

LETTER TO SHAREHOLDERS



SEMBCORP MARINE LTD
(Incorporated in Singapore)
(Company Registration No.:196300098Z)

DIRECTORS:

Tan Sri Mohd Hassan Marican (*Chairman*)
Wong Weng Sun (*President & CEO*)
Ajaib Haridass (*Independent Director*)
Tang Kin Fei (*Non-executive and Non-Independent Director*)
Ron Foo Siang Guan (*Independent Director*)
Lim Ah Doo (*Independent Director*)
Koh Chiap Khiong (*Non-executive and Non-Independent Director*)
Eric Ang Teik Lim (*Independent Director*)
Gina Lee-Wan (*Independent Director*)
Bob Tan Beng Hai (*Independent Director*)

REGISTERED OFFICE:

29 Tanjong Kling Road
Singapore 628054

23 March 2016

To: The Shareholders of Sembcorp Marine Ltd (the "**Company**")

Dear Sir/Madam

1. INTRODUCTION

1.1 **Background.** We refer to:

- (a) the Notice of the 53rd Annual General Meeting ("**AGM**") of the Company dated 23 March 2016 (the "**Notice**"), accompanying the Annual Report for the financial year ended 31 December 2015, convening the 53rd AGM of the Company to be held on 18 April 2016 (the "**2016 AGM**");
- (b) Ordinary Resolution No. 13 relating to the proposed renewal of the IPT Mandate (as defined in paragraph 2.1 below, as proposed in the Notice);
- (c) Ordinary Resolution No. 14 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 3.1 below, as proposed in the Notice); and
- (d) Special Resolution No. 15 relating to the proposed adoption of the New Constitution (as defined in paragraph 4.2 below, as proposed in the Notice).

1.2 **Letter to Shareholders.** The purpose of this Letter is to provide shareholders of the Company ("**Shareholders**") with information relating to Ordinary Resolution Nos. 13 and 14, and Special Resolution No. 15, proposed in the Notice (collectively, the "**Proposals**").

1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

1.4 **Advice to Shareholders.** Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

LETTER TO SHAREHOLDERS

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 **IPT Mandate.** At the Extraordinary General Meeting of the Company held on 17 April 2015 (the “**2015 EGM**”), Shareholders approved the renewal of a mandate (the “**IPT Mandate**”) to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST (the “**Listing Manual**”)) to enter into certain interested person transactions with the classes of interested persons as set out in the IPT Mandate. Particulars of the IPT Mandate were set out in the Appendix to the Circular to Shareholders dated 1 April 2015 (the “**2015 Circular**”).

The IPT Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the 2016 AGM which is scheduled to be held on 18 April 2016. Accordingly, the Directors of the Company (the “**Directors**”) propose that the IPT Mandate be renewed at the 2016 AGM, to take effect until the 54th AGM of the Company.

2.2 **Appendix 1.** The IPT Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices and other general information relating to Chapter 9 of the Listing Manual, are set out in Appendix 1 to this Letter. The activities in respect of which the IPT Mandate is sought to be renewed remain unchanged.

2.3 **Audit Committee Statement.** The Audit Committee of the Company, comprising Mr Ron Foo Siang Guan, Mr Lim Ah Doo, Mr Koh Chiap Khiong and Mr Bob Tan Beng Hai confirms that:

- (a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 2015 EGM; and
- (b) the methods or procedures referred to in paragraph 2.3(a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 **Share Purchase Mandate.** At the 2015 EGM, Shareholders approved the renewal of a mandate (the “**Share Purchase Mandate**”) to enable the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”). The authority and limitations on the Share Purchase Mandate were set out in the 2015 Circular and Ordinary Resolution 2 set out in the Notice of the 2015 EGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 2 at the 2015 EGM and will expire on the date of the forthcoming 2016 AGM to be held on 18 April 2016. Accordingly, Shareholders’ approval is being sought for the renewal of the Share Purchase Mandate at the 2016 AGM.

As at 3 March 2016, being the latest practicable date prior to the printing of this Letter (the “**Latest Practicable Date**”), the Company had purchased or acquired an aggregate of 1,159,200 Shares by way of Market Purchases (as defined in paragraph 3.3.3 below) pursuant to the Share Purchase Mandate approved by Shareholders at the 2015 EGM. The highest and lowest price paid was S\$2.97 and S\$1.52 per Share respectively and the total consideration paid for all purchases was S\$2,815,458 excluding commission, brokerage and goods and services tax.

As at the Latest Practicable Date, 1,287,731 Shares purchased or acquired by the Company were held as treasury shares.

3.2 **Rationale.** The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) In managing the business of the Company and its subsidiaries (the “**Group**”), management strives to increase Shareholders’ value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways through which the return on equity of the Group may be enhanced.
- (b) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
- (c) A share repurchase programme will also allow management to effectively manage and minimise the dilution impact (if any) associated with employee share schemes.

LETTER TO SHAREHOLDERS

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in paragraph 3.3.1 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial condition of the Group as a whole.

3.3 **Authority and Limits.** The authority and limitations placed on the Share Purchase Mandate, if approved at the 2016 AGM, are summarised below:

3.3.1 **Maximum Number of Shares**

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the 2016 AGM. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 2,089,760,107 Shares in issue as at the Latest Practicable Date and disregarding the 1,287,731 Shares held in treasury as at the Latest Practicable Date, and assuming no further Shares are issued, and no further Shares are purchased or acquired by the Company and no further Shares purchased or acquired by the Company are held as treasury shares, on or prior to the 2016 AGM, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 208,847,237 Shares.

3.3.2 **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2016 AGM at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

3.3.3 **Manner of Purchases or Acquisitions of Shares**

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**") transacted on the SGX-ST through the SGX-ST's trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, Chapter 50 (the "**Companies Act**") as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase must, however, satisfy all the following conditions:

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

LETTER TO SHAREHOLDERS

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

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

3.3.4 **Purchase Price**

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

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

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

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

For the above purposes:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed and quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five-day period; and

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 **Status of Purchased Shares.** Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as treasury shares.

3.5 **Treasury Shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

3.5.1 **Maximum Holdings**

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

3.5.2 **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

LETTER TO SHAREHOLDERS

3.5.3 *Disposal and Cancellation*

Where Shares are held as treasury shares, the Company may at any time but subject always to the Singapore Code on Take-overs and Mergers (the “**Take-over Code**”):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer and cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

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

The Company intends to use internal and/or external sources of funds to finance the Company's purchase or acquisition of Shares. The Directors do not propose to exercise the Share Purchase Mandate to such extent that it would materially affect the working capital requirements of the Group.

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

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

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

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

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

3.7.2 *Number of Shares Acquired or Purchased*

Based on the number of issued and paid-up Shares as at the Latest Practicable Date (excluding the 1,287,731 Shares held in treasury) and on the assumptions set out in paragraph 3.3.1 above, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 208,847,237 Shares.

LETTER TO SHAREHOLDERS

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

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 208,847,237 Shares at the maximum price of S\$1.62 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 208,847,237 Shares is S\$338,332,524.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 208,847,237 Shares at the maximum price of S\$1.69 for one Share (being the price equivalent to 110% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 208,847,237 Shares is S\$352,951,831.

3.7.4 **Illustrative Financial Effects**

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

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

- (a) the purchase or acquisition of 208,847,237 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases and held in treasury; and
- (b) the purchase or acquisition of 208,847,237 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases and held in treasury.

LETTER TO SHAREHOLDERS

Scenario 1(A)

Market Purchases of up to a maximum of 10% and held as treasury shares

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	484,288	484,288	484,288	484,288
Other reserves	12,907	12,907	(4,851)	(4,851)
Accumulated profits	2,017,147	2,017,147	371,860	371,860
	2,514,342	2,514,342	851,297	851,297
Treasury shares	(3,289)	(341,622)	(3,289)	(341,622)
	2,511,053	2,172,720	848,008	509,675
Non-controlling interests	153,074	153,074	-	-
Total equity	2,664,127	2,325,794	848,008	509,675
NTA	2,464,446	2,126,113	847,824	502,150
Current assets	5,116,884	4,778,551	60,696	49,940
Current liabilities	(3,897,046)	(3,897,046)	(29,273)	(364,191)
Total borrowings	(3,380,175)	(3,380,175)	-	(327,577)
Cash and cash equivalents	629,153	290,820	10,756	-
Number of issued and paid-up Shares (excluding treasury shares) ('000)	2,088,472	1,879,625	2,088,472	1,879,625
Financial Ratios				
Basic EPS (cents)	(13.87)	(15.41)	11.86	12.79
NTA per Share (S\$)	1.18	1.13	0.41	0.27
Net gearing ⁽¹⁾ (times)	1.03	1.33	Net Cash	0.64

Note:

⁽¹⁾ Net Gearing means the ratio of net borrowings to the shareholders' funds, including non-controlling interests.

