Listed B and Listed C are all subsidiaries of Ultimate D. Listed B, Listed C and Ultimate D have boards, the majority of whose directors are different and are not accustomed to act on the instructions of Ultimate D and its associates and have audit committees whose members are completely different. Transactions between Entity-At-Risk A and Listed B need not be aggregated with transactions between Entity-At-Risk A and Listed C or with transactions between Entity- At-Risk A and Ultimate D.

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The listed issuer must consult the SEHK 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 12 months fall under any of the circumstances described in Rule 14A.82 of HK 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 24 months after the person(s) gain control (as defined in the HK Takeovers Code) of the listed issuer.

The listed issuer must provide information to the SEHK on whether it should aggregate the transactions.

The SEHK may aggregate a listed issuer's connected transactions even if the listed issuer has not consulted the SEHK.

Rules 14A.76, 14A.89, 14A.92 to 14A.95, 14A.97 to 14A.101, HK Listing Rules: Exemptions

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

- (1) de minimis transactions;
- (2) financial assistance;
- (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";
- (4) dealings in securities on the SEHK as prescribed under Rule 14A.93 of HK Listing Rules;

Shareholder Approval

Rule 918, Catalyst Rules

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, Catalyst Rules

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.

Exceptions

Rule 915, Catalyst Rules

The following transactions are not required to comply with Rules 905, 906 and 907:

- (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 pro-rata 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 for which a listing and quotation notice has been issued 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%.

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- (5) any repurchase of own securities by a listed issuer or its subsidiary from a connected person on SEHK 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;
 - (7) the acquisition 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) for the acquirer's own consumption or use, (c) consumed or used by the acquirer in the same state as when they were acquired, (d) on terms no more favorable 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 the listed issuer's group and a connected person on a cost basis;
 - (9) transactions with associates of passive investors; and
 - (10) transactions with connected persons at the subsidiary level.
- (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 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.
 - (8) Director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments).
 - (9) Insurance coverage and indemnities for directors and chief executive officers against liabilities attaching to them in relation to their duties as officers of the entity at risk, to the extent permitted under the Companies Act, and regardless of whether the entity at risk is subject to the Companies Act.

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- (10) Defence funding for directors and chief executive officers of the entity at risk to the extent permitted under sections 163A and 163B of the Companies Act, regardless of whether the entity at risk is subject to the Companies Act, provided that in the case of defence funding permitted under section 163B of the Companies Act, such defence funding is to be repaid upon any action taken by a regulatory authority against him. For this purpose, references to “director” in sections 163A and 163B of the Companies Act shall be read as references to “director or chief executive officer”.

In the case of defence funding under section 163A of the Companies Act, defence funding shall be repaid in accordance with the timeline stipulated in section 163A(2)(b) of the Companies Act.

Rule 916, Catalyst Rules

The following transactions are not required to comply with Rule 906:

- (1) The entering into, or renewal of a lease or tenancy of real property of not more than 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) the 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.

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- (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:
 - 1. the provision of the loan is not prejudicial to the interests of the issuer and its minority shareholders; and
 - 2. 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 following information:
 - (i) the prices of all bids submitted;
 - (ii) an explanation of the basis for selection of the winning bid; and

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- (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.

E. RESTRICTIONS ON DEALINGS OF DIRECTORS BEFORE PUBLICATION OF THE FINANCIAL RESULTS

Rules A3, B8, B9 and C14 of Appendix 10, HK Listing Rules

Rule A3, HK 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 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

Rule 1204(19)(c), Catalist Rules

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's financial statements for each of the first three 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).

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- (ii) during the period of 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 C14 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 SEHK in advance of the commencement of each period during which directors are not allowed to deal under Rule A.3 of the Directors Dealing Code. Such period will cover any period of delay in the publication of a results announcement.

Rule C14, HK 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 the Directors Dealing Code, the director must comply with the provisions of the Rule B.8 of the 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 SEHK 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 HK 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.

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Rule B8, HK Listing Rules

Under the Directors Dealing Code, a director must not deal in any securities of the 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 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 business days of clearance being received.

Rule B9, HK Listing Rules

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 the Directors Dealing Code, and for the director concerned to have received written confirmation to that effect.

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F. CONTINUING OBLIGATIONS OF MINERAL, OIL AND GAS COMPANIES

Rule 704, Catalist Rules: Announcement of Specific Information

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

Announcements by Mineral, Oil and Gas Companies

- 35 (a) Any material changes to the reserves and resources of a mineral, oil and gas company, including:
- (i) the basis upon which the issuer asserts the existence of any new material reserves or resources that has not been previously disclosed, in accordance with the requirements as set out in Practice Note 4C of the Catalist Rules; and
 - (ii) in addition, a summary qualified person's report in respect of the reserves and resources must be announced as soon as practicable.

Where the announcement involves the reporting of new material reserves and resources that has not been previously disclosed, or a 100% change or more in reserves and resources that have been previously reported on, the summary qualified person's report must be prepared by an independent qualified person.

- (b) Any change in the Standard adopted by the issuer, including the reasons for the change and the impact, if any, on its existing stated level of reserves and resources.

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Use of Funds/Cash by Mineral, Oil and Gas Companies

Rule 705, Catalyst Rules

- (6) Mineral, oil and gas companies whose principal activities consist of exploration for minerals, oil or gas, must:
- (a) make a quarterly announcement on the use of funds/cash for the quarter and a projection on the use of funds/cash for the next immediate quarter, including material assumptions, immediately after the figures are available but in any event not later than 45 days after the first three quarters of the financial year and not later than 60 days after the last quarter;
 - (b) provide a confirmation by its directors that, to the best of their knowledge, nothing has come to their attention which may render such information provided false or misleading in any material aspect. In order to make this confirmation, the directors would not be expected to commission an external audit or review of the statements. The confirmation may be signed by 2 directors on behalf of the board of directors.
- (7) In the announcements required by Rule 705(1) and (6), a mineral, oil and gas company must also include details of exploration (including geophysical surveys), development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

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Rules 18.14, Listing Rules: Disclosure in Reports

A Mineral Company must include in its interim (half-yearly) and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. If there has been no exploration, development or production activity, that fact must be stated.

Rules 18.21 and Rule 18.22, Listing Rules: Competent Person

A Competent Person must:–

- (1) have a minimum of five years experience relevant to the style of mineralization and type of deposit under consideration or to the type of Petroleum exploration, reserve estimate (as appropriate), and to the activity which the Mineral Company is undertaking;
- (2) be professionally qualified, and be a member in good standing of a relevant Recognised Professional Organisation, in a jurisdiction where, in the Exchange's opinion, the statutory securities regulator has satisfactory arrangements (either by way of the IOSCO Multilateral MOU or other bi-lateral agreement acceptable to the Exchange) with the Commission for mutual assistance and exchange of information for enforcing and securing compliance with the laws and regulations of that jurisdiction and Hong Kong; and
- (3) take overall responsibility for the Competent Person's Report.

A Competent Person must be independent of the issuer, its directors, senior management and advisers.

Annual Report

The annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including at least the following:

Rule 1204(23), Catalyst Rules

In the case of mineral, oil and gas companies, a summary of reserves and resources as at the end of the issuer's financial year as set out in Appendix 7D to the Catalyst Rules. The issuer must comply with Rule 704(35)(a) if there are material changes to its reserves and resources.

Independent Qualified Person

Definitions and Interpretation, Catalyst Rules

"Independent Qualified Person"

A qualified person that fulfils the following requirements:

- (a) the qualified person must not be a sole practitioner;
- (b) if the qualified person producing the report is not a partner or director of his firm, the report must also be signed off by a partner or director, an authorised representative on behalf of the firm;
- (c) the qualified person and his firm's partners, directors, substantial shareholders and their associates must be independent of the issuer, the issuer's directors, the issuer's substantial shareholders, the issuer's advisers and their associates;
- (d) the qualified person and his firm's partners, directors, substantial shareholders and their associates must not have any interest, direct or indirect, in the issuer, the issuer's subsidiaries or associated companies, and will not receive benefits (direct or indirect) other than remuneration paid to the qualified person in connection with the qualified person's report; and

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Specifically the Competent Person retained must:-

- (1) have no economic or beneficial interest (present or contingent) in any of the assets being reported on;
- (2) not be remunerated with a fee dependent on the findings of the Competent Person's Report;
- (3) in the case of an individual, not be an officer, employee or proposed officer of the issuer or any group, holding or associated company of the issuer; and
- (4) in the case of a firm, not be a group, holding or associated company of the issuer.

Any of the firm's partners or officers must not be officers or proposed officers of any group, holding or associated company of the issuer.

Rules 18.28 to 18.30, Listing Rules: Mineral Reporting Standard

In addition to satisfying the requirements of Chapter 13 (as modified by this Chapter), a Mineral Company exploring for and/or extracting mineral Resources and Reserves must also satisfy rules 18.29 and 18.30.

