



HONG LEONG ASIA LTD.

Co. Reg. No. 196300306G
(Incorporated in the Republic of Singapore)

APPENDIX ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

DATED 4 APRIL 2017

IN RELATION TO THE PROPOSED

- (1) RENEWAL OF THE SHARE PURCHASE MANDATE;**
- (2) RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS;**
- (3) ADOPTION OF THE NEW CONSTITUTION; AND**
- (4) ALTERATION OF OBJECTS IN THE NEW CONSTITUTION**

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LETTER TO SHAREHOLDERS

HONG LEONG ASIA LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 196300306G)

Directors:

Kwek Leng Beng
Kwek Leng Peck
Philip Ting Sii Tien @ Yao Sik Tien
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16 Raffles Quay
#26-00 Hong Leong Building
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4 April 2017

To: The Shareholders of Hong Leong Asia Ltd.

Dear Sir/Madam

- (1) **PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**
 - (2) **PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**
 - (3) **PROPOSED ADOPTION OF THE NEW CONSTITUTION**
 - (4) **PROPOSED ALTERATION OF OBJECTS IN THE NEW CONSTITUTION**
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1. INTRODUCTION

We refer to the Notice of the Fifty-Sixth Annual General Meeting of Hong Leong Asia Ltd. (the “**Company**”) (“**56th AGM**”) issued by the Company on 4 April 2017.

Item 8 of the Notice of the 56th AGM is an ordinary resolution (“**Resolution 8**”) to be proposed at the 56th AGM for the renewal of the Company’s share purchase mandate (“**Share Purchase Mandate**”) which will empower the directors of the Company (“**Directors**”) to make purchases or otherwise acquire issued ordinary shares of the Company (the “**Shares**”) from time to time subject to certain restrictions set out in the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Information relating to Resolution 8 is set out in **Annexure I** of this Appendix.

Item 9 of the Notice of the 56th AGM is an ordinary resolution (“**Resolution 9**”) to be proposed at the 56th AGM for the renewal of the Company’s mandate for interested person transactions which will facilitate the Company, its subsidiaries and its associated companies, to enter into transactions with its interested persons (“**IPT Mandate**”), the details of which are set out in **Annexures II** and **III** of this Appendix.

Item 10 of the Notice of the 56th AGM is a special resolution (“**Resolution 10**”) to be proposed at the 56th AGM for the adoption of the new constitution of the Company, the details of which are set out in **Annexures IV** and **V** of this Appendix.

Item 11 of the Notice of the 56th AGM is a special resolution (“**Resolution 11**”) to be proposed at the 56th AGM for the alteration of objects in the new constitution of the Company (if approved), the details of which are set out in **Annexures VI** and **VII** of this Appendix.

The purpose of this Appendix is to provide shareholders of the Company (“**Shareholders**”) with the reasons for, and information relating to, Resolution 8, Resolution 9, Resolution 10 and Resolution 11.

LETTER TO SHAREHOLDERS

2. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial shareholders of the Company in the issued Shares and options granted under the Hong Leong Asia Share Option Scheme 2000 (the “Share Options”) as at 20 March 2017 (the “Latest Practicable Date”), were as follows:

Directors	← Direct Interest →		← Deemed Interest →		Number of Share Options
	Number of Shares	%	Number of Shares	%	
Kwek Leng Beng	660,000	0.18	–	–	–
Kwek Leng Peck	1,913,300	0.51	–	–	470,000
Philip Ting Sii Tien @ Yao Sik Tien	280,000	0.07	–	–	500,000
Ernest Colin Lee	40,000	0.01	–	–	–
Goh Kian Hwee	–	–	–	–	–
Tan Huay Lim	–	–	–	–	–
Kwong Ka Lo @ Caroline Kwong	–	–	–	–	–

Substantial Shareholders	← Direct Interest →		← Deemed Interest →	
	Number of Shares	%	Number of Shares	%
Hong Leong Corporation Holdings Pte Ltd	233,000,000	62.32	6,664,000 ⁽¹⁾	1.78
Hong Leong Enterprises Pte. Ltd.	–	–	239,664,000 ⁽²⁾	64.10
Hong Leong Investment Holdings Pte. Ltd.	–	–	239,932,000 ⁽³⁾	64.17
Davos Investment Holdings Private Limited	–	–	239,932,000 ⁽⁴⁾	64.17
Kwek Holdings Pte Ltd	–	–	239,932,000 ⁽⁴⁾	64.17

Notes:

- (1) Hong Leong Corporation Holdings Pte Ltd (“HLCH”) is deemed under Section 4 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) to have an interest in the Shares held directly by its wholly-owned subsidiary, Starich Investments Pte. Ltd. (“Starich”).
- (2) Hong Leong Enterprises Pte. Ltd. is deemed under Section 4 of the SFA to have an interest in the Shares held directly by HLCH and Starich, in which it is entitled to exercise or control the exercise of not less than 20% of the voting shares in the latter companies.
- (3) Hong Leong Investment Holdings Pte. Ltd. (“HLIH”) is deemed under Section 4 of the SFA to have an interest in the Shares held directly by its subsidiaries, HLCH, Starich, Millennium Securities Pte Ltd and Welkin Investments Pte Ltd.
- (4) Davos Investment Holdings Private Limited and Kwek Holdings Pte Ltd are deemed under Section 4 of the SFA to have interests in the Shares referred to in Note 3 above held indirectly by HLIH, in which each of them is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH.

The Directors will abstain from voting their shareholdings in the Company, if any, on Resolution 9 at the 56th AGM. They have also undertaken to ensure that their associates will abstain from voting their respective shareholdings in the Company, if any, on Resolution 9 relating to the proposed renewal of the IPT Mandate at the said AGM.

The relevant companies within the Hong Leong Investment Holdings Pte. Ltd. (“HLIH”) group (which includes HLIH, the holding company of the Company and their associates), being interested persons under the IPT Mandate, will abstain from voting their respective shareholdings in the Company on Resolution 9 at the 56th AGM.