LETTER TO SHAREHOLDERS

Scenario 1(B)

Off-Market Purchases of up to a maximum of 10% held as treasury shares

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	484,288	484,288	484,288	484,288
Other reserves	12,907	12,907	(4,851)	(4,851)
Accumulated profits	2,017,147	2,017,147	371,860	371,860
	2,514,342	2,514,342	851,297	851,297
Treasury shares	(3,289)	(356,241)	(3,289)	(356,241)
	2,511,053	2,158,101	848,008	495,056
Non-controlling interests	153,074	153,074	-	-
Total equity	2,664,127	2,311,175	848,008	495,056
NTA	2,464,446	2,111,494	847,824	487,204
Current assets	5,116,884	4,763,932	60,696	49,940
Current liabilities	(3,897,046)	(3,897,046)	(29,273)	(379,137)
Total borrowings	(3,380,175)	(3,380,175)	-	(342,196)
Cash and cash equivalents	629,153	276,201	10,756	-
Number of issued and paid-up Shares (excluding treasury shares) ('000)	2,088,472	1,879,625	2,088,472	1,879,625

Financial Ratios

Basic EPS (cents)	(13.87)	(15.41)	11.86	12.77
NTA per Share (S\$)	1.18	1.12	0.41	0.26
Net gearing ⁽¹⁾ (times)	1.03	1.34	Net Cash	0.69

Note:

⁽¹⁾ Net Gearing means the ratio of net borrowings to the shareholders' funds, including non-controlling interests.

The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding the Shares held in treasury), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares (excluding the Shares held in treasury). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

3.8 **Listing Status of the Shares.** The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. As at the Latest Practicable Date, the substantial shareholders of the Company are Sembcorp Industries Ltd ("**SCI**"), which has a direct interest in 1,274,270,764 Shares representing approximately 61.01% of the Shares in issue (excluding the 1,287,731 Shares held in treasury) as at that date, and Temasek Holdings (Private) Limited ("**Temasek**"), which has a deemed interest in 1,274,376,155 Shares (including the Shares held by SCI) representing approximately 61.02% of the Shares in issue (excluding the 1,287,731 Shares held in treasury) as at that date. Shares held by the Directors, CEO and their immediate families amount to approximately 4,884,644. As at the Latest Practicable Date, approximately 38.43% of the issued Shares (excluding the 1,287,731 Shares held in treasury) are held by public Shareholders.

The Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

LETTER TO SHAREHOLDERS

3.9 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

3.9.1 **Obligation to Make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

3.9.2 **Persons Acting in Concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

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

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

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, neither Temasek nor SCI would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 10% of its issued Shares as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

- 3.10 **Listing Rules.** Rule 886(1) of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced.

In particular, the Company will not purchase or acquire any Shares during the period of one month immediately preceding the announcement of the Company’s full-year results and the period of two weeks before the announcement of the first quarter, second quarter and third quarter results.

4. THE PROPOSED ADOPTION OF THE NEW CONSTITUTION

- 4.1 **Companies (Amendment) Act 2014.** The Companies (Amendment) Act 2014 (the “**Amendment Act**”), which was passed in Parliament on 8 October 2014 and took effect in phases on 1 July 2015 and 3 January 2016 respectively, introduced wide-ranging changes to the Companies Act. The changes aim to reduce regulatory burden on companies, provide for greater business flexibility and improve the corporate governance landscape in Singapore. The key changes include the introduction of a multiple proxies regime to enfranchise indirect investors and CPF investors, provisions to facilitate the electronic transmission of notices and documents, and the merging of the memorandum and articles of association of a company into one document called the “constitution”.
- 4.2 **New Constitution.** The Company is accordingly proposing to adopt a new constitution (the “**New Constitution**”), which will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016 (the “**Existing Constitution**”), and incorporate amendments to take into account the changes to the Companies Act introduced pursuant to the Amendment Act. At the same time, the existing objects clauses will be replaced with a general provision giving the Company full capacity to carry on or undertake any business or activity, do any act or enter into any transaction. The New Constitution also contains updated provisions which are consistent with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual. In addition, the Company is taking this opportunity to include provisions in the New Constitution to address the personal data protection regime in Singapore, and also to streamline and rationalise certain other provisions.
- 4.3 **Summary of Principal Provisions.** The following is a summary of the principal provisions of the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions:

4.3.1 *Companies Act*

The following articles include provisions which are in line with the Companies Act, as amended pursuant to the Amendment Act:

- (a) **Article 1 (Article 2 of Existing Constitution).** Article 1, which is the interpretation section of the New Constitution, includes the following additional/revised provisions:

LETTER TO SHAREHOLDERS

- (i) a revised definition of “in writing” to make it clear that this expression includes any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether physical or electronic. This would facilitate, for example, a proxy instrument being in either physical or electronic form;
 - (ii) new definitions of “registered address” and “address” to make it clear that these expressions mean, in relation to any Shareholder, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly specified;
 - (iii) a new provision stating that the expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289 (the “SFA”). This follows the migration of the provisions in the Companies Act which relate to the Central Depository System to the SFA pursuant to the Amendment Act;
 - (iv) a new provision stating that the expressions “current address”, “electronic communication” and “relevant intermediary” shall have the meanings ascribed to them respectively in the Companies Act. This follows the introduction of new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Amendment Act; and
 - (v) a new provision stating that a Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under the New Constitution.
- (b) **Article 6(B).** Article 6(B) is a new provision which provides that new shares may be issued for no consideration. This is in line with new section 68 of the Companies Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company.
- (c) **Article 12 (Article 9 of Existing Constitution).** Article 12, which relates to the Company’s power to alter its share capital, has new provisions which:
- (i) empower the Company, by Ordinary Resolution, to convert its share capital or any class of shares from one currency to another currency. This is in line with new section 73 of the Companies Act, which sets out the procedure for such re-denominations; and
 - (ii) empower the Company, by Special Resolution, to convert one class of shares into another class of shares. This is in line with new section 74A of the Companies Act, which sets out the procedure for such conversions.
- The provision in the equivalent Article 9 of the Existing Constitution which empowers the Company, by Ordinary Resolution, to cancel shares which have not been taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled has not been incorporated in article 12 of the New Constitution as the concept of authorised capital has been abolished.
- (d) **Article 19 (Article 16 of Existing Constitution).** The requirement to disclose the amount paid on the shares in the share certificate relating to those shares has been removed in article 19, which relates to share certificates. A share certificate need only state (*inter alia*) the number and class of the shares, whether the shares are fully or partly paid up, and the amount (if any) unpaid on the shares. This follows the amendments to section 123(2) of the Companies Act pursuant to the Amendment Act.
- (e) **Article 56 (Article 53 of Existing Constitution).** Article 56, which relates to the routine business that is transacted at an AGM, has been revised to:
- (i) substitute the references to “accounts” with “financial statements”, and references to “reports of the Directors” with “Directors’ statement”, for consistency with the updated terminology in the Companies Act;
 - (ii) expand the routine business items to include, in addition to the re-appointment of the retiring Auditor, the appointment of a new Auditor; and
 - (iii) clarify the types of Directors’ remuneration which will be subject to Shareholder approval as routine business.

LETTER TO SHAREHOLDERS

- (f) **Article 64(B) (Article 61 of Existing Constitution).** Article 64(B), which relates to the method of voting at a general meeting where mandatory polling is not required, has been revised to reduce the threshold for eligibility to demand a poll from 10% to 5% of the total voting rights of the members having the right to vote at the meeting, or of the total sum paid up on all the shares conferring that right. This is in line with section 178 of the Companies Act, as amended pursuant to the Amendment Act.
- (g) **Articles 68, 74 and 76(A) (Articles 65, 71 and 73 of Existing Constitution).** Articles 68, 74 and 76(A), which relate to the voting rights of Shareholders and the appointment and deposit of proxies, have new provisions which cater to the multiple proxies regime introduced by the Amendment Act. The multiple proxies regime allows “relevant intermediaries”, such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, to appoint more than two proxies to attend, speak and vote at general meetings. In particular:
- (i) article 74(A) provides that save as otherwise provided in the Companies Act, a Shareholder who is a “relevant intermediary” may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder, and where such Shareholder’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the form of proxy. This is in line with new section 181(1C) of the Companies Act;
 - (ii) article 74(B) provides that the Company will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. Consequential changes have also been made in articles 68 and 74(B) to make it clear that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant general meeting. This is in line with new section 81SJ(4) of the SFA;
 - (iii) article 68 provides that in the case of a Shareholder who is a “relevant intermediary” and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with new section 181(1D) of the Companies Act; and
 - (iv) the cut-off time for the deposit of proxies has been extended from 48 to 72 hours before the time appointed for holding the general meeting in article 76(A). This is in line with section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act.
- (h) **Article 96 (Article 93 of Existing Constitution).** Article 96, which relates to the filling of the office vacated by a retiring Director in default circumstances except in certain cases, has been revised to remove the event of a Director attaining any applicable retiring age as an exception to a deemed re-election to office. This follows the repeal of section 153 of the Companies Act and removal of the 70-year age limit for directors of public companies and subsidiaries of public companies. An additional exception to a deemed re-election to office has also been included, that is, where a retiring Director is disqualified under the Companies Act from holding office as a Director.
- (i) **Article 113 (Article 110 of Existing Constitution).** Article 113, which relates to the general powers of the Directors to manage the Company’s business, incorporates drafting changes and also clarifies that the business and affairs of the Company are to be managed by or, additionally, under the direction or supervision of, the Directors. These changes are in line with section 157A of the Companies Act, as amended pursuant to the Amendment Act.
- (j) **Articles 122, 140 and 141 (Articles 119, 135 and 136 of Existing Constitution).** Article 141, which relates to the sending of the Company’s financial statements and related documents to Shareholders, additionally provides that such documents may, subject to the listing rules of the SGX-ST, be sent less than 14 days before the date of the general meeting with the agreement of all persons entitled to receive notices of general meetings. This is in line with new section 203(2) of the Companies Act, which provides that the requisite financial statements and other related documents may be sent less than 14 days before the date of the general meeting at which they are to be laid if all the persons entitled to receive notice of general meetings of the company so agree. Notwithstanding this proviso, the Company is currently required to comply with Rule 707(2) of the Listing Manual, which provides that an issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting. The requirement to send these documents to debenture holders has also been removed in article 141.