A Mineral Company must disclose information on mineral Resources, Reserves and/or exploration results either:-

- (1) under:
 - (a) the JORC Code;
 - (b) NI 43-101; or
 - (c) the SAMREC Code,as modified by this Chapter; or
- (2) under other codes acceptable to the Exchange as communicated to the market from time to time, provided the Exchange is satisfied that they give a comparable standard of disclosure and sufficient assessment of the underlying assets.

- (e) remuneration paid to the qualified person or the qualified person's firm in connection with the qualified person's report must not be dependent on the findings of the qualified person's report.

Definitions and Interpretation, Catalyst Rules

"Standard"

the standards:-

- (a) under one of the following codes or guidelines with regard to minerals,
 - (i) National Instrument 43-101 Standards of Disclosure for Minerals Projects ("NI43-101"), including Companion Policy 43-101, promulgated by the Canadian Securities Administrators;
 - (ii) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves promulgated by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia ("JORC Code");
 - (iii) Pan European Standard for Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("PERC Standard"); and

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Note: The Exchange may allow presentation of Reserves under other reporting standards provided reconciliation to a Reporting Standard is provided. A Reporting Standard applied to specific assets must be used consistently.

A Mineral Company must ensure that:–

- (1) any estimates of mineral Reserves disclosed are supported, at a minimum, by a Prefeasibility Study;
- (2) estimates of mineral Reserves and mineral Resources are disclosed separately;
- (3) Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered to be economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted;
- (4) for commodity prices used in Pre-feasibility Studies, Feasibility Studies and valuations of Indicated Resources, Measured Resources and Reserves:–
 - (a) the methods to determine those commodity prices, all material assumptions and the basis on which those prices represent reasonable views of future prices are explained clearly; and
 - (b) if a contract for future prices of mineral Reserves exists, the contract price is used; and
- (5) for forecast valuations of Reserves and profit forecasts, sensitivity analyses to higher and lower prices are supplied. All assumptions must be clearly disclosed.

- (iv) Australian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets promulgated by the VALMIN Committee (“VALMIN Code”), with regards to valuations;
- (b) as promulgated by one of the following organisations with regards to minerals,
- (i) Australasian Joint Ore Reserves Committee (“JORC”);
 - (ii) Pan European Reserves and Resources Reporting Committee (“PERC”);
 - (iii) Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”); and
 - (iv) The Canadian Securities Administrators (“CSA”); or
- (c) an equivalent standard that is acceptable to the SGX-ST.

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Rules 18.15 to 18.17, Listing Rules: Publication of

Resources and Reserves

A listed issuer that publicly discloses details of Resources and/or Reserves must give an update of those Resources and/or Reserves once a year in its annual report, in accordance with the reporting standard under which they were previously disclosed or a Reporting Standard.

A Mineral Company must include an update of its Resources and/or Reserves in its annual report in accordance with the Reporting Standard under which they were previously disclosed.

Annual updates of Resources and/or Reserves must comply with rule 18.18.

Note: Annual updates are not required to be supported by a Competent Person's Report and may take the form of a no material change statement

Rules 18.18, Listing Rules: Presentation of Data

Any data presented on Resources and/or Reserves by a Mineral Company in a listing document, Competent Person's Report, Valuation Report or annual report, must be presented in tables in a manner readily understandable to a non-technical person. All assumptions must be clearly disclosed and statements should include an estimate of volume, tonnage and grades.

Rules 18.19, Listing Rules: Basis of Evidence

All statements referring to Resources and/or Reserves:–

- (1) in any new applicant listing document or circular relating to a Relevant Notifiable Transaction, must be substantiated in a Competent Person's Report which must form part of the document; and
- (2) in all other cases, must at least be substantiated by the issuer's internal experts.

Practice Note 4C Requirements for Mineral, Oil and Gas Companies

Cross-referenced from Rules 440, 441, 704(35), 705(7), 1014(2) and 1204(23), Catalyst Rules

1. Introduction
 - 1.1 This Practice Note sets out guidance on the requirements for mineral, oil and gas companies.
 - 1.2 Exploration, development or production of mineral, oil or gas may be considered as principal activities of the issuer if the mineral, oil and gas activity of the issuer and/or its subsidiaries, based on the issuer's latest audited consolidated financial statements: (i) represents 50% or more of the total assets, revenue or operating expenses of the group; or (ii) is the single largest contributor based on any of the tests in (i) above.

The issuer is required to make an announcement when any of the above situation occurs and will thereafter be required to comply with all the continuing listing rules applicable to mineral, oil and gas companies.

- 1.3 A mineral, oil and gas company must demonstrate plans to obtain all necessary approvals required to proceed with development. The qualified person must provide basis for expecting that all required approvals will be granted and the directors must provide evidence of the company's intention to proceed with development within a reasonable time frame. The qualified person should highlight and discuss any material unresolved matter that is dependent on a third party on which extraction is contingent.

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2. General Requirements for Disclosure of Reserves, Resources or Exploration Results

2.1 All mineral, oil and gas companies must comply with the following requirements:

- (a) All statements and reports in relation to reserves, resources or exploration results must be prepared and presented in accordance with a Standard. The listing applicant or issuer must state in the offer document, circular or announcement, as the case may be, the Standard used.
- (b) Tabulated estimates of reserves and resources should be presented in the format as set out in Appendix 7D to the Catalyst Rules.
- (c) Assay results must include disclosure of the analytical methods used and the name of the analytical laboratories which assayed the material sampled, together with details of their relationship, if any, to the listing applicant or issuer. The accreditation of each laboratory, or lack thereof, must also be disclosed.

4. Additional Continuing Obligations

4.1 In addition to paragraph 2 of this Practice Note, a mineral, oil and gas company must also comply with the following:

- (a) Exploration, development and production activities must be reported in a timely and responsible manner. If the issuer releases partial results, e.g. the first two holes of a six hole program, it must ensure that the balance of the results are disclosed in a timely manner whether the results are positive or negative.

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(b) Where work has been discontinued on properties about which the issuer has made prior disclosure, there must be further information provided as to any undisclosed results and reasons for the cessation of work.

5. Qualified Person's Report

5.1 The qualified person's report must be prepared in accordance with a Standard.

5.2 The qualified person must review the information contained in the offer document, circular or announcement, as the case may be, which relates to the qualified person's report and confirm that the information presented is accurate, balanced, complete and not inconsistent with the qualified person's report. The qualified person's report must not include blanket disclaimers or contain indemnities for fraud and gross negligence. If the qualified person's report includes a statement on the qualified person not accepting any responsibility for the completeness or adequacy of the information provided by the company and its advisors and for information extracted from public sources, this qualification must be subject to the qualified person having: (i) made reasonable enquiries and exercised his judgement on the reasonable use of such information; and (ii) found no reason to doubt the accuracy or reliability of the information.

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5.3 A qualified person's report must include the following:

(a) Executive summary

(b) Introduction

- Full name and if applicable, the partner/director in charge of the report; professional qualifications, years of relevant experience, Professional Society Affiliations and Membership (including details of a recognised professional association) of the qualified person and the address of the qualified person's firm/company;
- Aim of the report;
- Scope of the report;
- Basis of the report – including data sources, data validation and reliance on other experts; and
- Standard used.

(c) Property description, size, location, access, natural and cultural environment, including:

- listing applicant's/issuer's assets and liabilities, including a summary table of assets in the prescribed format;
- nature and extent of listing applicant's/issuer's rights of exploration or extraction; and

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- description of the economic conditions for the working of the licenses, concessions or similar, with details of the duration and other principal terms and conditions of the concessions including fiscal conditions, environmental and rehabilitation requirements, abandonment costs and any necessary licenses and consents including planning permission.
- (d) History of the property, including exploration history and any production history.
- (e) Geological and geophysical setting, type and characteristics of the deposit/ accumulation.
- (f) Exploration data including drilling and sampling, sampling and analysis methods, sample preparation and security, quality assurance and quality control on the sample analyses.
- (g) Mineral processing and metallurgical testing, if applicable.
- (h) Resource and reserve estimates and exploration results, as applicable, in accordance with the relevant Standard, including a summary of reserves and resources in the form of Appendix 7D to the Catalist Rules.
- (i) Planned extraction method, processing method, capital costs, operating costs, considerations including social, environmental, health and safety factors that may affect exploration and/ or exploitation activities; and production schedule, if applicable.
- (j) Financial analysis of the operations, taxes, liabilities, marketing if applicable.
- (k) Interpretation and conclusions.

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6. Summary Qualified Person's Report

A summary report prepared by a qualified person shall contain the following:

- (a) Appendix 7D to the Catalyst Rules and a commentary of material changes to the issuer's reserves and resources. The commentary should include information on the changes to the reserves estimates, indicating explanation for the changes (e.g. extensions and improved recovery, technical revisions, discoveries, acquisitions, dispositions, economic factors, production); and
- (b) with regard to minerals, Table 1 of the JORC Code.