LETTER TO SHAREHOLDERS

3. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Company's Share Purchase Mandate and IPT Mandate, the proposed adoption of the new constitution of the Company, the proposed alteration of objects in the new constitution of the Company, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 Appendix in its proper form and context.

SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Appendix.

Shareholders who are in any doubt as to the action they should take should consult their stockbrokers or other professional advisers immediately.

Yours faithfully
For and on behalf of
The Board of Directors of
HONG LEONG ASIA LTD.

KWEK LENG BENG
Chairman

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

At the Fifty-Fifth Annual General Meeting of the Company held on 22 April 2016 (“**55th AGM**”), Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate to permit the Company to purchase or otherwise acquire its issued Shares. The rationale for, authority and limits of, and the financial effects of, the Share Purchase Mandate were set out in the Company’s letter to Shareholders dated 4 April 2016 and Ordinary Resolution 9 set out in the Notice of the 55th AGM.

The Share Purchase Mandate was expressed to take effect from the passing of Ordinary Resolution 9 at the 55th AGM and will expire on the date of the forthcoming Fifty-Sixth Annual General Meeting of the Company to be held on 28 April 2017 (“**56th AGM**”) or until it is varied or revoked by the Company in general meeting, whichever is the earlier. Accordingly, Shareholders’ approval will be sought at the 56th AGM for the renewal of the Share Purchase Mandate.

Since the renewal of the Share Purchase Mandate at the 55th AGM, the Company has not purchased or acquired any of its Shares under the Share Purchase Mandate.

2. DEFINITIONS

In this **Annexure I**, the following definitions shall apply throughout unless otherwise stated:

“ Average Closing Price ”	:	Has the meaning ascribed to it in paragraph 3.2.4 of this Annexure I
“ Board ”	:	The Board of Directors of the Company for the time being
“ CDP ”	:	The Central Depository (Pte) Limited
“ Companies Act ”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“ Company ”	:	Hong Leong Asia Ltd.
“ date of the making of the offer ”	:	Has the meaning ascribed to it in paragraph 3.2.4 of this Annexure I
“ Directors ”	:	The directors of the Company for the time being
“ EPS ”	:	Earnings per Share
“ Group ”	:	The Company and its subsidiaries
“ Latest Practicable Date ”	:	20 March 2017, being the latest practicable date prior to the printing of this Appendix
“ Listing Manual ”	:	The Listing Manual of SGX-ST, as amended or modified from time to time
“ Market Day ”	:	A day on which SGX-ST is open for trading in securities

“ Market Purchase ”	:	An on-market purchase of Shares by the Company effected on SGX-ST, or on any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose
“ Maximum Price ”	:	The maximum price to be paid for the Shares as determined by the Directors under paragraph 3.2.4 of this Annexure I
“ NAV ”	:	Net asset value
“ Off-Market Purchase ”	:	An off-market purchase of Shares by the Company effected otherwise than on a stock exchange, in accordance with an equal access scheme
“ public ”	:	Has the meaning ascribed to it in the Listing Manual
“ related expenses ”	:	Has the meaning ascribed to it in paragraph 3.2.4 of this Annexure I
“ SFA ”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“ SGX-ST ”	:	Singapore Exchange Securities Trading Limited
“ Share Options ”	:	Options to subscribe for new Shares granted pursuant to the Hong Leong Asia Share Option Scheme 2000
“ Share Purchase Mandate ”	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares
“ Shareholders ”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the depositors whose securities accounts maintained with CDP are credited with the Shares
“ Shares ”	:	Ordinary shares of the Company
“ Substantial Shareholder ”	:	In relation to the Company, a person who has an interest in not less than 5% of the issued voting Shares of the Company
“ Take-over Code ”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“ usage ”	:	Has the meaning ascribed to it in paragraph 3.5.3 of this Annexure I
“ \$ ”	:	Singapore dollars
“ % ”	:	Percentage or per centum

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

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

Any reference in this **Annexure I** to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual or Take-over Code or any statutory modification thereof and not otherwise defined in this **Annexure I** shall have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or Take-over Code or any statutory modification thereof, as the case may be. Any reference to a time of day in this **Annexure I** is made by reference to Singapore time unless otherwise stated.

3. RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 Rationale for the Share Purchase Mandate

The Share Purchase Mandate will give the Company the flexibility to undertake share purchases or acquisitions at any time, subject to market conditions, during the period that the Share Purchase Mandate is in force. Share purchases provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. Share purchases will also allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in paragraph 3.2.1 below, it should be noted 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 position of the Company and the Group, or affect the listing status of the Company on SGX-ST.

3.2 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the Share Purchase Mandate are summarised below:

3.2.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company 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 (excluding any Shares which are held as treasury shares) as at the date of the 56th AGM. As at the Latest Practicable Date, no Shares were held as treasury shares.

Purely for illustrative purposes, on the basis of 373,908,559 Shares in issue as at the Latest Practicable Date, and assuming that no further Shares are issued pursuant to the exercise of exercisable Share Options and no Shares are held by the Company as treasury shares on or prior to the 56th AGM, not more than 37,390,855 Shares (representing 10% of the Shares in issue as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

3.2.2 *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 56th AGM, at which the Share Purchase Mandate is approved, up to the earliest of:

- (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 varied or revoked by the Shareholders in a general meeting; or
- (c) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

3.2.3 ***Manner of Purchases or Acquisitions of Shares***

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

- (a) Market Purchases; and/or
- (b) Off-Market Purchases.

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on SGX-ST or, as the case may be, other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme or schemes for the purchase or acquisition of Shares. The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and 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; (2) (if applicable) differences in consideration attributable to the fact that offers may relate to Shares with different amounts remaining unpaid; and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to Rule 885 of the Listing Manual, 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;
- (3) reasons for the proposed purchase or acquisition of Shares;
- (4) consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase or acquisition price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

3.2.4 **Maximum Purchase Price**

The purchase price (excluding brokerage, stamp duties (if applicable), commission, applicable goods and services tax and other related expenses (if applicable) (collectively, “**related expenses**”)) to be paid for a Share will be determined by the Directors. The Maximum Price to be paid for the Shares as determined by the Directors 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 closing market prices of a Share for the five consecutive Market Days on which the Shares are transacted on SGX-ST or, as the case may be, such stock exchange on which the Shares are listed or 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 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 announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.3 **Source of Funds**

Under the Companies Act, the Company may, pursuant to the Share Purchase Mandate, purchase or acquire its own Shares out of its capital, as well as from its profits.