LETTER TO SHAREHOLDERS

The references to the Company's "accounts", "profit and loss account(s)" and Directors' "reports" have also been updated/substituted in articles 122, 140 and 141 with references to "financial statements" and Directors' "statements", as appropriate, for consistency with the updated terminology in the Companies Act.

- (k) **Article 144 (Article 139 of Existing Constitution).** Article 144, which relates to the service of notices to Shareholders, has new provisions to facilitate the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to new section 387C of the Companies Act.

Under new section 387C, notices and documents may be given, sent or served using electronic communications with the express, implied or deemed consent of the member in accordance with the constitution of the company.

There is express consent if a shareholder expressly agrees with the company that notices and documents may be given, sent or served on him using electronic communications. There is deemed consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders will be given an opportunity to elect, within a specified period of time, whether to receive electronic or physical copies of such notices and documents, and the shareholder fails to make an election within the specified period of time. There is implied consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders agree to receive such notices or documents by way of electronic communications and do not have a right to elect to receive physical copies of such notices and documents. Certain safeguards for the use of the deemed consent and implied consent regimes are prescribed under new regulation 89C of the Companies Regulations.

New section 387C was introduced to give effect to recommendations by the Steering Committee for Review of the Companies Act to ease the rules for the use of electronic transmission and to make them less prescriptive, and these recommendations were accepted by the Ministry of Finance ("MOF"). In accepting these recommendations, the MOF noted the concerns of some shareholders who would prefer to have an option to receive physical copies of the notices and documents, notwithstanding that the company adopts the implied consent regime, and indicated that such shareholders could highlight their concerns when a company proposes amendments to its constitution to move to an implied consent regime.

Shareholders who are supportive of the new deemed consent and implied consent regimes for electronic communications may vote in favour of the adoption of the New Constitution, which incorporates new provisions (contained in article 144) to facilitate these regimes, while Shareholders who are not supportive of the new regimes may vote against it.

Article 144 provides that:

- (i) notices and documents may be sent to Shareholders using electronic communications either to a Shareholder's current address (which may be an email address) or by making it available on a website;
- (ii) for these purposes, a Shareholder is deemed to have agreed to receive such notice or document by way of electronic communications and shall not have a right to elect to receive a physical copy of such notice or document (this is the implied consent regime permitted under the new section 387C); and
- (iii) notwithstanding sub-paragraph (ii) above, the Directors may decide to give Shareholders an opportunity to elect to opt out of receiving such notice or document by way of electronic communications, and a Shareholder is deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity but failed to opt out within the specified time (this is the deemed consent regime permitted under the new section 387C).

LETTER TO SHAREHOLDERS

Article 144 additionally provides for when service is effected in the case of notices or documents sent by electronic communications. In particular, where a notice or document is made available on a website, it is deemed served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Companies Act and/or other applicable regulations or procedures. Further, in the case of service on a website, the Company must give separate notice of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by (1) sending such separate notice to Shareholders personally or by post, and/or (2) sending such separate notice to Shareholders' current addresses (which may be email addresses), and/or (3) by way of advertisement in the daily press, and/or (4) by way of announcement on the SGX-ST.

Under new regulation 89D of the Companies Regulations, notices or documents relating to take-over offers and rights issues are excluded from the application of section 387C and therefore cannot be transmitted by electronic means pursuant to section 387C.

As at the Latest Practicable Date, the outcome of a public consultation by the SGX-ST on (*inter alia*) whether listed issuers should be allowed to send notices and documents to shareholders electronically under the new regimes permitted under the Companies Act is not known yet. In its consultation, the SGX-ST had also asked for comments on additional safeguards in relation to the new regimes. There is no certainty that the listing rules will be amended to allow electronic transmission of notices and documents under the new regimes. Going forward, for so long as the Company is listed on the SGX-ST, the Company will not make use of the new regimes to transmit notices or documents electronically to Shareholders unless the SGX-ST's listing rules allow it, and the Company will comply with the SGX-ST's listing rules on the subject.

- (l) **Article 151 (Article 147 of Existing Constitution).** Article 151, which relates to Directors' indemnification, has been expanded to permit the Company, subject to the provisions of and so far as may be permitted by the Companies Act, to indemnify a Director against losses "to be incurred" by him in the execution of his duties. This is in line with new sections 163A and 163B of the Companies Act, which permit a company to lend, on specified terms, funds to a director for meeting expenditure incurred "or to be incurred" by him in defending court proceedings or regulatory investigations.

4.3.2 **Objects clauses**

The existing objects clauses contained in the Existing Constitution are proposed to be deleted and substituted with a general provision in the New Constitution to the effect that, subject to the provisions of the Companies Act and any other written law and its constitution, the Company has:

- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (b) for these purposes, full rights, powers and privileges.

This is in line with section 23 of the Companies Act, which provides that a company has full capacity to carry on or undertake any business or activity, do any act or enter into any transactions, subject to the law and to the provisions of its constitution.

By deleting the existing objects clauses (which sets out an extensive list of the activities which the Company has capacity or power to engage in) and taking advantage of the flexibility afforded by section 23, the Company will have all the powers of a natural person, with full capacity and ability to carry on or undertake any business or activity, and to enter into any transaction. This will facilitate the Company in adapting to the rapidly changing business environment, and to undertake various business activities and enter into business transactions for the benefit of the Company and its Shareholders. The proposed change will also remove any uncertainty as to whether the Company has the power to act in a particular way or to engage in a particular transaction arising from unduly restrictive provisions in the specific objects clauses.

Notwithstanding the deletion of the existing objects clauses, the Company will still be required to comply with the Companies Act and the Listing Manual in carrying on its business and undertaking business activities. For example, if required by Chapter 10 of the Listing Manual, the Company will have to obtain Shareholders' approval to enter into a transaction for the acquisition or disposal of assets. Also, if required by Rule 104 of the Listing Manual, a change in the principal business of the Company will be subject to the SGX-ST's approval if in the SGX-ST's opinion, the integrity of the market may be adversely affected, or it is in the interests of the public to do so.

LETTER TO SHAREHOLDERS

4.3.3 Listing Manual

Rule 730(2) of the Listing Manual provides that if an issuer amends its articles or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of amendment.

The following articles have been updated to ensure consistency with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual:

- (a) **Article 6(A)**. Article 6(A) is a new provision which provides that the rights attaching to shares of a class other than ordinary shares must be expressed in the constitution. This is in line with paragraph (1)(b) of Appendix 2.2 of the Listing Manual.
- (b) **Article 7 (Article 4 of Existing Constitution)**. The proviso in Article 4 of the Existing Constitution (which relates to the issue of shares) that “no shares shall be issued to transfer a controlling interest in the Company without the prior approval of members in a General Meeting” has been removed in the equivalent article 7 in the New Constitution, as this requirement has been removed from Appendix 2.2 of the Listing Manual. Notwithstanding the removal of this proviso, the Company is currently required to comply with Rule 803 of the Listing Manual, which continues to preserve this requirement as a listing rule.
- (c) **Article 11(A) (Article 8(A) of Existing Constitution)**. Article 11(A), which relates to the offer of new shares to members, makes it clear (*inter alia*) that, unless otherwise permitted under the listing rules of the SGX-ST, such shares shall, before issue, be offered to members in proportion to their existing shareholdings. This requirement is in line with paragraph (1)(f) of Appendix 2.2 of the Listing Manual.
- (d) **Article 35 (Article 32 of Existing Constitution)**. Article 35, which relates to the Company’s lien on shares, clarifies that the lien extends to dividends from time to time declared in respect of such shares, and that the lien is restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, in addition to such amount as the Company may be called upon by law to pay in respect of those shares. This is in line with paragraph (3)(a) of Appendix 2.2 of the Listing Manual.
- (e) **Articles 64, 65, 66 and 67 (Articles 61, 62, 63 and 64 of Existing Constitution)**. Article 64, which relates to the method of voting at general meetings, has new provisions to make it clear that, if required by the listing rules of the SGX-ST, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the SGX-ST). Consequential changes have been made to articles 65, 66 and 67. These changes are in line with Rule 730A of the Listing Manual.
- (f) **Articles 93 and 96 (Articles 90 and 93 of Existing Constitution)**. Article 93, which relates to the vacation of office of a Director in certain events, additionally provides that a Director shall cease to hold office if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. Consequential changes have been made to article 96, which relates to the filling of the office vacated by a retiring Director in certain default events, to provide that a retiring Director is deemed to be re-elected in certain default circumstances except, additionally, where he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. These changes are in line with paragraph (9)(n) of Appendix 2.2 of the Listing Manual.
- (g) **Article 98 (Article 95 of Existing Constitution)**. Article 98, which relates to the notice of intention to appoint a Director other than a Director retiring at a meeting, clarifies that such notice of intention, or notice from the person to be proposed giving his consent to the nomination and signifying his candidature for the office, must be lodged at the registered office of the Company not less than 11 nor more than 42 clear days before the date appointed for the meeting. This is in line with paragraph 9(h) of Appendix 2.2 of the Listing Manual.
- (h) **Article 105 (Article 102 of Existing Constitution)**. Article 105, which relates to when a Director is prohibited from voting in respect of contracts or arrangements in which he has an interest, provides that he cannot vote in respect of such contracts or arrangements in which he has any “personal material” interest, directly or indirectly. This is in line with paragraph (9)(e) of Appendix 2.2 of the Listing Manual.