II. TAKEOVER OBLIGATIONS

1. The Singapore Take-over Code

The Singapore Take-over 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 the Company. Any person acquiring an interest, either on his own or together with persons acting in concert with him, in 30.0% or more of the Company's voting Shares, or, if such person holds, either on his own or together with persons acting in concert with him, between 30.0% and 50.0% (both inclusive) of the Company's voting Shares, and he (or persons acting in concert with him) acquires additional voting Shares representing more than 1.0% of the 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 Take-over Code.

"Persons acting in concert" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. 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 company and its parent company, subsidiaries or fellow subsidiaries ("**Related Companies**"), (ii) the associated companies of any of the company and its Related Companies, (iii) companies whose associated companies include any of these foregoing companies and (iv) 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;
- a company and any of its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and any of its pension funds and employee share schemes;
- 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;

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- a financial or other professional adviser, including a stockbroker, with its clients in respect of the shareholding of the adviser and persons controlling, controlled by or under the same control as the adviser;
- directors of a company (together with 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;
- partners; and
- (i) an individual and his close relatives and related trusts, (ii) any person who is accustomed to act in accordance with his instructions, (iii) companies controlled by the individual, his close relatives and related trusts or any person who is accustomed to act in accordance with his instructions and (iv) 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.

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 persons acting in concert with the offeror for Shares during the offer within the six months preceding the acquisition of Shares that triggered the mandatory offer obligation.

Under the Singapore Take-over 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.

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, acquire their shares. In calculating the 90% threshold, shares held or acquired by the offeror at the date of the offer are excluded. The notice must be sent within two months after the offer has been so approved. The shareholder whose shares are thus to be acquired may, subject to certain timelines, apply to court for an order that the offeror is not entitled to acquire the shares. 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 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, *inter alia*, acquire the shareholder's shares on the same terms as the other shares were acquired during the offer.

2. The HK Takeovers Code

Public companies with a primary listing of their equity securities in Hong Kong fall within the regulatory framework of the HK Takeovers Code. The HK Takeovers Code is not legally enforceable. Its purpose is to provide guidelines for companies and their advisers contemplating, or becoming involved in, takeovers and mergers affecting public companies in Hong Kong.

The aim of the HK Takeovers Code is to ensure fair treatment of shareholders who are affected by takeovers, mergers and share buy-backs. It requires the timely disclosure of adequate information to enable shareholders to make an informed decision as to the merits of any offer. It also provides an orderly framework within which takeovers, mergers and share buy-backs are to be conducted.

The HK Takeovers Code regulates acquisitions of shares (whether by way of takeovers, mergers and share buy-back) in an offeree company and a potential offeree company, or a company in which control may change or be consolidated would be relevant.

Control is currently defined as a holding, or aggregate holdings, of 30.0% or more of the voting rights of a company, irrespective of whether that holding or holdings gives de facto control.

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The HK Takeovers Code also applies not only to the offeror and the offeree company, but also to those persons “acting in concert” with the offeror. Under the HK Takeovers Code, “persons acting in concert” are persons who “pursuant to an agreement or understanding (whether formal or informal), actively cooperate to obtain or consolidate control of a company through the acquisition by any of them of voting rights of the company”. The HK Takeovers Code also describes classes of persons who are presumed to be acting in concert with others in the same class unless the contrary is established.

The HK Takeovers Code requires the making of a mandatory general offer to holders of each class of equity share capital of the offeree company, whether the class carries voting rights or not, and also to the holders of any class of voting non-equity share capital in which such person, or persons acting in concert with him, hold shares, unless a waiver has been granted by the executive of the Securities and Futures Commission, where a person or a group of persons acting in concert (a) acquires control of a company (meaning 30.0% or more of the voting rights), whether by a series of transactions over a period of time, or not; or (b) when already holding between 30.0% and 50.0% of the voting rights of a company, acquires more than 2.0% of the voting rights in the offeree company in a twelve month period ending on and inclusive of the date of the relevant acquisition.

In either of the above cases, an offer must be made to the shareholders. The offer must be in cash or accompanied by a cash alternative at not less than the highest price paid by the offeror (or any person acting in concert with it) for shares of that class of the offeree company during the offer period and within six months prior to its commencement.

APPENDIX B – LISTING, REGISTRATIONS, DEALINGS AND SETTLEMENT

LISTINGS

The Company currently has a primary listing of its Shares on the Catalist, which it intends to maintain alongside its proposed dual primary listing of the Shares on the SEHK Main Board. Application has been made to the Listing Committee of the SEHK for the listing of, and permission to deal in all of the Shares in issue and listed on the Catalist and Shares that may be allotted and issued pursuant to the Proposed Share Offer.

REGISTRATION

The Singapore Principal Share Register is maintained in Singapore by the Company's Singapore Principal Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The Company has established the Hong Kong Branch Share Register in Hong Kong which is maintained by its Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited, whose address is at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.

Certificates in respect of the Shares registered on the Hong Kong Branch Share Register will, as far as practicable, and unless otherwise requested, be issued in board lots of 1,000 Shares. The Singapore Principal Share Registrar will keep in Singapore duplicates of the Hong Kong Branch Share Register, which will be updated from time to time.

CERTIFICATES

Only certificates for Shares issued by the Hong Kong Branch Share Registrar will be valid for delivery in respect of dealings effected on the SEHK. Certificates for Shares issued by the Singapore Principal Share Registrar will be valid for delivery in respect of dealings effected on the SGX-ST. For ease of identification, the certificates for Shares issued by the Hong Kong Branch Share Registrar will be green in colour and the certificates for Shares currently issued by the Singapore Principal Share Registrar is yellow in colour.

DEALINGS

Dealings in the Shares on the SEHK and the SGX-ST will be conducted in Hong Kong dollars and Singapore dollars, respectively. The Shares are traded on the Catalist in board lots of 100 Shares and will be traded on the SEHK in board lots of 1,000 Shares. An announcement to notify Shareholders on the stock code of the Shares on the SEHK will be made at a later date.

The transaction costs of dealings in the Shares on the SEHK include a SEHK trading fee of 0.005%, a SFC transaction levy of 0.0027%, a transfer instrument stamp duty of HK\$5 on the seller per transfer instrument and ad valorem stamp duty on both the buyer and the seller charged at the rate of 0.1% each of the consideration or, if higher, the fair value of the Shares transferred. The brokerage commission in respect of trades of Shares on the SEHK is freely negotiable.

The brokerage commission in respect of trades of Shares on the SGX-ST is freely negotiable. A clearing fee in Singapore is payable at the rate of 0.0325% of the transaction value. The clearing fee is subject to goods and services tax in Singapore (currently at 7.0%).

SETTLEMENT

Settlement of dealings in Singapore

Shares listed and traded on the Catalist are trading under the book-entry settlement system of CDP and all dealings in and transactions of Shares through the SGX-ST are effected in accordance with the terms and conditions for the operation of securities accounts with CDP, as amended from time to time.

CDP, a wholly owned subsidiary of the SGX-ST, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the securities accounts maintained by such account holders with CDP.

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Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. The Companies Act and the Constitution only recognise the registered owners or holders of the Shares as members. Depositors and depository agents on whose behalf CDP holds Shares, may not be accorded the full rights of membership, such as voting rights, the right to appoint proxies, or the right to receive Shareholders' circulars, proxy forms, annual reports, prospectuses and takeover documents. Depositors and depository agents will be accorded only such rights as CDP may make available to them pursuant to CDP's terms and conditions to act as depository for foreign securities.

Persons holding Shares in a securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with the Constitution. A fee of S\$10 for each withdrawal of 1,000 Shares or less and a fee of S\$25 for each withdrawal of more than 1,000 Shares will be payable upon withdrawing of the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2 (or such other amounts as the Directors may decide) will be payable to the Singapore Principal Share Registrar for each share certificate issued, and stamp duty at the rate of 0.2% computed on of the last-transacted price is payable where Shares are withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10, subject to GST at the prevailing rate (currently 7%), is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such changes as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time.

Transactions in Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for the transfer of the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in Shares on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fees and share withdrawal fee are subject to Singapore goods and services tax of 7.0% (or such other rate prevailing from time to time).

Dealings in the Shares will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third market day following the transaction date, and payment for the securities is generally settled on the following day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct securities account with CDP or a securities sub-account with a depository agent. A depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

Settlement of dealings in Hong Kong

Investors in Hong Kong must settle their trades executed on the SEHK through their brokers directly or through custodians. For an investor in Hong Kong who has deposited his Shares in his stock account or in his designated CCASS Participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the General Rules of CCASS ("**CCASS Rules**") in effect from time to time. For an investor who holds the physical certificates, settlement certificates and the duly executed instruments of transfer must be delivered to his broker or custodian by the settlement date.

An investor may arrange with his broker as custodian on a settlement date in respect of his trades executed on the SEHK. Under the HK Listing Rules and the CCASS Rules, the date of settlement must be the second Business Day following the trading date on which the settlement services of CCASS are open for use by CCASS Participants (T+2). For trades settled under CCASS, the CCASS Rules provide that the defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards.