The Company intends to use internal and/or external sources of funds to finance its purchase or acquisition of Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the Group’s working capital requirements, current dividend policy and ability to service its debts would be adversely affected.

3.4 **Status of Purchased or Acquired Shares**

Shares which are purchased or acquired by the Company and which are not held as treasury shares will be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to those Shares will expire on cancellation. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which 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. Also, a sub-division or consolidation of any treasury share is allowed so long as the total value of the treasury shares after the sub-division or consolidation is the same as before.

3.5.3 ***Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time but subject always to the 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 (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares of the usage, the number of treasury shares before and after the usage, 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 SGX-ST before and after the usage; and the value of the treasury shares of the usage.

3.6 **Financial Effects**

The financial effects on the Company and the Group 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 capital or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group based on the audited financial accounts of the Group for the financial year ended 31 December 2016 are based on the assumptions set out below:

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

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits 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 cash 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 cash dividends by the Company will not be reduced.

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

As at the Latest Practicable Date, the Company has 373,908,559 issued Shares. In addition, as at the Latest Practicable Date, there were outstanding and remaining unexercised Share Options to subscribe for up to an aggregate of 1,340,000 Shares. Except in respect of Shares which are issuable on exercise of the outstanding Share Options, no Shares are reserved for issue by the Company as at the Latest Practicable Date.

Based on the total number of issued and paid-up Shares as at the Latest Practicable Date and on the assumptions set out in paragraph 3.2.1 above, the purchase by the Company of 10% of the total number of issued Shares will result in the purchase or acquisition of 37,390,855 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 37,390,855 Shares at the Maximum Price of \$1.183 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 37,390,855 Shares is \$44,233,381. In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 37,390,855 Shares at the Maximum Price of \$1.240 for one Share (being the price equivalent to 10% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 37,390,855 Shares is \$46,364,660.

3.6.3 **Whether the Underlying Shares are Cancelled or Held in Treasury**

The financial effects on the Group arising from purchases or acquisitions of Shares will also depend on whether the Shares purchased or acquired are cancelled or held in treasury.

For illustrative purposes only, on the basis of the assumptions set out above as well as the following:

- (a) the Share Purchase Mandate had been effective on 1 January 2016; and
- (b) there was no exercise of Share Options from 1 January 2017 up to and including the Latest Practicable Date,

the financial effects on the audited financial accounts of the Company and the Group arising from purchases or acquisitions of Shares for the financial year ended 31 December 2016 would have been as follows:

Assuming Market Purchases made out of profits and/or capital and Shares purchased or acquired being held in treasury or cancelled

As at 31 December 2016	Group		Company	
	Before purchase of Shares \$'000	After purchase of Shares \$'000	Before purchase of Shares \$'000	After purchase of Shares \$'000
NAV	698,436	654,203	287,012	242,779
Current Assets	3,305,062	3,305,062	228,323	228,323
Current Liabilities	2,350,121	2,394,354	187,351	231,584
Shareholders' Fund	698,436	654,203	287,012	242,779
Number of Shares	373,908,559	336,517,704	373,908,559	336,517,704
Weighted Average Number of Shares	373,908,559	336,517,704	373,908,559	336,517,704
Financial Ratios				
Profit after Tax and Minority Interests	(71,246)	(71,246)	N.A.	N.A.
NAV per Share (cents)	186.79	194.40	76.76	72.14
Basic EPS (cents)	(19.05)	(21.17)	N.A.	N.A.
Current Ratio (times)	1.41	1.38	1.22	0.99

Assuming Off-Market Purchases made out of profits and/or capital and Shares purchased or acquired being held in treasury or cancelled

As at 31 December 2016	Group		Company	
	Before purchase of Shares \$'000	After purchase of Shares \$'000	Before purchase of Shares \$'000	After purchase of Shares \$'000
NAV	698,436	652,071	287,012	240,647
Current Assets	3,305,062	3,305,062	228,323	228,323
Current Liabilities	2,350,121	2,396,486	187,351	233,716
Shareholders' Fund	698,436	652,071	287,012	240,647
Number of Shares	373,908,559	336,517,704	373,908,559	336,517,704
Weighted Average Number of Shares	373,908,559	336,517,704	373,908,559	336,517,704
Financial Ratios				
Profit after Tax and Minority Interests	(71,246)	(71,246)	N.A.	N.A.
NAV per Share (cents)	186.79	193.77	76.76	71.51
Basic EPS (cents)	(19.05)	(21.17)	N.A.	N.A.
Current Ratio (times)	1.41	1.38	1.22	0.98

N.A. – Not applicable

The financial effects set out above, based on the respective aforementioned assumptions and scenarios, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Group for the financial year ended 31 December 2016, and is not necessarily representative of future financial performance of the Group or the Company.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of issued Shares. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired.

The Company will take into account both financial and non-financial factors (for example, share market conditions and performance of the Shares) in assessing the relative impact of a share purchase before execution.

3.7 Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

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 (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. Under the Listing Manual, “**public**” is defined as persons other than the directors, chief executive officer, substantial shareholders, or controlling shareholders of the company or its subsidiaries, as well as the associates of such persons.

Based on information available to the Company as at the Latest Practicable Date, approximately 34.99% of the total number of issued Shares were held by public Shareholders. Assuming the Company had purchased or acquired Shares from the public up to the full 10% limit pursuant to the Share Purchase Mandate on the Latest Practicable Date and none of these Shares had been held as treasury shares, approximately 27.77% of the issued Shares would have been held by public Shareholders as at that date.

The Company will ensure 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 Share Purchase Mandate, without affecting the listing status of the Shares on SGX-ST, causing market illiquidity or affecting orderly trading.