LETTER TO SHAREHOLDERS

- (i) **Article 106 (Article 103 of Existing Constitution).** Article 106, which relates to the proceedings of Directors in case of vacancies in their body, has additional provisions to make it clear that where the number of Directors is reduced to below the minimum number, the continuing Director(s) may act only for the purpose of filling up such vacancies or of summoning general meetings, except in an emergency. This additional clarification is in line with paragraph (9)(k) of Appendix 2.2 of the Listing Manual.

4.3.4 PDPA

In general, under the Personal Data Protection Act 2012, an organisation can only collect, use or disclose the personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has made known to the individual. The new article 153 specifies, *inter alia*, the purposes for which the Company and/or its agents and service providers would collect, use and disclose personal data of Shareholders and their appointed proxies or representatives.

4.3.5 General

The following articles have been updated, streamlined and rationalised generally:

- (a) **Article 11(B) (Article 8(B) of Existing Constitution).** The specific limits and manner of calculation for shares which may be issued under a general share issue mandate in the equivalent Article 8(B) of the Existing Constitution have been removed in article 11(B) of the New Constitution, which relates to the general mandate to issue shares. Article 11(B) of the New Constitution provides instead that the number of shares which may be issued pursuant to a general share issue mandate is to be subject to such limits and manner of calculation as may be prescribed by the SGX-ST from time to time.
- (b) **Article 17 (Article 14 of Existing Constitution).** Article 17, which relates to the power to pay commission and brokerage, has been updated to provide that the Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit.
- (c) **Article 20 (Article 17 of Existing Constitution).** Article 20, which relates to the rights and liabilities of joint holders of shares, has been streamlined with respect to the registration of such joint holders. In addition, certain existing provisions relating to the transmission of a share on death of one or more joint holders have been removed as they are addressed in the transmission provisions of the New Constitution.
- (d) **Article 41(B) (Article 38(B) of Existing Constitution).** Article 41(B), which relates to when the Directors may refuse to register a transfer, provides that the Directors may refuse to register a transfer unless, additionally, the instrument of transfer is in respect of only one class of shares. The requirement in the equivalent Article 38(B) of the Existing Constitution for the payment of a fee not exceeding S\$2 in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares has been removed in article 41(B) of the New Constitution.
- (e) **Article 52 (Article 49 of Existing Constitution).** Article 52, which relates to the time-frame for holding AGMs, has been revised to make it clear that an AGM shall be held once in every year within a period of not more than 15 months after the last preceding AGM, but that this is save as otherwise permitted under the Companies Act. This will provide the Company with the flexibility, if the need to do so should arise, to apply for an extension of the 15-month period between AGMs in accordance with the provisions of the Companies Act, notwithstanding that the period may extend beyond the calendar year.
- (f) **Article 59 (Article 56 of Existing Constitution).** Article 59, which relates to the quorum for general meetings, provides, additionally, that a proxy representing more than one member shall only count as one member, and that where a member is represented by more than one proxy such proxies shall count as only one member, for the purpose of determining the quorum.
- (g) **Articles 75 and 76 (Articles 72 and 73 of Existing Constitution).** Article 75, which relates to the execution of proxies, has new provisions to facilitate the appointment of a proxy through electronic means online. In particular, it provides that a Shareholder can elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate Shareholder's common seal.

LETTER TO SHAREHOLDERS

For the purpose of accommodating the deposit by Shareholders, and receipt by the Company, of electronic proxy instructions by Shareholders who elect to use the electronic appointment process, article 76, which relates to the deposit of proxies, has new provisions which authorise the Directors to prescribe and determine the manner of receipt by the Company of the instrument appointing a proxy through digital means.

- (h) **Articles 78 and 93(e) (Articles 75 and 90(d) of Existing Constitution).** These articles have been updated to substitute the references to insane persons and persons of unsound mind with references to persons who are mentally disordered and incapable of managing himself or his affairs, following the enactment of the Mental Health (Care and Treatment) Act, Chapter 178A, which repealed and replaced the Mental Disorders and Treatment Act.
- (i) **Article 94 (Article 91 of Existing Constitution).** Article 94, which relates to the retirement of Directors by rotation, clarifies that the Directors who are to retire by rotation are to be selected in accordance with article 95 and are in addition to any Director retiring pursuant to article 100.
- (j) **Article 102(B) (Article 99(B) of Existing Constitution).** Article 102(B), which relates to participation in Directors' meetings by telephone or video conference, contains additional provisions regulating the proceedings at such meetings.
- (k) **Article 126 (Article 123 of Existing Constitution).** Article 126, which relates to the apportionment of dividends, additionally clarifies that all dividends are to be paid in proportion to the number of shares held, but that where shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid.
- (l) **Article 131.** Article 131 is a new provision on unclaimed dividends. Under this provision, dividends which are unclaimed after 6 years will be forfeited, but the Directors may annul any such forfeiture at any time thereafter. If the Depository returns any such dividends to the Company, the relevant Depositor shall not have a right or claim in respect of such dividends if a period of 6 years has elapsed from the date such dividends are first payable.
- (m) **Article 138 (Article 132(C) of Existing Constitution).** Article 138, which relates to the Directors' power to issue free shares and/or to capitalise reserves for share-based incentive plans, has been expanded to empower the Directors to do the same for the benefit of non-executive Directors as part of their Directors' remuneration. This will enable the Company, if it so desires, to remunerate its non-executive Directors by way of Directors' fees in the form of shares, or in a combination of cash and shares, using these methods.
- (n) **Article 152 (Article 148 of Existing Constitution).** Article 152, which relates to the secrecy of certain types of information, provides that no member is entitled to require discovery of any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company, save as may be authorised by law or, additionally, as may be required by the listing rules of the SGX-ST.

4.4 **Appendices 2 and 3.** The text of the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, is set out in Appendix 2 to this Letter and the main differences are blacklined. The existing objects clauses in the Existing Constitution which are proposed to be deleted and replaced with a general provision in the New Constitution as described in paragraph 4.3.2 above are set out in Appendix 3 to this Letter. The proposed adoption of the New Constitution is subject to Shareholders' approval.

LETTER TO SHAREHOLDERS

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 **Directors' Interests.** As at the Latest Practicable Date, the Directors' interests in Shares as recorded in the Register of Directors' Shareholdings are as follows: To be updated as at LPD

Director	Direct Interest	Number of Shares		Number of Shares comprised in outstanding share options/awards
		% ⁽¹⁾	Deemed Interest	
Tan Sri Mohd Hassan Marican	80,300	n.m. ⁽⁴⁾	-	-
Wong Weng Sun	3,482,184	0.17	-	1,432,700 ⁽²⁾
Ajaib Haridass	739,810	0.04	-	-
Tang Kin Fei	272,270	0.01	-	-
Ron Foo Siang Guan	146,480	0.01	42,000 ⁽³⁾	n.m. ⁽⁴⁾
Lim Ah Doo	83,300	n.m. ⁽⁴⁾	-	-
Koh Chiap Khiong	38,300	n.m. ⁽⁴⁾	-	-
Eric Ang Teik Lim	-	-	-	-
Gina Lee-Wan	-	-	-	-
Bob Tan Beng Hai	-	-	-	-

Notes:

⁽¹⁾ Based on 2,089,760,107 Shares in issue (and disregarding 1,287,731 Shares held in treasury) as at the Latest Practicable Date.

⁽²⁾ Of the 1,432,700 Shares:

- (a) 250,000 Shares are comprised in conditional awards granted to Wong Weng Sun pursuant to the Sembcorp Marine Performance Share Plan 2010 (the "PSP 2010") for a 3 year period from 2012 to 2014. Achievement of targets below target level will mean no Shares will be delivered, while achievement up to 150% will mean up to 1.5 times the number of conditional Shares awarded could be delivered;
- (b) 500,000 Shares are comprised in conditional awards granted to Wong Weng Sun pursuant to the PSP 2010 for a 3 year period from 2014 to 2016. Achievement of targets below target level will mean no Shares will be delivered, while achievement up to 150% will mean up to 1.5 times the number of conditional Shares awarded could be delivered;
- (c) 375,000 Shares are comprised in conditional awards granted to Wong Weng Sun pursuant to the PSP 2010 for a 3 year period from 2015 to 2017. Achievement of targets below target level will mean no Shares will be delivered, while achievement up to 150% will mean up to 1.5 times the number of conditional Shares awarded could be delivered;
- (d) 34,000 Shares are comprised in awards granted to Wong Weng Sun pursuant to the Sembcorp Marine Restricted Share Plan 2010 (the "RSP 2010"). These Shares will vest in year 2016;
- (e) 61,200 Shares are comprised in awards granted to Wong Weng Sun pursuant to the RSP 2010. These Shares will vest in year 2016/2017;
- (f) 85,000 Shares are comprised in conditional awards granted to Wong Weng Sun pursuant to the RSP 2010 for a 2 year period from 2014 to 2015. Achievement of targets below target level will mean no Shares will be delivered, while achievement up to 150% will mean up to 1.5 times the number of conditional Shares awarded could be delivered.
- (g) 127,500 Shares are comprised in conditional awards granted to Wong Weng Sun pursuant to the RSP 2010 for a 2 year period from 2015 to 2016. Achievement of targets below target level will mean no Shares will be delivered, while achievement up to 150% will mean up to 1.5 times the number of conditional Shares awarded could be delivered.

LETTER TO SHAREHOLDERS

⁽³⁾ Of the 42,000 Shares:

- (a) 28,000 Shares are held in the name of Alliance Consultancy Corporation (a company wholly owned by Ron Foo Siang Guan and his spouse); and
- (b) 14,000 Shares are held in the name of Ron Foo Siang Guan's spouse.