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The CCASS stock settlement fee payable by each counterparty in respect of a SEHK trade is currently 0.002% of the gross transaction value subject to a minimum fee of HK\$2 and a maximum fee of HK\$100 per trade.

Dividends

Dividends are declared in Singapore dollars and will be converted to Hong Kong dollars before being paid to the Shareholders (whose Shares are traded on the SEHK).

Foreign exchange risk

Investors in Singapore who trade in the Shares on the SGX-ST should note that their trades will be effected in Singapore dollars. Investors in Hong Kong who trade in the Shares on the SEHK should note that their trades will be effected in Hong Kong dollars. Accordingly, investors should be aware of the foreign exchange risks associated with such trading.

REMOVAL AND/OR TRANSFER OF SHARES

Transfer of Shares

All duties, fees and expenses specified herein are subject to changes from time to time. Special arrangements will be made to facilitate transfers of Shares, and to incentivise existing shareholders to transfer their Shares to Hong Kong before the Proposed Share Offer by enabling them to do so at a reduced cost.

Currently, all of the Shares are registered on the Singapore Principal Share Register maintained by the Company's Singapore Principal Share Registrar. For the purpose of trading on the SEHK following the Proposed SEHK Listing, the Shares must be registered on the Hong Kong Branch Share Register maintained by the Hong Kong Branch Share Registrar. Shares may be transferred between the Singapore Principal Share Register and the Hong Kong Branch Share Register. Any Shareholder or investor who wishes to trade on the SGX-ST must deposit the share certificates in respect of such Shares with CDP. Any Shareholder or investor who wishes to trade on the SEHK must have his Shares registered on the Hong Kong Branch Share Register by submitting the request for withdrawal of securities form to CDP and a removal request form to the Singapore Principal Share Registrar. Withdrawal fees payable to CDP will be borne by the relevant Shareholders and CDP's existing charges will still apply, together with any other costs to be levied by such Shareholders' own stockbrokers, nominees or custodians (where relevant). A resolution has been passed by the Directors authorising the removal of Shares between the Singapore Principal Share Register and the Hong Kong Branch Share Register as may from time to time be requested by the members of the Company.

From the SGX-ST to the SEHK

Following the listing of the Company on the SEHK Main Board, if an investor whose Shares are traded on the SGX-ST wishes to trade his Shares on the SEHK, he must effect a removal of Shares from the Singapore Principal Share Register to the Hong Kong Branch Share Register.

A removal of the Shares from the Singapore Principal Share Register to the Hong Kong Branch Share Register involves the following procedures:

- (1) If the investor's Shares have been deposited with CDP, the investor must first withdraw his Shares from CDP by completing a Request for Withdrawal of Securities Form and a transfer form, available from CDP and submitting the same to CDP together with payment (at the cashier (if submitting the aforesaid forms to CDP in person) or through his/her stockbroker) for the amount as prescribed by CDP from time to time.
- (2) The investor shall complete a removal request and delivery instruction form ("**SG Removal Request Form**") (in duplicate) obtained from the Singapore Principal Share Registrar or any stockbrokers and submit the SG Removal Request Form to the Singapore Principal Share Registrar or any stockbrokers, together with bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and the Hong Kong Branch Share Registrar from time to time ("**Removal Request**").

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- (3) CDP will then send the duly completed transfer form, together with the relevant share certificate(s) registered under the name of CDP to the Singapore Principal Share Registrar directly.
- (4) Upon receipt of the duly completed transfer form and the share certificate(s) from CDP and the SG Removal Request Form together with bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and Hong Kong Branch Share Registrar from time to time from the investor, the Singapore Principal Share Registrar shall take all actions necessary to effect the transfer and removal of Shares on the Singapore Principal Share Register. On completion, the Singapore Principal Share Registrar shall then notify the Hong Kong Branch Share Registrar of the removal.
- (5) The Hong Kong Branch Share Registrar shall update the Hong Kong Branch Share Register and issue share certificate(s) in the name of the investor and send such share certificate(s) to the address specified by the investor. Despatch of share certificate(s) will be made at the risk and expense of the investor as specified in the SG Removal Request Form.
- (6) If the investor's Shares upon being registered in Hong Kong are to be deposited with CCASS, the investor must deposit the Shares into CCASS for credit to his CCASS Investor Participant stock account or his designated CCASS Participant's stock account. For deposit of Shares to CCASS or to effect sale of Shares in Hong Kong, the investor should execute a transfer form which is in use in Hong Kong and which can be obtained from the CCASS Participant(s) and deliver it together with his Share certificate(s) issued by the Hong Kong Branch Share Registrar to HKSCC directly if he intends to deposit the Shares into CCASS for credit to his CCASS Investor Participant stock account or via a CCASS Participant if he wants the Shares to be credited to his designated CCASS Participant's stock account.

Note: Under normal circumstances, steps (1) to (5) generally require 15 Business Days to complete.

From the SEHK to the SGX-ST

If an investor whose Shares are traded on the SEHK wishes to trade his Shares on the SGX-ST, he must effect a removal of the Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register. Such removal and deposit of the Shares with CDP would involve the following procedures:

- (1) If the investor's Shares are registered in the investor's own name, the investor shall complete the Combined Share Removal and Transfer and Delivery Instruction Form ("**HK Removal Request Form**") (in duplicate) available from the Hong Kong Branch Share Registrar and submit the same together with the share certificate(s) in his name and bank drafts for the amount as prescribed by the Singapore Principal Share Registrar and the Hong Kong Branch Share Registrar from time to time to the Hong Kong Branch Share Registrar. If the investor's Shares have been deposited with CCASS, the investor must first withdraw such Shares from his CCASS Investor Participant stock account with CCASS or from the stock account of his designated CCASS Participant and submit the relevant Share transfer form(s) executed by HKSCC Nominees Limited and the investor, the relevant share certificate(s) and a duly completed HK Removal Request Form to the Hong Kong Branch Share Registrar.
- (2) If the investor would like to have the Shares credited directly into his securities account or sub-account with a CDP depository agent, he must indicate it on the HK Removal Request Form. He should submit the HK Removal Request Form with a bank draft for the amount as prescribed by CDP from time to time at the same time he submits the relevant documents to the Hong Kong Branch Share Registrar (as contemplated in paragraph (1) above). The investor should ensure that he has a securities account or sub-account with a CDP depository agent before he can complete and sign off on delivery instruction set out in the HK Removal Request Form.

APPENDIX B – LISTING, REGISTRATIONS, DEALINGS AND SETTLEMENT

- (3) Upon receipt of the HK Removal Request Form, the relevant share certificate(s) and bank drafts for the amounts as prescribed by the Singapore Principal Share Registrar and Hong Kong Branch Share Registrar and CDP, if applicable and where appropriate, the completed share transfer form(s) executed by HKSCC Nominees Limited and the investor, the Hong Kong Branch Share Registrar shall take all actions necessary to effect the transfer and the removal of the Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register.
- (4) The Hong Kong Branch Share Registrar shall then notify the Singapore Principal Share Registrar of the removal whereupon the Singapore Principal Share Registrar shall update the Singapore Principal Share Register. Upon completion, the Singapore Principal Share Registrar shall issue the relevant share certificate(s) in the name of the investor or CDP, where the case may be, and deliver the share certificate(s) to the investor or CDP.
- (5) Upon receipt of the relevant documents and prescribed payment from the Singapore Principal Share Registrar, CDP shall credit the specified number of Shares into the investor's securities account or sub-account with a CDP depository agent. The investor should ensure that the shares are credited to his securities account or sub-account with a CDP depository agent before dealing in the Shares.

Note: Under normal circumstances, steps (1) to (4) generally require 15 business days to complete.

For those Shares which are registered on the Hong Kong Branch Share Register, any transfer thereof or dealings therein will be subject to Hong Kong stamp duty. For those Shares which are registered on the Singapore Principal Share Register, any transfer thereof or dealings therein will be subject to Singapore stamp duty.

All costs attributable to the removal of Shares from the Hong Kong Branch Share Register to the Singapore Principal Share Register and any removal from the Singapore Principal Share Register to the Hong Kong Branch Share Register shall be borne by the Shareholder requesting the removal. In particular, Shareholders should note that the Hong Kong Branch Share Registrar will charge HK\$350 for each removal of Shares and a fee of HK\$2.50 (or such higher fee as may from time to time be permitted under the Listing Rules) for each Share certificate cancelled or issued by it and any applicable fee as stated in the removal request forms used in Hong Kong or Singapore. In addition, the Singapore Principal Share Registrar will charge S\$30 (or such other amount as may be prescribed from time to time) for each removal of Shares, a fee of S\$2 (plus applicable stamp duties) for each transfer form in respect of transfer of Shares and a fee of S\$2 for each share certificate cancelled or issued by it and any applicable fee as stated in the removal request forms used in Hong Kong or Singapore. The fees charged by the Singapore Principal Share Registrar are subject to Singapore goods and services tax of 7.0%.