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 Shares 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), co-operate, 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 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;
- (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);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of:
 - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
 - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and

- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) 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.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including 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, 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 shareholdings of the Directors and Substantial Shareholders, which can be found in the Letter to Shareholders on page 4 of this Appendix, the Directors and Substantial Shareholders would not incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase of Shares by the Company pursuant to the Share Purchase Mandate.

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 Reporting Requirements

Rule 886(1) of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to 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 the 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 details of the date of the purchase, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties (if applicable) and clearing charges) paid or payable for the shares.

3.11 No Purchases During Price Sensitive Developments

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 Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of consideration and/or a decision of the Board until the price sensitive information has been publicly announced. In particular, the Company will, in accordance with Rule 1207(19) of the Listing Manual, not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of two weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year, and one month before the announcement of the Company’s financial statements for the full financial year (as the case may be).

4. RECOMMENDATION

The Directors are of the view that the Share Purchase Mandate is in the best interests of the Company. They accordingly recommend that Shareholders vote in favour of Resolution 8 for the renewal of the Share Purchase Mandate at the forthcoming 56th AGM.

PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. BACKGROUND

On 30 May 2003, the Company obtained Shareholders' approval at an Extraordinary General Meeting of the Company (the "**2003 EGM**") for the Company, its subsidiaries and its associated companies not listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**") or an approved exchange, over which the Company and its subsidiaries (collectively, the "**Group**") or the Group and its interested persons have control (collectively, "**HLA EAR Group**"), to enter into transactions falling within the categories of Interested Person Transactions as defined and set out in the Company's circular to Shareholders dated 5 May 2003, with such persons within the class or classes of Interested Persons as described in the said circular, provided that such transactions are entered into in accordance with the review procedures set out in the said circular (the "**IPT Mandate**"). Given that such Interested Person Transactions may occur at any time, and to allow the HLA EAR Group to undertake such transactions in an expeditious manner, Shareholders' approval will be sought at the coming Fifty-Sixth Annual General Meeting ("**56th AGM**") for the renewal of the IPT Mandate.

General information on the listing rules relating to interested person transactions, including the meanings of terms such as "associate", "entity at risk", "interested person" and "interested person transaction" used in Chapter 9 of the Listing Manual of SGX-ST, is set out in **Annexure III** of this Appendix.

2. RENEWAL OF THE GENERAL MANDATE

Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. The IPT Mandate approved at the 2003 EGM was expressed, unless revoked or varied by the Company in general meeting, to continue to be in force until the next annual general meeting of the Company. The IPT Mandate which was renewed at the last annual general meeting of the Company held on 22 April 2016, is currently in force until the next annual general meeting of the Company, being the 56th AGM, which is to be held on 28 April 2017. Accordingly, it is proposed that the IPT Mandate be renewed at the 56th AGM, to take effect until the next annual general meeting of the Company to be held in year 2018.

The nature of the Interested Person Transactions and the classes of Interested Persons in respect of which the IPT Mandate is sought to be renewed remain unchanged since the renewal of the same at the last annual general meeting of the Company held on 22 April 2016. Particulars of the IPT Mandate, including the rationale, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of Interested Persons, are set out in **Annexure III** of this Appendix.

3. INTERESTED PERSON TRANSACTIONS

Particulars of Interested Person Transactions conducted under the IPT Mandate in 2016 are as follows:

Name of Interested Person	Aggregate value of all Interested Person Transactions conducted in financial year 2016 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000
Hong Leong Investment Holdings Pte. Ltd. group of companies	
• Construction-related Transactions – Purchase of raw materials from Interested Persons	408
• Industrial and Consumer-related Transactions – Sale of air-conditioning products to Interested Persons	1,516
Total	<hr/> 1,924 <hr/> <hr/>

4. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company confirms that:

- (a) the methods and review procedures for determining the transaction prices of the Interested Person Transactions conducted under the IPT Mandate have not changed since the 2003 EGM; and
- (b) the methods and review procedures referred to in (a) above continue to be sufficient to ensure that these Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

5. RECOMMENDATION

The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Mr Ernest Colin Lee, Mr Goh Kian Hwee, Mr Tan Huay Lim and Ms Kwong Ka Lo @ Caroline Kwong.

They are of the opinion that the entry into the Interested Person Transactions (as described in Section 6 of **Annexure III**) between the HLA EAR Group (as described in Section 2.3 of **Annexure III**) and the Interested Persons (as described in Section 5 of **Annexure III**) in the ordinary course of business will enhance the efficiency of the HLA EAR Group and is in the best interests of the Company. For the reasons set out in Sections 2 and 4 of **Annexure III**, they recommend that Shareholders vote in favour of Resolution 9 at the forthcoming 56th AGM.

GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS (the “IPT Mandate”)

1. GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

1.1 Chapter 9 of the Listing Manual (“**Chapter 9**”) of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 (as stated in Rule 901 of the Listing Manual) is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders. The aforementioned terms “entity at risk”, “interested person” and “associated companies” are defined below.

1.2 Main Terms Used in Chapter 9

- (a) An “**entity at risk**” means:
- (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on 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 or have control over the associated company.
- (b) An “**associated company**” of a listed company means a company in which at least 20 per cent. but not more than 50 per cent. of its shares are held by the listed company or the listed group.
- (c) 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.
- (d) 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.
- (e) An “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder of the listed company (being an individual) means an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder; the trustees of any trust of which the director and/or his immediate family, or the chief executive officer and/or his immediate family or the controlling shareholder and/or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and any company in which the director and/or his immediate family, or the chief executive officer and/or his immediate family or the controlling shareholder and/or his immediate family has or have an aggregate interest (directly or indirectly) of 30 per cent. or more; and, where a controlling shareholder of the listed company is a corporation, its “associate” means its subsidiary or holding company or fellow subsidiary or a company in which it and/or such other companies taken together have (directly or indirectly) an interest of 30 per cent. or more.
- (f) A “**chief executive officer**” of a listed company means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.

- (g) A “**controlling shareholder**” of a listed company means a person who holds directly or indirectly 15 per cent. or more of all voting shares in the listed company (provided that SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder); or a person who in fact exercises control over the listed company.
- (h) An “**interested person transaction**” means a transaction between an entity at risk and an interested person.