⁽⁴⁾ Not meaningful.

5.2 **Substantial Shareholders' Interests.** As at the Latest Practicable Date, the interests of the substantial Shareholders in Shares as recorded in the Register of Substantial Shareholders are as follows:

Substantial Shareholder	Number of Shares			
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
SCI	1,274,270,764	61.01	–	–
Temasek	–	–	1,274,376,155 ⁽²⁾	61.02

Notes:

⁽¹⁾ Based on 2,089,760,107 Shares in issue (and disregarding 1,287,731 Shares held in treasury) as at the Latest Practicable Date.

⁽²⁾ Temasek is deemed to be interested in the 1,274,271,764 Shares held by SCI and the 105,391 Shares in which its subsidiaries and/or associated companies have or are deemed to have an interest pursuant to Section 4 of the SFA.

6. DIRECTORS' RECOMMENDATIONS

6.1 **Proposed Renewal of IPT Mandate.** All the Directors are interested persons (as described in paragraph 5.1 of Appendix 1 to this Letter). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution No. 13, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the 2016 AGM.

Temasek, SCI and each of the Directors will abstain from voting, and each has undertaken to ensure that its/his associates will abstain from voting, on Ordinary Resolution No. 13, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the 2016 AGM. Each of the Directors and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of Ordinary Resolution No. 13, unless the Shareholder concerned shall have given instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of Ordinary Resolution 13.

6.2 **Proposed Renewal of Share Purchase Mandate.** The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 14, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2016 AGM.

6.3 **Proposed Adoption of New Constitution.** The Directors are of the opinion that the proposed adoption of the New Constitution is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Special Resolution No. 15, being the Special Resolution relating to the adoption of the New Constitution to be proposed at the 2016 AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

LETTER TO SHAREHOLDERS

8. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 29 Tanjong Kling Road, Singapore 628054 during normal business hours from the date of this Letter up to the date of the 2016 AGM:

- (a) the Existing Constitution;
- (b) the proposed New Constitution;
- (c) the Annual Report for the financial year ended 31 December 2015; and
- (d) the 2015 Circular.

Yours faithfully
for and on behalf of
the Board of Directors of
Sembcorp Marine Ltd

Tan Sri Mohd Hassan Marican
Chairman

APPENDIX 1

THE IPT MANDATE

1. Chapter 9 of the Listing Manual

- 1.1. Chapter 9 of the Listing Manual of the SGX-ST governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or in aggregation with other transactions conducted with the interested persons during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.
- 1.2. Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:
 - (a) 5% of the listed company's latest audited consolidated NTA; or
 - (b) 5% of the listed company's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.3. Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2015, the consolidated NTA of the Group was S\$2,464,598,000. In relation to the Company, for the purposes of Chapter 9 of the Listing Manual, in the current financial year and until such time as the consolidated audited financial statements of the Group for the financial year ending 31 December 2016 are published, 5% of the latest audited consolidated NTA of the Group would be S\$123,229,900.
- 1.4. Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.
- 1.5. Under the Listing Manual:
 - (a) an "**entity at risk**" means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;
 - (b) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
 - (c) an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

APPENDIX 1

- (d) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual; and
- (e) an “**interested person transaction**” means a transaction between an entity at risk and an interested person.

2. Rationale for the IPT Mandate

- 2.1. It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group (as defined below) and the Company's interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the EAR Group to the Company's interested persons or the obtaining of goods and services from them.
- 2.2. In view of the time-sensitive nature of commercial transactions, the renewal of the interested person transaction mandate (the “**IPT Mandate**”) pursuant to Chapter 9 of the Listing Manual will enable:
 - (a) the Company;
 - (b) subsidiaries of the Company (excluding other subsidiaries listed on the SGX-ST or an approved exchange); and
 - (c) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Company, the Group and interested persons has or have control,

(together, the “**EAR Group**”), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions (“**Interested Person Transactions**”) set out in paragraph 6 below with the specified classes of the Company's interested persons (the “**Interested Persons**”) set out in paragraph 5.1 below, provided such Interested Person Transactions are made on normal commercial terms.

3. Scope of the IPT Mandate

- 3.1. The EAR Group engages in a wide range of activities which include the following principal activities for which the renewal of the IPT Mandate is sought:
 - (a) ship and rig conversion; ship and rig repair; ship and rig building; sale and purchase of vessels; offshore engineering; metal and steel fabrication; design and procurement services; project management services;
 - (b) ancillary services such as the supply of equipment rental services; bulk trading in materials and copper slag; the processing and distribution of copper slag for grit blasting and building; marine, general electronic and electrical works and general contracting services; and
 - (c) provision of turnkey engineering and construction services for oil and gas industries.
- 3.2. The IPT Mandate does not cover any transaction by a company in the EAR Group with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions.
- 3.3. Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

4. Benefit to Shareholders

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

APPENDIX 1

5. Classes of Interested Persons

- 5.1. The IPT Mandate applies to the Interested Person Transactions (as described in paragraph 6 below) which are carried out with the following classes of Interested Persons:
- (a) Temasek Holdings (Private) Limited and its associates (excluding Sembcorp Industries Ltd (“**Sembcorp Industries**”) and its associates) (the “**Temasek Group**”);
 - (b) Sembcorp Industries and its associates (the “**Sembcorp Industries Group**”); and
 - (c) Directors, chief executive officer and controlling shareholders of the Company (other than the controlling shareholders described in sub-paragraphs (a) and (b) above) and their respective associates.
- 5.2. Transactions with Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

6. Categories of Interested Person Transactions

The Interested Person Transactions with the Interested Persons (as described in paragraph 5.1 above) which are covered by the IPT Mandate and the benefits to be derived therefrom are set out below:

(a) General Transactions

This category relates to general transactions (“**General Transactions**”) in connection with the provision to, or the obtaining from, Interested Persons of products and services in the normal course of business of the EAR Group (as more particularly described in paragraph 3.1 above) or which are necessary for the day-to-day operations of the EAR Group comprising the following:

- (i) the provision of ship and rig building, ship and rig conversion and repair services;
- (ii) the provision of offshore oil and gas engineering, procurement, construction, installation and commissioning services for offshore platforms, modules and floating production systems services;
- (iii) the provision of complete Floating Production Storage and Offloading (“**FPSO**”) facilities, including FPSO hull conversion, topside, turret and mooring system fabrication and installation, integration of marine and process controls and instrumentation systems;
- (iv) the provision of project management services;
- (v) the sale and purchase of vessels;
- (vi) the obtaining and provision of construction and design consultancy services (covering architectural, structural, mechanical, civil, electrical and land/quantity surveying) for purposes of meeting the construction and engineering requirements of the Company;
- (vii) the fabrication of steelwork structure, pipe fittings and painting for the marine industry;
- (viii) the leasing and rental (as lessor and lessee) of equipment, land parcels or office space used in connection with the services provided;
- (ix) the provision of marine, general electronic and electrical works and general contracting services;
- (x) the provision of ancillary services such as bulk trading in materials;
- (xi) the obtaining or the purchase of electronic and engineering equipment, computer maintenance and systems, software licences and information technology services, logistic services and insurances;

APPENDIX 1

- (xii) the collection and treatment of used copper slag and the processing and distribution of copper slag for blast cleaning purposes;
- (xiii) the production and sale of concrete products;
- (xiv) the provision of turnkey contracting services in marine automation, switchboard fabricators, motor and generators refurbishing, heating ventilation air conditioners and industrial electronic boards assembly and any of the businesses of engineering and electricians (metalwork specialists and machinery fitting);
- (xv) ship owning and the provision of specialist marine services;
- (xvi) the provision of corrosion control services (including blasting and painting) and equipment trading;
- (xvii) the provision of factoring services to in-house sub-contractors;
- (xviii) the provision of harbour tug services;
- (xix) the obtaining of electricity and steam and other power sources and utilities;
- (xx) the obtaining of industrial and commercial waste collection services;
- (xxi) the obtaining of printing or publishing services;
- (xxii) the purchase of airline tickets; and
- (xxiii) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (i) to (xxii) above.

The transactions set out in paragraphs (i) to (vii) arise in the normal course of business of the Company, while those set out in paragraphs (viii) to (xxiii) are necessary for the day-to-day operations of the Company.

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

(b) **Treasury Transactions**

Treasury transactions ("**Treasury Transactions**") comprise (a) the placement of funds with any Interested Person, (b) the borrowing of funds from any Interested Person, (c) the entry into with any Interested Person of forex, swap and option transactions for hedging purposes and (d) the subscription of debt securities or preference shares issued by any Interested Person and the issue of debt securities or preference shares to any Interested Person and the buying from, or the selling to, any Interested Person of debt securities or preference shares.

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

(c) **Management Support Services**

The EAR Group may, from time to time, receive management and support services from its Interested Persons in the areas of finance, treasury, investment risk review, governmental relations, strategic development, management information systems, and human resources management and development ("**Management Support Services**"). By having access to and providing such management support, the EAR Group will derive operational and financial leverage in its dealings with third parties as well as benefits from the global network of its Interested Persons.

APPENDIX 1

7. Review Procedures for Interested Person Transactions

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

7.1.1. *General Transactions*

Review Procedures

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

In particular, the following review procedures have been put in place.