SPECIAL ARRANGEMENTS TO FACILITATE TRANSFERS BEFORE THE LISTING

Special arrangements have been made to facilitate transfers of Shares before the Proposed SEHK Listing. In connection with the Proposed SEHK Listing, the Singapore Principal Share Registrar and the Hong Kong Branch Share Registrar will provide three batch-transfers of the Singapore-listed Shares for Shareholders seeking to transfer their Shares to the Hong Kong Branch Share Register before the Proposed SEHK Listing.

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

The amendments which are proposed to be made to articles in the existing Constitution and articles which are proposed to be included in the existing Constitution as new articles are set out in this Appendix C. For ease of reference, the full text of the articles which are proposed to be amended and which are proposed to be included in the existing Constitution as new articles, have been reproduced and the proposed amendments and inclusions blacklined.

1. Proposed Amendments to Article 1

- “1. In this Constitution, if not inconsistent with the subject or context, the words standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof:-” Interpretation

WORDS

MEANINGS

“The Act”

The Companies Act, ~~Cap. 50~~ (Chapter 50) of Singapore, or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act or other act concerning companies and affecting the Company.

“Annual General Meeting”

An annual general meeting of the Company.

“Auditors”

The auditors of the Company for the time being.

“book-entry securities”

Listed securities, documents of title to which are deposited by a Depositor with the CDP or a clearing house (as the case may be), which are registered in the name of the CDP or a clearing house or their respective nominees and transferable by way of book-entry in the Depository Register and not by way of an instrument of transfer.

“CDP”

The Central Depository (Pte) Limited or any other corporation approved by the Monetary Authority of Singapore as a depository company or corporation for the purposes of the Securities and Futures Act (Chapter 289) of Singapore, which operates the Central Depository System for the holding and transfer of book-entry securities.

“Chairman”

The chairman of the Directors or the chairman of the General Meeting as the case may be.

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

<u>“clearing house”</u>	<u>A clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.</u>
“The Company”	The abovenamed Company by whatever name from time to time called.
“This Constitution”	This Constitution or other regulations of the Company for the time being in force.
<u>“Depositor”</u>	<u>A Depository Agent or a Direct Account Holder to the balance of whose Securities Account any shares are credited, but excluding a sub-account holder.</u>
<u>“Depository Agent”</u>	<p><u>A member of the Singapore Exchange Securities Trading Limited, a trust company (licensed under the Trust Companies Act (Chapter 336) of Singapore), a bank licensed under the Banking Act (Chapter 19) of Singapore, any merchant bank approved as a financial institution under the Monetary Authority of Singapore Act (Chapter 186) of Singapore, or any other person or body approved by CDP who or which:</u></p> <ul style="list-style-type: none"><u>(a) performs services as a depository agent for sub-account holders in accordance with the terms of a depository agent agreement entered into between CDP and the Depository Agent;</u><u>(b) deposits book-entry securities with CDP on behalf of the sub-account holders; and</u><u>(c) establishes an account in its name with CDP.</u>
<u>“Depository Register”</u>	<u>A register maintained by CDP or a clearing house (as the case may be) in respect of book-entry securities.</u>
<u>“Direct Account Holder”</u>	<u>A person who has a securities account directly with CDP or a clearing house (as the case may be) and not through a Depository Agent.</u>
“Director”	Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an alternate Director.

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

“Directors”	The Directors for the time being of the Company or such number of them as have authority to act for the Company.
“dividend”	Includes bonus.
“General Meeting”	<u>A general meeting of the Company.</u>
“Hong Kong”	<u>The Hong Kong Special Administrative Region of The People’s Republic of China.</u>
“Hong Kong dollars”	<u>The lawful currency for the time being of Hong Kong.</u>
“market day”	A day on which the Stock Exchange is open for trading in securities.
“Member”	A Member of the Company, save that references in this Constitution to “Member” shall, where the Act requires, exclude the Company where it is a Member by reason of its holding of its shares as treasury shares.
“month”	Calendar month.
“Office”	The registered office of the Company for the time being.
“paid-up”	Includes credited as paid-up.
“Register of Members”	<u>The Company’s principal register of Members and where applicable, any branch register of Members to be maintained at such place within or outside Singapore as the Directors shall determine from time to time.</u>
“registered address” or “address”	In relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.
“Registration Office”	<u>In respect of any class of share capital, such place as the Directors may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Directors otherwise direct) the transfers or other documents or titles for such class of share capital are to be lodged for registration and are to be registered.</u>

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

“Seal”	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
“Secretary”	The Secretary or Secretaries appointed under this Constitution and shall include any person entitled to perform the duties of the Secretary temporarily.
<u>“Securities Account”</u>	<u>The securities account maintained by a Depositor with CDP or a clearing house (as the case may be).</u>
<u>“Singapore dollars” or “S\$”</u>	<u>The lawful currency for the time being of Singapore.</u>
<u>“Statutes”</u>	<u>The Act, the Securities and Futures Act (Chapter 289) of Singapore, and every other written law for the time being in force concerning companies and affecting the Company, including but not limited to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as applicable) and any reference to any provision as so amended, supplemented or otherwise modified from time to time.</u>
“Stock Exchange”	The Singapore Exchange Securities Trading Limited for so long as the shares of the Company are listed and quoted on the Singapore Exchange Securities Trading Limited, <u>The Stock Exchange of Hong Kong Limited for so long as the shares of the Company are listed and traded on The Stock Exchange of Hong Kong Limited and/</u> or such other stock exchange in respect of which the shares of the Company are listed or quoted.
“Writing” and “Written”	Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Act) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
“year”	Calendar year.

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

~~The expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the Securities and Futures Act, Cap. 289. The expressions “close associate” and “corporate communication” shall have the meanings ascribed to them respectively in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time.~~

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

References in this Constitution to “holder(s)” of shares or a class of shares shall:-

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

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

Words denoting the singular number only shall include the plural and vice versa.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Save as aforesaid, any words or expressions used in the Act and the Interpretation Act, Cap.1 shall, if not inconsistent with the subject or context, bear the same meanings in this Constitution.

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

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

The headnotes and marginal notes are inserted for convenience of reference only and shall not affect the construction of this Constitution.”

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

2. Proposed insertion of new Article 5A

“ **AUTHORISED SHARE CAPITAL**

- 5A. The Company does not have an authorised share capital and the shares do not have par value. Authorised share capital and par value

3. Proposed Amendments to Article 6

- “6. The Company may, subject to and in accordance with the ~~Act Statutes~~ and the listing rules of the Stock Exchange, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. In the case of purchases of redeemable shares, purchases not made through the market or by tender shall, subject to the provisions of the Statutes and the listing rules of the Stock Exchange, be limited to a maximum price and if purchases are by tender, tenders shall be available to all Members holding redeemable shares in the Company alike. If required by the ~~Act Statutes and the listing rules of the Stock Exchange~~, any share which is so purchased or acquired by the Company shall, ~~unless held in treasury in accordance with the Act~~, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the ~~Act Statutes and the listing rules of the Stock Exchange~~.” Power to repurchase shares

4. Proposed Amendments to Article 7

- “7. Subject to the Act, the listing rules of the Stock Exchange and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to article 53, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions, ~~or which confer special, limited or conditional voting rights, or which do not confer voting rights~~, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors provided always that:- Issue of shares
- (a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of article 53(1) with such adaptations as are necessary shall apply; and
- (b) any other issue of shares, the aggregate of which would exceed the limits referred to in article 53(2), shall be subject to the approval of the Company in General Meeting.”

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

5. Proposed Amendments to Article 8

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|-----|-----|--|--|
| “8. | (1) | <u>Subject to such limitation as may be prescribed by the Stock Exchange, the the Company has power to issue different classes of shares, including shares which confer special, limited or conditional voting rights, or which do not confer voting rights, provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, shall include the words “restricted voting” or “limited voting”.</u> | Issue of different classes of shares |
| | (2) | <u>The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution and it shall also be stated how the various classes shall rank for any distribution by way of dividend or otherwise in this Constitution.</u> | Shares of a class other than ordinary shares |
| | (3) | [Deleted] Notwithstanding anything in articles 8(1) and 8(2), the Company shall not undertake any issuance of shares that confer special, limited or conditional voting rights, or that confer no voting rights, unless it is approved by the Members by Special Resolution. | Special Resolution required for issuance of shares with special voting rights etc. |
| | (4) | The Company may issue shares for which no consideration is payable to the Company. | Issue of shares for no consideration |
| | (5) | Preference shares may be issued subject to such limitation thereof as may be prescribed by the Stock Exchange, <u>provided always that the total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time.</u> Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear. | Preference shares |
| | (6) | The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.” | Issue of further preference capital |

6. Proposed Amendments to Article 9

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|-----|---|-----------------|
| “9. | <u>Unless otherwise permitted under the Statutes and the listing rules of the Stock Exchange, and subject thereto, the the Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject hereto, the Company may hold or deal with its any treasury shares in the manner authorised by, or prescribed pursuant to, the Act.”</u> | Treasury shares |
|-----|---|-----------------|

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

7. Proposed Amendments to Article 10

- “10. If, at any time the share capital is divided into different classes, subject to the provisions of the Act, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of the Act shall with such adaptations as are necessary apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall mutatis mutandis apply; but so that the necessary quorum (other than at an adjourned meeting) shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and any holder of shares of the class present in person or by proxy may demand a poll. Provided always that where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the General Meeting shall be as valid and effectual as a Special Resolution carried at the General Meeting.”
- Variation of rights

8. Proposed Amendments to Article 14

- “14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than ~~the Depository CDP or a clearing house or its~~ their respective nominee (as the case may be)) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share.”
- Exclusion of equities

9. Proposed Amendments to Article 16

- “16. When two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the provisions following:-
- Joint holders
- (a) The Company shall not be bound to register more than ~~three~~ four persons as the holders of any share except in the case of executors or administrators (or trustees) of the estate of a deceased Member.
 - (b) For the purposes of a quorum joint-holders of any share shall be treated as one Member.
 - (c) Only one certificate shall be issued in respect of any share.
 - (d) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company. Any notice served on any one of the joint-holders shall be deemed to have been duly served on all of them.