1.3 **Materiality Thresholds, Announcement Requirements and Shareholders’ Approval**

When Chapter 9 applies to a transaction with an interested person (except for any transaction which is below \$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and are hence excluded from certain requirements of Chapter 9) and the value of the transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company’s latest audited consolidated net tangible assets¹ (“**NTA**”)), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction.

In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) 5 per cent. of the listed company’s latest audited consolidated NTA²; or
- (b) 5 per cent. of the listed company’s latest audited consolidated NTA, when aggregated with the values of other transactions entered into with the same interested person (such term as construed under Chapter 9) during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

1.4 **Shareholders’ General Mandate**

Chapter 9 allows a listed company 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, which may be carried out with the listed company’s interested persons.

2. **INTRODUCTION AND RATIONALE FOR THE IPT MANDATE**

2.1 The Hong Leong Asia Ltd. (“**HLA**”) group (the “**Group**”) is principally engaged in the manufacture of industrial and consumer products ranging from diesel engines, refrigerators and freezers to air-conditioning systems; the manufacture and marketing of plastic packaging related products; the trading and distribution of a variety of construction raw materials such as cement; and the manufacture, trading and distribution of pre-cast concrete elements, ready-mix concrete and quarry products.

2.2 Hong Leong Investment Holdings Pte. Ltd. (“**HLIH**”), a controlling shareholder of the Company, and its associates (the “**HLIH Group**”) are interested persons of the Company.

¹ Based on the latest audited consolidated accounts of the Company and its subsidiaries for the financial year ended 31 December 2016, the audited consolidated NTA of the Group was \$630,259,000.

² In relation to the Company, for the purposes of Chapter 9, in the current financial year and until such time that the audited consolidated accounts of the Company and its subsidiaries for the year ending 31 December 2017 are published by the Company, 5 per cent. of the latest audited consolidated NTA of the Group would be \$31,512,950.

2.3 Due to the size of the HLIH Group and the diversity of the Group's activities, it is anticipated that:

- (a) HLA;
- (b) subsidiaries of HLA that are not listed on SGX-ST or an approved exchange; and
- (c) associated companies of HLA that are not listed on SGX-ST or an approved exchange, provided that the Group or the Group and its interested person(s), has or have control over the associated companies,

(together, the “**HLA EAR Group**”), or any of them, would, in the ordinary course of its businesses, enter into certain transactions with its interested persons. It is likely that such transactions will occur with some degree of frequency and may arise at any time. Thus, the IPT Mandate is intended to facilitate transactions in the normal course of business of the HLA EAR Group falling within the categories of interested person transactions as set out in Section 6 below (the “**Interested Person Transactions**”) that are transacted from time to time with its interested persons as specifically described in Section 5 below (the “**Interested Persons**”) provided that they are carried out at arm's length and on the Group's normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

3. SCOPE OF THE IPT MANDATE

- 3.1 The IPT Mandate will not cover any Interested Person Transaction which has a value below \$100,000 as the threshold and aggregation requirements of Chapter 9 do not apply to such transactions.
- 3.2 Transactions with interested persons which do not fall within the ambit of the IPT Mandate (including any renewal thereof), will be subject to applicable provisions of Chapter 9 and/or any other applicable provisions of the Listing Manual.

4. BENEFITS OF THE IPT MANDATE

The IPT Mandate which was adopted at the Extraordinary General Meeting of the Company held on 30 May 2003 (the “**2003 EGM**”) and subject to renewal on an annual basis would eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when such Interested Person Transactions with the Interested Persons arise, thereby reducing substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group. This would also enable the Group to maximise its business opportunities especially in commercial transactions that are time-sensitive in nature. At the same time, the Group would be able to channel the significant amount of administrative resources, including time and expenses, saved towards its other corporate objectives.

5. CLASSES OF INTERESTED PERSONS

The IPT Mandate will apply to transactions with the following classes of Interested Persons:

- (a) the HLIH Group; and
- (b) Directors, chief executive officer and controlling shareholders of the Company (other than entities which fall under the HLIH Group described under sub-paragraph (a) above) and their respective associates.

6. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

6.1 The Interested Person Transactions between the HLA EAR Group and Interested Persons which will be covered by the IPT Mandate relate to recurrent transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, and are set out as follows:

6.1.1 Industrial- and Consumer-related Transactions

This category comprises the following types of transactions:

- (a) sale of diesel engines for light-duty, medium-duty and heavy-duty trucks that are manufactured, assembled and/or distributed by the HLA EAR Group, including the provision of after-sales services;
- (b) sale of air-conditioners, refrigerators, freezers and other home appliances that are manufactured, assembled and/or distributed by the HLA EAR Group, including the provision of after-sales services;
- (c) sale of heating, ventilation, and air-conditioning systems for use in residential, commercial and industrial applications that are manufactured, assembled and/or distributed by the HLA EAR Group, including the provision of after-sales services;
- (d) sale of industrial products that are manufactured by the HLA EAR Group, which include without limitation, steel drums and pails, plastic bottles, plastic pails, jerry cans, thermo-formed containers, steel and plastic closures, and other plastic packaging materials or products; and
- (e) purchase or supply by Interested Persons of any material or component, whether raw or processed, plant equipment and accessories and/or services which are incidental to or in connection with the manufacture and/or assembly of any of the products described in sub-paragraphs (a) to (d) above.

6.1.2 Construction-related Transactions

This category comprises transactions in relation to the supply and distribution to Interested Persons or the purchase from Interested Persons of building materials and construction products ranging from raw materials such as cement, ready-mix concrete, quarry products, and construction materials to pre-cast concrete elements for installation in buildings.

6.1.3 Financial and Treasury Transactions

This category comprises transactions in relation to the placement of funds with Interested Persons, the borrowing of funds from Interested Persons, and the entry into foreign exchange, swap and option transactions with Interested Persons, that do not fall under the exceptions to interested person transactions pursuant to Rule 915(6) and Rule 915(7) of Chapter 9³; and the subscription by the HLA EAR Group of debt securities issued by any Interested Person and the issue of debt securities by the HLA EAR Group to any Interested Person.