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

The review procedures are:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and
- (ii) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

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

The review procedures are:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two other unrelated third party suppliers for similar quantities and/or quality of services or products, prior to contracting or transacting with the Interested Person, as a basis for comparison to determine whether the price and terms offered by the Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the price and terms offered by the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and
- (ii) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the senior management staff of the relevant company in the EAR Group (with no interest, direct or indirect, in the transaction), will determine whether the price and terms offered by the Interested Person are fair and reasonable.

APPENDIX 1

Threshold Limits

In addition to the review procedures, the EAR Group supplements its internal systems to ensure that General Transactions are undertaken with Interested Persons on an arm's length basis and on normal commercial terms as follows:

- (i) a Category 1 transaction is one where the EAR Group's proportionate share in a transaction with an Interested Person is in excess of S\$50 million, except that in the case of sale and purchase of vessels, the EAR Group's proportionate share in such a transaction with an Interested Person is one in excess of S\$5 million; and
- (ii) a Category 2 transaction is one where the EAR Group's proportionate share in a transaction with an Interested Person is above S\$100,000 but below or equal to S\$50 million, except that in the case of sale and purchase of vessels, the EAR Group's proportionate share in such a transaction with an Interested Person is one below or equal to S\$5 million.

Category 1 transactions must be approved by the audit committee of the Company (the "**Audit Committee**") prior to being contracted. Category 2 transactions do not require the prior approval of the Audit Committee but shall be reviewed on a quarterly basis by the Audit Committee.

7.1.2. **Treasury Transactions**

Review Procedures

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

In particular, the following review procedures have been put in place.

(a) *Placements*

In relation to the placement with any Interested Person by the EAR Group of its funds, the Company will require that quotations shall be obtained from such Interested Person and at least two banks for rates of deposits with such banks of an equivalent amount, and for the equivalent period, of the funds to be placed by the EAR Group. The EAR Group will only place its funds with such Interested Person, provided that the terms quoted are no less favourable than the terms quoted by such banks for equivalent amounts.

(b) *Borrowings*

In relation to the borrowing of funds from any Interested Person by the EAR Group, the Company will require that quotations shall be obtained from such Interested Person and at least two banks for rates for loans from such banks of an equivalent amount, and for the equivalent period, of the funds to be borrowed. The EAR Group will only borrow funds from such Interested Person, provided that the terms quoted are no less favourable than those quoted by such banks.

(c) *Debt Securities and Preference Shares*

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

APPENDIX 1

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

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

- (i) during such period as the preferential dividend or any part thereof remains in arrear and unpaid, such period starting from a date not more than 12 months, or such lesser period as the constitution may provide, after the due date of the dividend;
 - (ii) upon any resolution which varies the rights attached to such shares; or
 - (iii) upon any resolution for the winding up of the Company.
- (d) *Forex, Swaps, Options*

In relation to forex, swap and option transactions with any Interested Person by the EAR Group, the Company will require that rate quotations shall be obtained from such Interested Person and at least two banks. The EAR Group will only enter into such forex, swap or option transactions with such Interested Person provided that such terms quoted are no less favourable than the terms quoted by such banks.

Threshold Limits

In addition to the foregoing, the following threshold limits ("**Treasury Limits**") will be applied to supplement the internal systems of the EAR Group to ensure that Treasury Transactions are undertaken with Interested Persons on an arm's length basis and on normal commercial terms:

Type of Treasury Transaction	Treasury Limit (S\$ million)
Placements	50
Borrowings	50
Subscription or Purchase of Debt Securities	50
Issue or Sale of Debt Securities and Preference Shares	50
Subscription or Purchase of Preference Shares	30
Forex, Swaps, Options	30

Where the EAR Group's proportionate share in a transaction with an Interested Person exceeds any of the Treasury Limits set out above, such transaction must be approved by the Audit Committee prior to its entry. Where the EAR Group's proportionate share in a transaction is equal to or below any of the Treasury Limits set out above, such transaction does not require the prior approval of the Audit Committee, but shall be reviewed on a quarterly basis by the Audit Committee.

7.1.3. **Management Support Services**

The EAR Group will satisfy itself that the costs for any Management Support Services provided by any Interested Person shall be on an arm's length and on normal commercial basis and in accordance with any formula for such cost recovery agreed with such Interested Person. Transactions exceeding the amount of S\$1,000,000 must be approved by the Audit Committee, and transactions equal to or below S\$1,000,000 shall be reviewed on a quarterly basis by the Audit Committee.

- 7.2. The Company will maintain a register of transactions carried out with Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into), and the Company's internal audit plan will incorporate a review of all transactions entered into in the relevant financial year pursuant to the IPT Mandate.

APPENDIX 1

- 7.3. The Audit Committee of the Company shall review these internal audit reports on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with.
- 7.4. If during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the EAR Group are conducted, the Company will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that Interested Person Transactions will be on an arm's length and on normal commercial basis.

8. Validity Period of the IPT Mandate

The renewal of the IPT Mandate will take effect from the passing of the ordinary resolution relating thereto, and will (unless revoked or varied by the Company in general meeting) continue in force until the next Annual General Meeting of the Company following thereafter. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent Annual General Meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to the transactions with Interested Persons.

9. Disclosure of Interested Person Transactions pursuant to IPT Mandate

- 9.1. The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the quarterly financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.
- 9.2. Disclosure will also be made in the Company's Annual Report of the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate during the financial year, and in the Annual Reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

APPENDIX 2

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

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

1. Article 1

21. In ~~these presents~~this Constitution (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set out ~~out~~^{opposite} to them respectively. Interpretation

“Act”	The Companies Act, (Cap. 50), as amended from time to time ; <u>Chapter 50.</u>
“Chairman”	the chairman of the Directors or the chairman of the General Meeting, as the case may be;
“Company”	means the abovenamed Company by whatever name from time to time called;
“General Meeting”	a general meeting of the Company;
“in writing”	written <u>Written</u> 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 Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
“Market Day”	a <u>A</u> day on which the Singapore <u>Stock</u> Exchange Securities- Trading Limited is open for trading in securities;.
“member(s)”	means a member of the Company, save that references in these Articles to “member(s)” shall where the Act requires, exclude the Company where it is a member by reason of it holding its own shares as treasury shares;
“month”	calendar <u>Calendar</u> month;.
“Office”	the <u>The</u> registered office of the Company for the time being;.
“Ordinary Resolution”	shall have the meaning as ascribed to it in the Act;
“paid”	paid <u>Paid</u> or credited as paid;.
“registered address” or “address”	<u>In relation to any member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.</u>

APPENDIX 2

“Seal”	the The Common Seal of the Company;.
“Special Resolution”	shall have the meaning as ascribed to it in the Act;
“Statutes”	the The Act and every other act for the time being in force concerning companies and affecting the Company;.
“Stock Exchange”	<u>Any stock exchange upon which shares in the Company may be listed.</u>
“these presents”	these Articles of Association as from time to time altered;
“this Constitution”	<u>This Constitution as from time to time altered.</u>
“treasury shares”	means an issued share of the Company which was (or is treated as having been) purchased by the Company in circumstances which section 76H of the Act applies and has since such purchase been continuously held by the Company;
“Year”	calendar year;

The expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289.

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

References in ~~these presents~~this Constitution to “holders” of shares or a class of shares shall:-

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

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

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.

The expression “Secretary” shall include any person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.

All such of the provisions of ~~these presents~~this Constitution as are applicable to paid-up shares shall apply to stock, and the words “share” and “shareholder” shall be construed accordingly.

APPENDIX 2

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

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

Subject as aforesaid any words or expression defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in ~~these presents~~this Constitution.

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 only and shall not affect the construction of this Constitution.

2. Articles 6(A) and 6(B)

6. (A) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution. Shares of a class other than ordinary shares
- (B) The Company may issue shares for which no consideration is payable to the Company. Issue of shares for no consideration

3. Article 7

~~47.~~ Subject to the Statutes and ~~these presents~~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 ~~Articles 8(A) and (B)~~article 11, 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 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~~Provided always that:- Issue of shares

- (a) ~~no shares shall be issued to transfer a controlling interest in the Company without the prior approval of members in a General Meeting;~~
- (~~b~~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 8~~article 11(A) with such adaptations as are necessary shall apply; and
- (~~c~~b) any other issue of shares, the aggregate of which would exceed the limits referred to in ~~Article 8~~article 11(B), shall be subject to the approval of the Company in General Meeting.

APPENDIX 2

4. Articles 11(A) and 11(B)

811. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Stock Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the ~~amount~~ number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this ~~Article 8~~ Article 11(A).