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

- (e) The joint-holders of any share shall be liable severally as well as jointly in respect of calls and any other payments which ought to be made in respect of such share.
- (f) Any one of the joint-holders of any share may give effectual receipts for any dividend, return of capital or other sum of money payable to such joint-holders in respect of such share.
- (g) On the death of any one of the joint-holders of any share the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they think necessary to call for.
- (h) If more than one of such joint-holders are present in person or proxy at any General Meeting only that one of the joint-holders or his attorney or proxy, whose name stands first in the Register of Members or (as the case may be) the Depository Register amongst those so present in person or proxy shall be entitled to vote in respect of any of the shares so held.”

10. Proposed Insertion of Article 16A Immediately After Article 16

“16A. No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.”

Failure to disclose interests

11. Proposed Amendments to Article 17

“17. Every certificate shall be issued under the Seal, which may only be affixed with the authority of the Directors, or be executed under signature of appropriate officials with statutory authority, and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up, and the amount (if any) unpaid thereon. No certificate shall be issued representing shares of more than one class.”

Certificates

12. Proposed Amendments to Article 18

“18. Every person whose name is entered as a Member in the Register of Members shall be entitled within ten market days (or such other period as may be approved by the Stock Exchange) of the closing date of any application for shares or, as the case may be, the date of lodgement of a registrable transfer or on a transmission of shares to one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. If a Member shall require several certificates each for a part of the shares so allotted or transferred or included in the transmission or if a Member transfers part only of the shares comprised in a certificate or requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the Member shall pay prior to the issue of the certificates or certificate a fee not exceeding S\$2 (or such lesser sums as the Directors shall from time to time determine having regard to any limitation thereof as may be prescribed by the Stock Exchange) for each such new certificate as the Directors may determine.”

Entitlement to certificates

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

13. Proposed Amendments to Article 19

- “19. Subject to the provisions of the Act, if any certificate shall be defaced, worn out, destroyed, lost or stolen, a new certificate may be issued in lieu thereof on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S\$2 (or such other fee as the Directors may determine having regard to any limitation as may be prescribed by the Stock Exchange) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such new certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.”
- New certificates may be issued

14. Proposed Insertion of Article 19A Immediately After Article 19

- “19A. Subject to the Statutes, the listing rules of the Stock Exchange and this Constitution, the Directors may issue warrants to subscribe for any class of shares or other securities of the Company and such warrants may be issued on such terms as the Directors may from time to time determine. Where warrants are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and the Company has received an indemnity in such form as the Directors shall think fit with regard to the issue of any such replacement certificate.”
- Issue of warrants

15. Proposed Amendments to Article 20

- “20. Subject to the provisions of this Constitution, all transfers of shares shall be effected by written instrument of transfer in the form as approved by the Stock Exchange and or in any other form acceptable to the Directors.”
- Form of transfer of shares

16. Proposed Amendments to Article 21

- “21. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is ~~the Depository CDP or a clearing house or its~~ their respective nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of ~~the Depository CDP or the clearing house or its~~ their respective nominee (as the case may be). The transferor shall remain the holder of the share concerned until the name of the transferee is entered in the Register of Members in respect thereof.”
- Execution of transfer of shares

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

17. Proposed Amendments to Article 23

“23. There shall be no restriction on the transfer of fully paid up shares (except as required by law, the listing rules of the Stock Exchange or the rules and/or bye-laws governing the Stock Exchange) and such fully paid up shares shall be free from all lien but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. Provided always that in the event of the Directors refusing to register a transfer of shares, they shall within ten market days beginning with the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Act.”

Directors' power to decline to register

18. Proposed Amendments to Article 25

“25. The Directors may decline to register any instrument of transfer unless:-

- (a) such fee not exceeding S\$2 (or any lower amount as the listing rules of the Stock Exchange may prescribe) as the Directors may from time to time require, is paid to the Company in respect thereof;
- (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;
- (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
- (d) the instrument of transfer is in respect of only one class of shares.

Terms of registration of transfers

All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same except in the case of fraud.”

19. Proposed Insertion of Article 27A Immediately After Article 27

“27A. Subject to, and in accordance with, the Statutes and any applicable listing rules of the Stock Exchange and unless the Directors otherwise agree (which agreement may be on such terms and subject to such conditions as the Directors in their absolute discretion may from time to time determine, and which agreement the Directors shall, without giving any reason therefor, be entitled in their absolute discretion to give or withhold), no shares upon the Register of Members shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register of Members or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register of Members, at the Office or such other place at which the Register of Members is kept in accordance with the Statutes.”

Transfer of shares between registers

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

20. Proposed Amendments to Article 33

- “33. There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding S\$2 (or any lower amount as the listing rules of the Stock Exchange may prescribe) as the Directors may from time to time require or prescribe.”
- Fee for registration of probate, etc

21. Proposed Amendments to Article 39

- “39. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the moneys so received or so much thereof as from time to time exceed the amount of the call then made upon the shares concerned, the Company may pay interest at such rate not exceeding eight per cent per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits or participate in respect thereof in a dividend or other distribution subsequently declared.”
- Payment in advance of calls

22. Proposed Amendments to Article 44

- “44. A statutory declaration in writing that the declarant is a Director and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository CDP or a clearing house or its their respective nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, reallocated or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.”
- Title to shares forfeited or surrendered or sold to satisfy a lien

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23. Proposed Insertion of Article 51A Immediately After Article 51

“CENTRAL DEPOSITORY SYSTEM

- 51A. A reference to a Member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP or a clearing house, the Depositors on behalf of whom CDP or a clearing house holds the shares, provided that:
- Central depository system
- (a) except as required by the Statutes or law, a Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP or a clearing house 72 hours before the General Meeting as a Depositor on whose behalf CDP or a clearing house holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP or a clearing house as supplied by CDP or a clearing house to the Company, and where a Depositor has apportioned the balance standing to his Securities Account among two or more proxies, to apportion the said number of shares among such proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor's shareholding specified in the instrument of proxy, or where the balance standing to a Depositor's Securities Account has been apportioned among two or more proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above;
- (b) the payment by the Company to CDP or a clearing house of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment;
- (c) the delivery by the Company to CDP or a clearing house of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement; and
- (d) the provisions in this Constitution relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities (as defined in the Statutes).”

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

24. Proposed Amendment to Article 52

“52. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special, limited or conditional rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, ~~or which do not confer voting rights~~, as the Company may from time to time by Ordinary Resolution or, if required by the Act, by Special Resolution determine (or, in the absence of any such determination, but subject to the Act, as the Directors may determine) and subject to the provisions of the Act, the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed.”

Rights and privileges of new shares

25. Proposed Amendment to Article 53(2)

“53. (2) Notwithstanding article 53(1) ~~but subject to article 8(3)~~, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:-

General authority for Directors to issue new shares and make or grant Instruments

- (a) (i) issue shares of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force, provided that:-
 - (i) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange;
 - (ii) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Stock Exchange or the rules and/or bye-laws governing the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and this Constitution; and

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

- (iii) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest)."

26. Proposed Amendments to Article 62

"62. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened by such requisition of Members holding at the date of the deposit of the requisition not less than 10% 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 default, may be convened by such requisitionists, in accordance with the provisions of the Act/Statutes. Such Members, holding a minority stake in the Company not higher than 10% of the total number of paid-up shares as at the date of requisition carries the right of voting at the General Meetings, may also add resolutions to the meeting agenda of a General Meeting. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors."