Pursuant to Rule 916(3) of Chapter 9, the provision of a loan by the HLA EAR Group to a joint venture with an Interested Person does not require the seeking of Shareholders' approval provided that such loan is extended by all joint venture partners on the same terms and in proportion to their equity interest in the joint venture; the Interested Person does not have an existing equity interest in the joint venture prior to the participation of the HLA EAR Group in the joint venture; and the Company has announced that its audit

³ Pursuant to Rule 915(6) and Rule 915(7) of Chapter 9, the provision or receipt of financial assistance or services by or from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business does not constitute an interested person transaction which would require compliance with Rules 905, 906 and 907 of Chapter 9. Rule 905 relates to the requirements for immediate announcement of interested person transactions, Rule 906 relates to the requirements for seeking shareholders' approval for interested person transactions, and Rule 907 relates to the requirements for disclosure of the aggregate value of interested person transactions in the listed company's annual report.

committee (the “**Audit Committee**”) is of the view that: (i) the provision of the loan is not prejudicial to the interests of the Company and its minority Shareholders; (ii) the risks and rewards of the joint venture are in proportion to the equity of each of the joint venture partners; and (iii) the terms of the joint venture are not prejudicial to the interests of the Company and its minority Shareholders.

6.1.4 **General Transactions**

This category comprises the following types of transactions:

- (a) purchase of goods and services including vehicles, parts and accessories and after-sales services; and
- (b) leasing or rental of properties to or from Interested Persons.

7. **REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS**

7.1 In general, there are procedures established by the Group to ensure that Interested Person Transactions, which are reviewed and approved by the management, are undertaken on an arm’s length basis, on normal commercial terms consistent with the Group’s usual business practices and policies, are not prejudicial to the interests of the Company and its minority Shareholders and are on terms which are generally no more favourable to the Interested Persons than those extended to or received from unrelated third parties.

7.1.1 **Industrial- and Consumer-related Transactions, Construction-related Transactions and General Transactions**

All Interested Person Transactions (other than the Financial and Treasury Transactions covered in Section 7.1.2 below) are to be carried out at the published or prevailing rates/prices of the service or product providers (including, where applicable, preferential rates/prices/discounts accorded to a class or classes of customers or for bulk purchases where the giving of such preferential rates/prices/discounts is commonly practised within the applicable industry and may be similarly extended to unrelated third parties), on the service or product provider’s usual commercial terms which may also be similarly extended to unrelated third parties, or otherwise in accordance with other applicable industry norms.

In addition, the HLA EAR Group will monitor the Interested Person Transactions (other than the Financial and Treasury Transactions covered in Section 7.1.2 below) as follows:

- (a) Industrial- and Consumer-related Transactions, Construction-related Transactions and General Transactions (other than the Interested Person Transactions covered under sub-paragraph (b) herein)

Interested Person Transactions under this sub-paragraph (a) shall be entered into, where applicable, (i) in the case of the provision of services or products by an Interested Person, based on tenders (with at least two bids from unrelated third parties to be obtained for comparison purposes) or comparison of rates and terms offered by or generally quoted by at least two unrelated third parties, who are engaged in providing similar services or products; and (ii) in the case of the provision of services or products to an Interested Person, based on comparison of rates and terms offered to at least two unrelated third parties, for transactions of a similar nature, size or complexity and after taking into account the availability of resources, expertise or manpower for the performance of such services or provision of such goods and the existence of any cost and/or time saving factors.

- (b) General Transactions comprising the leasing or rental of properties

Interested Person Transactions under this sub-paragraph (b) shall be entered into after comparison of rates quoted to at least two unrelated third parties (in the case of leases granted to Interested Persons) or comparison of rates quoted by or obtained from at least two unrelated third parties (in the case of leases granted by Interested

Persons) and after taking into account the prevailing market rental rates for other properties within its vicinity of similar or comparable standing and facilities, the tenure of the lease, the area of the leased premises and any other factor which may affect the rental rates or terms of the lease.

- (c) In the event that such comparison quotations cannot be obtained in respect of the Interested Person Transactions covered under sub-paragraphs (a) and (b) above (for example, where there are no unrelated third party providers or users of such services or products, or where the service or product is a proprietary item or due to the nature, speciality or confidentiality of the service or product to be supplied), such Interested Person Transactions shall be entered into only after the senior management staff of the relevant company in the HLA EAR Group (having no interest, direct or indirect, in the Interested Person Transaction and having the authority in such company to approve the entering into of transactions of such nature and value) have evaluated and weighed the benefits of, and rationale for, transacting with the Interested Person and in their report submitted to the Audit Committee, confirmed that the price and terms offered to or by the Interested Person are fair and reasonable. In such evaluation and confirmation, the factors which may be taken into account include, but shall not be limited, to the following:
- (i) in relation to the sale of goods or services to the Interested Person, the terms of supply should be in accordance with the HLA EAR Group's usual business practice and consistent with the margins obtained by the HLA EAR Group in its business operations or the margins obtained for the same or substantially the same type of transactions;
 - (ii) in relation to the purchase of goods or services from the Interested Person, the terms of supply will be compared to those for the same or substantially the same type of transactions entered into between the Interested Person and unrelated third parties. The review procedures in such cases may include where applicable, reviewing the standard price lists provided by the Interested Person to its customers for such products or services;
 - (iii) the efficiencies and flexibilities derived by the HLA EAR Group in transacting with the Interested Person as compared with transacting with unrelated third parties; and
 - (iv) prevailing industry norms.

7.1.2 Financial and Treasury Transactions

(a) Placement of Funds

In relation to the placement with any Interested Person by the HLA EAR Group of its funds, the Company will require that quotations be obtained from such Interested Person and at least two principal bankers or financial institutions of the Group ("**Principal Bankers**") for rates offered by such Principal Bankers for deposits of an amount and currency and for a period equivalent to that of the funds to be placed by the HLA EAR Group. The HLA EAR Group will only place its funds with such Interested Person provided that the interest rate quoted is not less than the highest of the rates quoted by such Principal Bankers.