Offer of new shares
to members

(B) Notwithstanding ~~Article 8~~ Article 11(A), 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:

Share-issue
mandate General
authority

- (a) (i) issue shares ~~in the capital~~ 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~~ Provided always that:-

- (1) 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) ~~does not exceed 50 per cent. (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) does not exceed 20 per cent. (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);~~
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time that the Ordinary Resolution is passed, after adjusting for:-

APPENDIX 2

(fi) ~~new shares arising upon the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that the Ordinary Resolution is passed; and~~

(fii) ~~any subsequent consolidation or subdivision of shares;~~

shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange;

(32) ~~in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited listing rules of the Stock Exchange for the time being in force (unless such compliance is waived by the Singapore Stock Exchange Securities Trading Limited) and these presents~~this Constitution; and

(43) ~~(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 of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).~~

5. Article 12

912. (A) The Company may ~~from time to time~~ by Ordinary Resolution:-

(a) consolidate and divide all or any of its shares;

(b) ~~subdividesub-divide~~ its shares, or any of them, ~~into shares of smaller amount~~ (subject, nevertheless, to the provisions of the Statutes and this Constitution), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and

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

(d) ~~cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person or which have been forfeited and accordingly diminish the amount of its share capital by the amount of the shares so cancelled.~~

Power to consolidate, ~~cancel and subdividesub-divide and~~ divide and redenominate shares

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

APPENDIX 2

6. Article 17

~~14~~17. The Company may exercise the powers of paying commissions conferred by the Statutes to full extent thereby permitted, Provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Statutes: pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. ~~The Company may also on any issue of shares pay such brokerage as may be lawful.~~ Power to pay commission and brokerage

7. Article 19

~~16~~19. Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates ~~and, whether the amount~~ shares are fully or partly paid up, and the amount (if any) unpaid thereon and shall bear the autographic or facsimile signatures of one Director and the Secretary or a second Director or some other person appointed by the Directors. The facsimile signatures may be reproduced by mechanical, electronic or other method approved by the Directors. No certificate shall be issued representing shares of more than one class. Share certificates

8. Article 20

~~17~~20. Where two or more person 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 following provisions:-- Joint holders

(a) ~~the~~The Company shall not be bound to register more than three persons as the registered joint-holders of any share; except in the case of executors or administrators (or trustees) of the estate of a deceased shareholder; ~~member.~~

(b) the joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share;

(c) on the death of any one of such joint holders the survivor or survivor 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 may deem fit; and

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

9. Article 35

~~32~~35. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share ~~and for all moneys~~ and dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this ~~Article~~ article. Company to have a paramount lien

APPENDIX 2

10. Article 41(B)

3841. (B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:- When Directors may refuse to register a transfer
- (a) such fee not exceeding ~~₹~~\$2.00 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~~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) ~~such fee not exceeding \$2.00 as the Directors may from time to time determine is paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares~~the instrument of transfer is in respect of only one class of shares.

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.

11. Article 52

4952. ~~An~~Save as otherwise permitted under the Act, an Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings. Annual general meeting and extraordinary general meeting

12. Article 56

5356. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:- Routine Businessbusiness
- (a) declaring dividends;
 - (b) receiving and adopting the ~~accounts~~financial statements, the reports of the Directors' statement, the Auditor's report and Auditors and other documents required to be attached or annexed to the ~~accounts~~financial statements;
 - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
 - (d) ~~appointing or re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting)~~Auditor;
 - (e) fixing the remuneration of the ~~Auditors~~Auditor or determining the manner in which such remuneration is to be fixed; and

APPENDIX 2

- (f) fixing the remuneration of the Directors proposed to be paid in respect of their office as such under Article 79 article 82 and/or article 83(A).

13. Article 59

~~56~~59. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy. Provided always that (i) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (ii) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum. Quorum

14. Article 64

~~64~~64. (A) If required by the listing rules of the Stock Exchange, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Stock Exchange). Mandatory polling

(B) AtSubject to article 64(A), at any General Meeting; a resolution put to the vote of the meeting shall be decided byon a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:- Method of voting where mandatory polling not required

- (a) the ~~Chairman~~chairman of the meeting; or
- (b) not less than two members present in person or by proxy and entitled to vote ~~thereat~~at the meeting; or
- (c) a member ~~or members~~present in person or by proxy and representing not less than ~~one-tenth~~five per cent. of the total voting rights of all the members having the right to vote at the meeting; or
- (d) a member ~~or members~~present in person or by proxy and holding shares in the ~~Company~~conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than ~~one-tenth of the total number of paid-up shares of the Company~~five per cent. of the total sum paid up on all the shares conferring that right,-

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

A demand for a poll made pursuant to this article 64(B) may be withdrawn only with the approval of the chairman of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

APPENDIX 2

15. Article 65

~~6265.~~ A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. ~~If~~ Where a poll is required ~~is taken~~, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was ~~demande~~ taken. The chairman of the meeting may (and, if required by the listing rules of the Stock Exchange or if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. Taking a poll

16. Article 66

~~6466.~~ A poll on the choice of a chairman or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. ~~The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.~~ Continuance of business after demand for a poll
Timing for taking a poll

17. Article 67

~~6367.~~ In the case of an equality of votes, whether on a ~~show of hands or on a poll or on a show of hands~~, the chairman of the meeting at which the ~~show of hands takes place or at which the poll is demanded~~ or show of hands takes place shall be entitled to a casting vote. Casting vote of chairman

18. Article 68

~~6568.~~ 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 7~~ Article 13(C), each member entitled to vote may vote in person or by proxy. ~~On a show of hands every~~ Every member who is present in person or by proxy shall: How members may vote

- (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,~~ Provided always that:
 - (i) in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the Chairman ~~chairman~~ of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands); ~~and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents.~~
 - (ii) in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at ~~48~~ 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

APPENDIX 2

19. Article 74

74. (A) Save as otherwise provided in the Act: Appointment of proxies
- (a) A member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting; Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
- (b) a member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (B) In any case where a ~~Provided that if the~~ member is a Depositor, the Company shall be entitled and bound:- Shares entered in Depository Register
- (a) to reject any instrument of proxy lodged ~~if the~~ by that Depositor ~~if he~~ is not shown to have any shares entered against his name in the Depository Register as at 4872 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and
- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by ~~the~~ that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 4872 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (~~B~~C) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy. Notes and instructions
- (~~C~~) ~~In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.~~ Proportion of shareholdings to be represented by proxies
- (D) A proxy need not be a member of the Company. Proxy need not be a member

APPENDIX 2

20. Article 75

~~7275.~~ (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:- Execution of proxies

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

The Directors may, for the purposes of articles 75(A)(a)(ii) and 75(A)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

(B) The signature on, ~~or authorisation of,~~ such instrument need not be witnessed. Where an instrument appointing a proxy is signed ~~or authorised~~ on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to ~~the next following Article~~ article 76(A), failing which the instrument may be treated as invalid. Witness and authority

- (C) The Directors may, in their absolute discretion:
- (a) approve the method and manner for an instrument appointing a proxy to be authorised; and
 - (b) designate the procedure for authenticating an instrument appointing a proxy,
- Directors may approve method and manner, and designate procedure, for electronic communications

as contemplated in articles 75(A)(a)(ii) and 75(A)(b)(ii) for application to such members or class of members as they may determine. Where the Directors do not so approve and designate in relation to a member (whether of a class or otherwise), article 75(A)(a)(i) and/or (as the case may be) article 75(A)(b)(i) shall apply.

APPENDIX 2

21. Article 76

~~73~~76. (A) An instrument appointing a proxy; Deposit of proxies

(a) ~~if sent personally or by post,~~ must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); ~~or~~

(b) ~~if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting.~~

~~and in either case,~~ not less than ~~48~~72 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided ~~always~~ that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered ~~in accordance with this article 76~~ for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

(B) ~~The Directors may, in their absolute discretion, and in relation to such members or class of members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in article 76(A)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), article 76(A)(a) shall apply.~~ Directors may specify means for electronic communications

22. Article 78

~~75~~78. A vote cast by proxy shall not be invalidated by the previous death or ~~insanity~~mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, Provided ~~always~~ that no intimation in writing of such death, ~~insanity~~mental disorder or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast. Intervening death or insanity not to revoke proxy
mental disorder

23. Article 93

~~90~~93. The office of a Director shall be vacated in any of the following events, namely:- When office of Director to be vacated

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

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

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

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

APPENDIX 2

- (de) if he becomes ~~of unsound mind~~mentally disordered and incapable of managing himself or his affairs or if in Singapore or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
- (ef) if he is removed by the Company in General Meeting pursuant to ~~these presents~~this Constitution.

24. Article 94

~~94~~94. At each Annual General Meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third), selected in accordance with article 95, shall retire from office by rotation (in addition to any Director retiring pursuant to article 100). Retirement of Directors by rotation

25. Article 96

~~96~~96. The Company at the meeting at which a Director retires under any provision of ~~these presents~~this Constitution may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:- Filling vacated office

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

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

26. Article 98

~~98~~98. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than 11 nor more than 42 clear days (~~inclusive~~exclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election ~~and also~~ or notice in writing signed by the person to be proposed ~~of his willingness to be elected~~ giving his consent to the nomination and signifying his candidature for the office. Provided always that in the case of a person recommended by the Directors for election not less than nine clear days' notice shall be necessary and notice of each and every such person shall be served on the members at least seven days prior to the meeting at which the election is to take place. Notice of intention to appoint Director

APPENDIX 2

27. Article 102(B)

~~99~~102. (B) Directors may participate in a meeting of the Directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, without a Director being in the physical presence of another Director or Directors, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. The Directors participating in any such meeting shall be counted in the quorum for such meeting and subject to there being a requisite quorum in accordance with article 103, all resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. A meeting conducted by means of a conference telephone or similar communications equipment as aforesaid is deemed to be held at the place agreed upon by the Directors attending the meeting. Provided always that at least one of the Directors present at the meeting was at that place for the duration of the meeting.

Participation by
telephone or video
conference

28. Article 105

~~102~~105. A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

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

29. Article 106

~~103~~106. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with ~~these presents~~this Constitution the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings, but not for any other purpose (except in an emergency). If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

Proceedings in case
of vacancies

30. Article 113

~~110~~113. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors, ~~who~~. The Directors may exercise all such powers of the Company as are not by the Statutes or by ~~these presents~~this Constitution required to be exercised by the Company in General Meeting, ~~but subject nevertheless to any regulations of these presents, to the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made; Provided that the Directors~~. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in General Meeting. The general powers given by this ~~Article~~article shall not be limited or restricted by any special authority or power given to the Directors by any other ~~Article~~article.