Calling
Extraordinary
General Meetings

27. Proposed Amendments to Article 63(1)

"63. (1) Subject to such other minimum period as may be specified in the Statutes from time to time, an Annual General Meeting shall be called by notice of not less than 21 clear days or 20 clear business days (whichever is longer) and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution shall be called by notice of not less than 21 clear days or 20 clear business days (whichever is longer). All other Extraordinary General meetings may be called by notice of not less than 14 clear days or 10 clear business days (whichever is longer).~~Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company shall be called by at least twenty one days' notice in writing and any Annual General Meeting and any other Extraordinary General Meeting by at least fourteen days' notice in writing. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in the manner hereinafter mentioned to such persons as are under the provisions herein contained and the Act entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-~~

Notice of General
Meetings

- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and

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- (b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent of the total voting rights of all the Members having a right to vote at that meeting.

Provided also that the accidental omission to give notice to, or the non-receipt by any person entitled thereto, shall not invalidate the proceedings at any General Meeting.

At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Stock Exchange."

28. Proposed Amendment to Article 64(1)

- "64. (1) Every notice calling a General Meeting shall specify the place in Singapore and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member. ~~Where the Company has one or more classes of shares that confer special, limited or conditional voting rights, or that confer no voting rights, the notice calling a General Meeting shall also specify the special, limited or conditional voting rights, or the absence of voting rights, in respect of each such class of shares.~~"
- Contents of notice

29. Proposed Amendments to Article 77

- "77. (1) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to article 9, each Member entitled to vote may vote in person or by proxy. Every Member who is present in person or by proxy shall:-
- (a) on a poll, have one vote for every share which he holds or represents; and
- (b) on a show of hands, have one vote, provided that:-
- (i) in the case of a Member who is not a relevant intermediary or a clearing house (or its nominee(s)) and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and
- (ii) in the case of a Member who is a relevant intermediary or a clearing house (or its nominee(s)) and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.
- Voting rights of members

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

- (2) Save as otherwise provided in the Act:- Appointment of proxies
- (a) a Member who is not a relevant intermediary or a clearing house (or its nominee(s)) may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
- (b) a Member who is a relevant intermediary or a clearing house (or its nominee(s)) may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (3) In any case where a Member is a Depositor, the Company shall be entitled and bound:- Shares entered in Depository Register
- (a) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by CDP or a clearing house ~~the Depository~~ to the Company; and
- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by CDP or a clearing house ~~the Depository~~ to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

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- (c) Subject to this Constitution, the Act and the listing rules of the Stock Exchange, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile. Voting in Absentia
- (4) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regards to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.” Notes and instructions

30. Proposed Insertions of Articles 78A, 78B, 78C and 78D Immediately after Article 78

- “78A. If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives or proxies at any meeting of the Company or at any meeting of any class of Members provided always that, if more than one person is so authorised, the authorisation or proxy form shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this article 78A shall be deemed to have been duly authorised without the need to produce any further documents of title, notarised authorisation and/or other evidence of fact to substantiate that such person is duly authorised, and shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)). Clearing house as a Member
- 78B. (1) The Company shall keep in one or more books a Register of Members and shall enter therein the following particulars, that is to say: Register of Members
- (a) the name and address of each Member, the number and class of shares held by him and the amount paid or agreed to be considered as paid on such shares;
- (b) the date on which each person was entered in the Register of Members; and
- (c) the date on which any person ceased to be a Member.
- (2) The Company may keep an overseas or local or other branch register of Members resident in any place, and the Directors may make and vary such regulations as it determines necessary, desirable or expedient in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.

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78C. The Register of Members and branch register of Members, as the case may be, shall be open to inspection for at least two hours on every business day by Members without charge or by any other person, upon a maximum payment of S\$1 (or its Hong Kong dollar equivalent based on the prevailing exchange rate as determined by the Directors) or such lesser sum specified by the Directors, at the Office or such other place at which the Register is kept in accordance with the Statutes or, if appropriate, upon a maximum payment of S\$1 (or its Hong Kong dollar equivalent based on the prevailing exchange rate as determined by the Directors) or such lesser sum specified by the Directors at the Registration Office. The Register of Members including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Stock Exchange or by any electronic means in such manner as may be accepted by the Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty days in each year as the Directors may determine and either generally or in respect of any class of shares. Close of Register

78D. Notwithstanding any other provision of these Regulations, but subject to the listing rules of the Stock Exchange, the Company or the Directors may fix any date as the record date for: Record date

(a) determining the Members entitled to receive any dividend, distribution, allotment or issue;

(b) determining the Members entitled to receive notice of and to vote at any General Meeting of the Company.”

31. Proposed Amendments to Article 80

“80. Subject to the provisions of this Constitution every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid. Where the Company has knowledge that any Member is, under the listing rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.” Rights to vote

32. Proposed Amendments to Article 83(1)

“83. (1) An instrument appointing a proxy shall be in writing (provided always that this shall not preclude the use of the two-way form) and:- Execution of proxies

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

(i) signed by the appointor or his attorney if the instrument of proxy is delivered personally or sent by post; or

(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

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

The Directors may, for the purposes of articles 83(1)(a)(ii) and 83(1)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor (which shall, for purposes of this paragraph include a Depositor) by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to article 85, failing which the instrument may be treated as invalid.”

33. Proposed Amendments to Article 85(1)

- “85. (1) An instrument appointing a proxy or the power of attorney or other authority, if any:-
- Deposit of proxies
- (a) if sent personally or by post, must be left at the Office or Registration Office or such other place (if any) as is specified for the purpose in the notice convening the General Meeting; or
 - (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,

and in either case not less than 72 hours before the time appointed for the holding of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) to which it is to be used and in default shall not be treated as valid. The deposit of an instrument appointing a proxy does not preclude the Member concerned from attending and voting in person at the meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy or proxies is deemed to be revoked by the Member concerned at the point when the Member attends the meeting.”

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34. Proposed Amendments to Article 87

- “87. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve (provided that the use of the two-way form shall not be precluded). An instrument appointing a proxy shall, unless the contrary is stated therein be valid as well for any adjournment of the General Meeting as for the General Meeting to which it relates and need not be witnessed.”
- Form of proxies

35. Proposed Amendments to Article 88

- “88. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office or Registration Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.”
- Intervening death or mental disorder of principal not to revoke proxy

36. Proposed Amendments to Article 94

- “94. Subject to the Statutes and the provisions of the listing rules of the Stock Exchange, ~~o~~Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement or transaction with the Company either as vendor, purchaser or otherwise nor shall such contract, arrangement or transaction or any contract, arrangement or transaction entered into by or on behalf of the Company in which any Director or any of his close associates shall be in any way interested be avoided nor shall any Director or any of his close associates so contracting or being so interested be liable to account to the Company for any profit realised by any such contract, arrangement or transaction by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director and Chief Executive Officer (or person(s) holding an equivalent position) shall observe the provisions of the Act relating to the disclosure of the interests of the Directors and Chief Executive Officers (or person(s) holding an equivalent position) in transactions or proposed transactions with the Company or of any office or property held by a Director or a Chief Executive Officer (or person(s) holding an equivalent position) which might create duties or interests in conflict with his duties or interests as a Director or a Chief Executive Officer (or an equivalent position), as the case may be. A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his close associates has any ~~personal~~ material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.”
- Power of Directors to hold office of profit and to contract with Company

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

37. Proposed Amendments to Article 121

“121. In accordance with the provisions of the Act, the Company may by Ordinary Resolution of which special notice has been given remove any Director (including a managing or other executive director) before the expiration of his period of office, notwithstanding any provision of this Constitution or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company in General Meeting may appoint another person in place of a Director so removed from office and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.”

Vacation of office
of Directors

38. Proposed Amendments to Article 133

“133. A copy of the Directors’ report or statement, and the financial statements and, if required, the balance sheet (including every document required by ~~the Act~~ law to be attached thereto), which is duly audited and which is to be laid before the Company in General Meeting accompanied by a copy of the Auditor’s report thereon, shall not less than ~~fourteen~~ twenty-one days before the date of the General Meeting be delivered or sent by post to the registered address of every Member and to every other person who is entitled to receive notices of General Meetings from the Company under the provisions of the Act or of this Constitution, provided that:-

Copies of
financial
statements

- (a) these documents may be sent less than ~~fourteen~~ twenty-one days before the date of the General Meeting if all persons entitled to receive notices of General Meetings from the Company so agree and the relevant listing rules of the Stock Exchange or the rules and/or bye-laws governing the Stock Exchange are complied with; and
- (b) this article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of a share in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.”

39. Proposed Amendments to Article 137

“137. The Company may by Ordinary Resolution declare dividends, but no dividend shall exceed the amount recommended by the Directors. ~~Unless otherwise provided under the Act, no dividend may be paid to the Company in respect of treasury shares.”~~

Declaration of
ordinary dividend

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

40. Proposed Amendments to Article 140

- “140. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:-
- Application and apportionment of dividends
- (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this article, any amount paid or credited as paid on a share in advance of a call is to be ignored and shall not entitle the holder of such share to participate in respect thereof in a dividend subsequently declared.”