(b) Borrowing of Funds

In relation to the borrowing of funds from any Interested Person by a company within the HLA EAR Group, the Company will require that quotations be obtained from such Interested Person and at least two bankers of the borrowing company within the HLA EAR Group for rates offered by such bankers for loans of an amount and currency and for a period equivalent to that of the funds to be borrowed by such borrowing company within the HLA EAR Group. The HLA EAR Group will only borrow funds from such Interested Person provided that the interest rate quoted is not more than the lowest of the rates quoted by such bankers.

(c) Foreign Exchange, Swaps and Options

In relation to the foreign exchange, swap and option transactions with any Interested Person by the HLA EAR Group, the Company will require that rate quotations be obtained from such Interested Person and at least two Principal Bankers of the Group. The HLA EAR Group will only enter into such foreign exchange, swap and option transactions with such Interested Person provided that such rates quoted are no less favourable than the rates quoted by such Principal Bankers.

(d) Subscription of Debt Securities

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

In relation to the issue of debt securities by the HLA EAR Group to Interested Persons, the HLA EAR Group will only issue such debt securities to Interested Persons provided that the price(s) at which the HLA EAR Group issues such debt securities will not be lower than the price(s) at which such debt securities are issued to unrelated third parties.

In addition to the foregoing, the following threshold limits will be applied to ensure further monitoring by the Group of the Financial and Treasury Transactions entered into by the HLA EAR Group:

Placement of Funds and Subscription of Debt Securities

Where the aggregate of the outstanding principal amount of the funds placed with, and debt securities subscribed from, the same Interested Person (as such term is construed under Chapter 9) shall at any time exceed the equivalent of 10 per cent. of the consolidated shareholders' funds of the Group (based on its latest audited accounts), each subsequent placement of funds with, or subscription of debt securities from, the same Interested Person shall require the prior approval of the Audit Committee.

Where the aggregate of the outstanding principal amount of funds placed with, and debt securities subscribed from, the same Interested Person does not at any time exceed the limit set out above, the placement of funds with, and subscription of debt securities from, that Interested Person will not require the prior approval of the Audit Committee but shall be reviewed by the Audit Committee at its quarterly meetings.

- 7.2 A register is maintained by the Group to record all Interested Person Transactions (and the basis including the quotations, if any and where relevant, obtained to support such basis on which they are entered into) which are entered into pursuant to the IPT Mandate.
- 7.3 As part of the internal audit plan, the internal auditors of HLA report, on a quarterly basis, to the Audit Committee on all Interested Person Transactions, and the basis of such transactions, entered into with Interested Persons during the preceding quarter. The Audit Committee reviews such Interested Person Transactions at its quarterly meetings except where such Interested Person Transactions are required under the review procedures to be approved by the Audit Committee prior to the entry thereof.
- 7.4 The annual internal audit plan incorporates a review of the established review procedures for the monitoring of Interested Person Transactions entered into pursuant to the IPT Mandate.
- 7.5 The Audit Committee reviews the internal audit report on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with. If during a review by the Audit Committee, the Audit Committee is of the view that the established review procedures are not sufficient or have become inappropriate, in view of changes to the nature of, or the manner in which, the business activities of the HLA EAR

Group are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, and the Company will revert to Shareholders for a fresh mandate based on new review procedures for transactions with Interested Persons.

- 7.6 For the purpose of the review process, if a member of the Audit Committee has an interest in the transaction to be reviewed by the Audit Committee, he will abstain from any decision-making by the Audit Committee in respect of that transaction. Accordingly, where two members of the Audit Committee each has an interest in the transaction to be reviewed by the Audit Committee, the review of that transaction will be undertaken by the remaining member(s) of the Audit Committee.

8. EXPIRY AND RENEWAL OF THE IPT MANDATE

- 8.1 The IPT Mandate which was adopted at the 2003 EGM is subject to renewal on an annual basis at the annual general meeting of the Company (unless revoked or varied by the Company in general meeting). The IPT Mandate that was renewed at the last annual general meeting of the Company held on 22 April 2016 is currently in force until the next annual general meeting of the Company, being the 56th Annual General Meeting (“**56th AGM**”), which is to be held on 28 April 2017, and if renewed at the 56th AGM, will take effect until the next annual general meeting of the Company to be held in year 2018. Approval from Shareholders will be sought for the annual renewal of the IPT Mandate subject to review by the Audit Committee of its continued application to the Interested Person Transactions.
- 8.2 If the Audit Committee is of the view that the review procedures under the IPT Mandate are not sufficient to ensure that the Interested Person Transactions are transacted on normal commercial terms and will be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from Shareholders based on new review procedures for Interested Person Transactions.

9. DISCLOSURE

In accordance with Chapter 9, the Company will disclose in its annual report the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate during the financial year (as well as in the Company’s annual reports for subsequent financial years that the IPT Mandate continues to be in force). In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the financial periods which it is required to report on (pursuant to Rule 705 of the Listing Manual) within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.

PROPOSED ADOPTION OF THE NEW CONSTITUTION

1. INTRODUCTION

The Companies (Amendment) Act 2014 (“**Companies (Amendment) Act**”) was passed in Parliament on 8 October 2014, effecting numerous amendments to the Companies Act, Chapter 50 of Singapore (“**Companies Act**”). These amendments, which came into force in two phases on 1 July 2015 and 3 January 2016, are aimed at providing greater business flexibility, reducing regulatory burden, improving corporate governance and ensuring that the Companies Act remains relevant and updated. Key amendments include the consolidation of a company’s memorandum and articles of association into a single constitution, the relaxation of requirements in respect of the electronic communication of notices and other documents to shareholders and the introduction of a new multiple proxies regime.