General
powerpowers of
Directors to manage
Company's business

APPENDIX 2

31. Article 122

~~119~~122. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents ~~and~~, accounts and financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents ~~or~~, accounts or financial statements are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed, or as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to this ~~Article~~article may be made by any electronic means approved by the Directors for such purpose from time to time ~~for such purpose~~ incorporating, if the Directors deem necessary, the use of security and/or identification procedures ~~and~~ devices approved by the Directors.

Power to authenticate documents

32. Article 126

~~123~~126. ~~Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:~~

Apportionment of dividends

- (a) ~~all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) 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 *pro-rata* according 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~~no article, an amount paid or credited as paid on a share in advance of calls ~~shall be treated as paid on the share~~ a call is to be ignored.

33. Article 131

131. 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 and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable shall be forfeited and shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository 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 such dividend or other moneys are first payable.

Unclaimed dividends or other moneys

APPENDIX 2

34. Article 138

~~132(C)~~138. In addition and without prejudice to the powers provided for by ~~Article 132(A) and 132(B)~~ article 137, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue;:

Power to issue free shares and/or to capitalise reserves for share-based incentive plans and Directors' remuneration

- (a) ~~be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in general meeting~~General Meeting and on such terms as the Directors shall think fit; ~~or~~
- (b) ~~be held by or for the benefit of non-executive Directors as part of their remuneration under article 82 and/or article 83(A) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.~~

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

35. Article 140

~~135~~140. In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such ~~profit and loss accounts~~financial statements, balance sheets, ~~group accounts (if any) and reports, statements and other documents~~ as may be necessary. The interval between the close of a financial year of the Company and the ~~issue of accounts relating thereto~~date of the Company's Annual General Meeting shall not exceed four months ~~(or such other period as may be permitted by the Act).~~

Presentation of accounts/financial statements

36. Article 141

~~136~~141. A copy of ~~every~~the financial statements and, if required, the balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto), which is duly audited and which is to be laid before the Company in General Meeting accompanied by a copy of the Auditor's report thereon, shall not less than 14 days before the date of the meeting be sent to every member of, ~~and every holder of debentures of,~~ the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of ~~these presents~~this Constitution; Provided always that:

Copies of accounts/financial statements

- (a) these documents may, subject to the listing rules of the Stock Exchange, be sent less than 14 days before the date of the meeting if all persons entitled to receive notices of meetings from the Company so agree; and
- (b) this Article/article 141 shall not require a copy of these documents to be sent to more than one or of any joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

APPENDIX 2

37. Article 144

~~139~~144. (A) Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted. Service of notices

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

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

in accordance with the provisions of this Constitution, the Act and/or any other applicable regulations or procedures.

(C) For the purposes of article 144(B) above, a member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document. Implied consent

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

- (E) Where a notice or document is given, sent or served by electronic communications: When notice given by electronic communications deemed served
- (a) to the current address of a person pursuant to article 144(B)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and
 - (b) by making it available on a website pursuant to article 144(B)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Act and/or any other applicable regulations or procedures.

APPENDIX 2

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

- (a) by sending such separate notice to the member personally or through the post pursuant to article 144(A);
- (b) by sending such separate notice to the member using electronic communications to his current address pursuant to article 144(B)(a);
- (c) by way of advertisement in the daily press; and/or
- (d) by way of announcement on the Stock Exchange.

38. Article 151

~~147~~151. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto ~~including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court.~~ Without prejudice to the generality of the foregoing, no Director, ~~Manager,~~ Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust. Indemnity

39. Article 152

~~148~~152. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate to the public save as may be authorised by law or required by the listing rules of the Stock Exchange. Secrecy

APPENDIX 2

40. Article 153

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

- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
- (b) internal analysis and/or market research by the Company (or its agents or service providers);
- (c) investor relations communications by the Company (or its agents or service providers);
- (d) administration by the Company (or its agents or service providers) of that member's holding of shares in the Company;
- (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
- (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
- (g) implementation and administration of, and compliance with, any provision of this Constitution;
- (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
- (i) purposes which are reasonably related to any of the above purpose.

(B) Any member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in articles 153(A)(f) and 153(A)(h), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty. Personal data of proxies and/or representatives

APPENDIX 2

THE EXISTING OBJECTS CLAUSES

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

3. The objects for which the Company is established are:-
- (a) To carry on the business of builders and repairs of ships and vessels and floating equipment of all kinds.
 - (b) To carry on all of the businesses of civil, electrical and mechanical engineers, ironfounders, brassfounders, boilermakers, crane-makers, metal-workers, dock and ship owners, naval, military and general contractors, and manufacturers of machine tools and engineers' tools.
 - (c) To carry on such other industrial or manufacturing activities as may be conducive to or conveniently carried on in conjunction with any of the foregoing businesses, and in particular (but without prejudice to the generality of the foregoing words) the manufacture, construction and assembly of machinery, plant, equipment and installations of every description.
 - (d) To act as agents in the State of Singapore, the Federation of Malaya, Sarawak, Brunei and North Borneo of any company, firm or individual carrying on or proposing to carry on any business within the objects of this Company, or whose agency may seem advantageous to this Company.
 - (e) To construct, carry out, maintain, operate and improve any roads, ways, tramways, railways, bridges, docks, wharves, factories, warehouses, and other works and installations which may seem directly or indirectly conducive to any of the objects of the Company, and to contribute to, subsidise or otherwise aid or take part in the construction, maintenance, operation and improvement of any such works or installations.
 - (f) To carry on any other business which may seem calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
 - (g) To apply for, purchase or otherwise acquire any patents, brevets d'invention, licences, concessions and the like conferring an exclusive or non-exclusive or limited right to use any secret or other information which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and use, exercise, develop, grant licences in respect of, or otherwise turn to account the property, rights and information so acquired.
 - (h) To purchase or otherwise acquire and undertake all or part of the business, property and liabilities of any person or company carrying on business which this Company is authorised to carry on, or possessed of property suitable for any of the purposes of the Company.
 - (i) To enter into partnership or into any arrangement for sharing profits or co-operation with any person, firm or company carrying on or engaged in, or about to carry on or engage in any business or transactions which the Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as, directly or indirectly, to benefit this Company, and to guarantee the issue of, subscribe for or otherwise acquire and hold shares or stock in, or securities of, and to subsidise or otherwise assist any company, and to sell, hold and re-issue with or without guarantee or otherwise deal with such shares, stock or securities.
 - (j) Generally to purchase, take on lease or in exchange, hire or otherwise acquire or construct or erect any movable or immovable property or any rights or privileges which the Company may think necessary or convenient, or capable of being profitably dealt with in connection with any of the Company's property or rights for the time being, and in particular any land, building, easements, licences, patents, machinery, rolling stock, plant and stock-in-trade, and to pay for any such property, rights or privileges either in cash or in shares, debentures or securities of the Company, or partly in cash and partly in such shares, debentures or securities.
 - (k) To purchase or otherwise acquire for any estate or interest any land, premises or rights of user thereof, and to develop, turn to account and deal with or dispose of the same as may seem convenient.

APPENDIX 3

- (l) To sell the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares or debentures, debenture-stock or other securities for any other company having objects altogether or in part similar to those of this Company.
- (m) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.
- (n) To lend money to such persons and on terms as may seem expedient, and in particular to customers of and persons having dealings with the Company, and to guarantee the performance of any contract or obligation by any person, and to act as surety for any person, firm or company.
- (o) To guarantee the payment of dividends or of money secured by or payable under or in respect of bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations and securities.
- (p) To raise or borrow or secure the payment of money, or the performance of any obligation in such manner and on such terms as may seem expedient, and in particular by the passing of mortgage bonds, notarial bonds, and the issue of debentures or debenture-stock, whether perpetual or otherwise, and charged or not charged upon the whole or any part of the property of the Company, both present and future, including its uncalled capital, and to redeem, purchase or pay off any such securities, and to confer any special rights and privileges on the holders of such debentures or debenture-stock.
- (q) To promote or assist in promoting any company or companies for the purpose of its or their acquiring all or any of the property, rights and liabilities of the Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
- (r) To make, draw, accept, endorse, discount, execute, issue, or otherwise dispose of bills of exchange, promissory notes, debentures, bills of lading, warrants and other negotiable or transferable instruments or securities.
- (s) To distribute amongst the members in specie any property of the Company.
- (t) To pay all expenses of and incidental to the registration and promotion of the Company, and to remunerate any person for services rendered or to be rendered in placing or assisting to place any debentures, debenture stock, or other securities of the Company, or in or about the formation or promotion of the Company, or the conduct of its business.
- (u) To establish, contribute to and support or to aid in the establishment and support of associations, institutions, clubs, hospitals, superannuation funds, pension funds, trust funds, or conveniences calculated to benefit employees or ex-employees or officers or ex-officers of the Company or the dependants or connections of such persons, and to make donations to any persons, and for any purposes, and to grant pensions and allowances and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or competition, or for any public, general or useful object.
- (v) To do all or any of the foregoing things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise.
- (w) To do all such other things as may be considered incidental or conducive to the attainment of the above objects or any of them, and it is hereby declared that the word "company" in this clause shall, except when used with reference to this Company, be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Malaya or elsewhere, and so that the objects specified in each paragraph of this clause shall, except when otherwise expressed in such paragraph, be regarded as independent objects, and shall be in nowise limited or restricted by reference to or inference from the terms of any other paragraph, or the name of the Company.

This page has been intentionally left blank.

This page has been intentionally left blank.

This page has been intentionally left blank.