41. Proposed Amendments to Article 149

- “149. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository CDP or a clearing house returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable.”
- Unclaimed dividends

42. Proposed Amendments to Article 150

- “150. A payment by the Company to the Depository CDP or a clearing house of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.”
- Payment to Depository good discharge

43. Proposed Amendment to Article 152(1)

- “152. (1) The Directors may, with the sanction of an Ordinary Resolution of the Company, including any Ordinary Resolution passed pursuant to article 53(2) (but subject to article 8(3)):-
- Power to capitalise profits
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:-
- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

- (ii) (in the case of an Ordinary Resolution passed pursuant to article 53(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

- (b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:-

- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

- (ii) (in the case of an Ordinary Resolution passed pursuant to article 53(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid."

44. Proposed Amendments to Article 153(1)

"153. (1) Any notice or document (including a share certificate and any corporate communication) may be served by the Company on or delivered to any Member either personally or by sending it through the post in a prepaid letter or wrapper addressed to such Member at his Singapore, Hong Kong or other registered address entered in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore any other address supplied by him to the Company or (as the case may be) supplied by him to the Depository CDP or a clearing house as his address for the service of notices, or by delivering it to such address as aforesaid."

Service of notices

45. Proposed Amendments to Article 155

"155. A Member who (~~having no registered address within Singapore~~) has not supplied to the Company or (as the case may be) ~~the Depository CDP or a clearing house~~ an address ~~within Singapore~~ for the service of notices or documents shall not be entitled to receive any notice or document from the Company."

Service of notices
on Members
abroad

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

46. Proposed Amendments to Article 156

“156. A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or (as the case may be) the Depository CDP or a clearing house an address within Singapore or Hong Kong for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the Member but for his death or bankruptcy or otherwise would be entitled and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any Member or given, sent or served by electronic communications in pursuance of this Constitution shall (notwithstanding that such Member be then dead or bankrupt or otherwise not entitled to such share and whether or not the Company have notice of the same) be deemed to have been duly served in respect of any share registered in the name of such Member in the Register of Members or, where such member is a Depositor, entered against his name in the Depository Register as sole or first-named joint holder.”

Service of notices
after death etc. on
a Member

47. Proposed Insertion of Article 158A Immediately After Article 158

“UNTRACEABLE MEMBERS

158A. (1) Without prejudice to the rights of the Company under article 158A(2), the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

Untraceable
Members

(2) Subject to the Statutes, the Company shall have the power to sell, in such manner as the Directors think fit, any shares of a Member who is untraceable, but no such sale shall be made unless:

(a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by this Constitution have remained uncashed;

(b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

(c) the Company, if so required by the listing rules of the Stock Exchange, has given notice to the Stock Exchange, and caused advertisement to be made in newspapers in accordance with the requirements of the Stock Exchange, of its intention to sell such shares in the manner required by the Stock Exchange, and a period of three months or such shorter period as may be allowed by the Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the “relevant period” means the period commencing 12 years before the date of publication of the advertisement referred to in this article 158A(2)(c) and ending at the expiry of the period referred to in article 158A(2)(c).

(3) To give effect to any such sale the Directors may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this article shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.”

48. Proposed Amendments to Article 159

“159. A Special Resolution is required to approve the voluntary winding up of the Company. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (including any shares in any other company received by the liquidator as consideration for the sale of the whole or part of the Company’s assets and whether they shall consist of property of the same kind or not) and any such division may be otherwise than in accordance with the existing rights of the Members and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability. This article is without prejudice to the rights of persons whose shares are issued on special terms. If any division is resolved on otherwise than in accordance with the existing rights of the Members, the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to section 306 of the Act.”

Winding up

APPENDIX C – PROPOSED AMENDMENTS TO THE CONSTITUTION

49. Proposed Insertion of Article 163 Immediately After Article 162

“CONFLICT OF LAWS

163. Being a company incorporated in Singapore and listed on the Stock Exchange, the Company is required to comply with the Statutes, including but not limited to the Statutes of Singapore and Hong Kong. In the event of any conflict among the Statutes, the Company shall comply with the most onerous Statute(s), subject to approvals from the relevant stock exchanges and/or relevant authorities.” Conflict of laws

50. Proposed Insertion of Articles 164 and 165 Immediately After Article 163

“AMENDMENT OF CONSTITUTION

164. No article shall be rescinded, altered or amended and no new article shall be made until the same has been approved by a Special Resolution of the Members. A Special Resolution shall be required to alter the provisions of the Constitution or to change the name of the Company and as permitted in the circumstances provided under the Statutes. Amendment of Constitution
165. There should not be any alteration in this Constitution to increase an existing Member’s liability to the Company unless such increase is agreed by such Member in writing.” No alteration unless agreed in writing

NOTICE OF EXTRAORDINARY GENERAL MEETING

CNMC GOLDMINE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201119104K)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of CNMC Goldmine Holdings Limited (the “**Company**”) will be held at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455 on 15 October 2018 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions below, as an ordinary resolution or special resolution, as the case may be.

Unless otherwise herein defined, all terms used in this Notice of EGM shall have the same meanings as ascribed thereto in the circular dated 21 September 2018 issued by the Company to Shareholders (the “**Circular**”).

RESOLUTION 1

ORDINARY RESOLUTION

THE PROPOSED PUBLIC OFFER AND PLACING (“PROPOSED SHARE OFFER”) OF UP TO 18,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“OFFER SHARES”) FOR SUBSCRIPTION AT THE OFFER PRICE TO BE DETERMINED BY THE COMPANY AND THE LEAD MANAGER, TO BE CARRIED OUT IN CONJUNCTION WITH THE PROPOSED SEHK LISTING

That, subject to and contingent upon the passing of Resolution 2:

- (a) the issue of up to 18,000,000 Offer Shares at an offer price to be determined by the Company and the Lead Manager, pursuant to such structure, in such manner, on such terms and at such time as the Board may determine and all matters relating thereto be approved and authorised, and notwithstanding that the authority conferred by this resolution may have ceased to be in force, any Director be authorised to issue the Offer Shares in pursuance of any offer or agreement made by the Directors while this resolution was in force;
- (b) the listing of the Shares in issue and listed on Catalist and Shares that may be allotted and issued pursuant to the Proposed Share Offer and which are to be listed and quoted on Catalist, on the SEHK Main Board and all matters relating thereto be approved and authorised; and
- (c) the Company and any Director be authorised to take all necessary steps, do all such acts and things and sign all such documents and deeds (including approving any matters in relation to the Proposed Share Offer and Proposed SEHK Listing) as they may consider necessary, desirable or expedient to give effect to or carrying into effect this resolution, provided that where the common seal of the Company is required to be affixed to the documents and deeds, such documents and deeds shall be affixed with the common seal of the Company in accordance with the Constitution of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

RESOLUTION 2

SPECIAL RESOLUTION

THE PROPOSED AMENDMENTS TO THE CONSTITUTION

That, subject to and contingent upon the passing of Resolution 1:

- (a) with effect from the date of listing of the Company on the SEHK, the proposed amendments to the Constitution as set out in Appendix C to the Circular, be and are hereby approved and adopted; and
- (b) the Directors and/or any of them be and are hereby authorised to complete and do all acts and things (including, without limitation, executing all such documents as may be required) as they and/or he may consider necessary, desirable or expedient for the purposes of or in connection with and to give effect to this resolution.

By Order of the Board

Wee Mae Ann
Company Secretary
Singapore, 21 September 2018

Notes:-

- (i) Unless otherwise permitted under the Companies Act, Chapter 50 (the “**Companies Act**”), a member of the Company entitled to attend and vote at the EGM may appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
- (iii) A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
- (iv) If the member is a corporation, the instrument appointing the proxy must be under its common seal or signed by its duly authorised officer or attorney.
- (v) The duly executed instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455 not less than 72 hours before the time appointed for holding the EGM.

Personal data privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

CNMC GOLDMINE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201119104K)

PROXY FORM

I/We _____ (Name) _____ (NRIC/Passport/Registration No.)

of _____ (Address)

being a *member/members of CNMC GOLDMINE HOLDINGS LIMITED (the “Company”) hereby appoint:

Name	NRIC / Passport Number	Proportion of Shareholdings	
		No of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC / Passport Number	Proportion of Shareholdings	
		No of Shares	%
Address			

or failing him/her, the Chairman of the Meeting, as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf, at the Extraordinary General Meeting of the Company to be held at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455 on 15 October 2018 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

	For	Against
ORDINARY RESOLUTION		
To approve the Proposed Share Offer and Proposed SEHK Listing		
SPECIAL RESOLUTION		
To approve the proposed amendments to the Constitution		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the resolution as set out in the Notice of the Meeting.)

*Delete where applicable.

Signed this _____ day of _____ 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF.



PROXY FORM

Notes:-

1. Unless otherwise permitted under the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), a member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form.
3. A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
5. This proxy form duly executed must be deposited at the registered office of the Company at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455 not less than 72 hours before the time set for the EGM.
6. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
7. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
8. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 21 September 2018.