In light of the above, Hong Leong Asia Ltd. (the “**Company**”) proposes to adopt a new constitution (“**New Constitution**”). The New Constitution consists of the existing provisions of the memorandum and articles of association of the Company (“**Existing Constitution**”), revised mainly to give effect to the amendments made to the Companies Act by the Companies (Amendment) Act. In addition, Rule 730(2) of the Listing Manual (“**Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) provides that an issuer which amends its constitution must make the same consistent with all the listing rules prevailing at the time of the amendment. In line with Rule 730(2) of the Listing Manual, the Company has revised the provisions of the New Constitution for consistency with the prevailing listing rules as at the Latest Practicable Date. Finally, other general amendments have been made for better clarity and consistency. The adoption of the New Constitution is conditional on the approval by special resolution of the shareholders of the Company (“**Shareholders**”).

2. SUMMARY OF PRINCIPAL CHANGES REFLECTED IN THE NEW CONSTITUTION

Key provisions in the New Constitution (“**Clauses**”, and each, a “**Clause**”) which are new or differ significantly from the provisions in the Existing Constitution (“**Existing Articles**”, and each, an “**Existing Article**”) are summarised below. This summary should be read together with **Annexure V** of this Appendix, which sets out extracts of the principal amendments made to the Existing Articles, as compared with the corresponding Clauses in the New Constitution.

2.1 Changes Incorporating Amendments to the Companies Act

The Clauses below give effect to the amendments made to the Companies Act by the Companies (Amendment) Act.

- (a) **Clause 1 (Existing Article 2).** Clause 1, which defines the terms used in the New Constitution, includes the following new or revised provisions:
- (i) a new provision defining “Constitution” to mean “[t]his Constitution as from time to time altered”. This new provision replaces the definition of “these Articles” in the Existing Constitution. This aligns the terminology used in the New Constitution with new Section 4(13) of the Companies Act, as introduced by the Companies (Amendment) Act. Section 4(13) deems the memorandum and articles of association of a company prior to 3 January 2016 (being the date on which Section 4(13) came into force) to be the company’s constitution. Consequential amendments have been made throughout the New Constitution to reflect this new terminology;
 - (ii) an amended provision clarifying that “in writing” includes any representation or reproduction of words, symbols or other information which may be displayed in visible form, whether in a physical document or in an electronic communication or form or otherwise. This change would facilitate, for example, notices of general meetings of the Company to be in electronic form;

- (iii) a new provision stating that the expression “electronic communication” shall have the meaning ascribed to it in the Companies Act. This follows the introduction of new Section 387C of the Companies Act, which facilitates the electronic communication of notices and documents to Shareholders;
 - (iv) a new provision stating that the expressions “current address” and “relevant intermediary” shall have the meanings ascribed to them in Section 387A and Section 181 respectively of the Companies Act. This follows the introduction of new Section 387C of the Companies Act, which facilitates the electronic communication of notices and documents to Shareholders, as well as the amendments to Section 181 of the Companies Act, which introduces a new multiple proxies regime;
 - (v) in light of the new provision defining “current address” (as described in paragraph 2.1(a)(iv) above), a new provision defining “registered address” and “address” to mean, in relation to any member, his physical address for the service or delivery of notice or documents personally or by post, except where otherwise expressly provided in the New Constitution; and
 - (vi) an amended provision stating that “depositor”, “Depository” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”). This takes account of the migration of provisions concerning the Central Depository System from the Companies Act to new Sections 81SF to 81SV of Part IIIAA of the SFA, pursuant to the Companies (Amendment) Act.
- (b) **Clauses 1 and 144 (Existing Article 2).** New Clause 144 provides that any register, index, minute book, accounting record or other book required by the New Constitution or legislation to be kept by or on behalf of the Company may be kept in hard copy or electronic form. New Clause 144 further provides that the directors of the Company (“**Directors**”) shall ensure that records kept in electronic form are capable of being authenticated, verified and reproduced in hard copy. Where such records are not kept in hard copy form, the Directors shall also take reasonable precautions for ensuring the proper maintenance and authenticity of such records. In line with new Clause 144, Clause 1 (which replaces Existing Article 2), concerning the interpretation of the New Constitution, clarifies that company records may be kept in electronic form in accordance with the Companies Act. These amendments align Clauses 1 and 144 with Sections 395 and 396 of the Companies Act, as re-enacted by the Companies (Amendment) Act.
- (c) **Clause 6(B).** New Clause 6(B) provides that the Company may issue free shares. This reflects new Section 68 of the Companies Act, which states that a company having a share capital may issue shares for which no consideration is payable.
- (d) **Clause 12 (Existing Article 9).** Clause 12, which concerns the power of the Company to alter its share capital, amends the position under Existing Article 9 as follows:
- (i) new Clause 12(A)(b) provides that the Company may, by ordinary resolution, cancel shares which at the date of the said resolution have been forfeited, and diminish the amount of its capital by the shares so cancelled. This aligns Clause 12(A)(b) with Section 71(1)(e) of the Companies Act;
 - (ii) new Clause 12(A)(d) provides that the Company may, by ordinary resolution, convert its share capital or any class of shares from one currency to another currency. This aligns Clause 12(A)(d) with new Section 73 of the Companies Act, as introduced by the Companies (Amendment) Act. The procedure for such redenomination is set out in Sections 73 to 73B of the Companies Act; and
 - (iii) Clause 12(B) (which replaces Existing Article 9(c)) provides that the Company may, by special resolution, convert one class of shares into another class of shares. This aligns Clause 12(B) with new Section 74A of the Companies Act, as introduced by the Companies (Amendment) Act. The procedure for such conversion is set out in Section 74A of the Companies Act.

- (e) **Clause 20 (Existing Article 16).** As amended by the Companies (Amendment) Act, Section 123(2) of the Companies Act no longer requires a share certificate to state the amount paid on a share. It suffices for a share certificate to state, *inter alia*, whether shares are fully or partly paid up. Clause 20 (which replaces Existing Article 16), which concerns the form of share certificates, accordingly provides that share certificates shall specify such information as required in the Companies Act.
- (f) **Clause 57 (Existing Article 53).** Clause 57 (which replaces Existing Article 53), which concerns routine and special business to be transacted at general meetings of the Company, substitutes the references in Existing Article 53 to “accounts” and “reports of the Directors” with references to “financial statements” and “Directors’ statement”, respectively. This aligns the terminology used in Clause 57 with that used in the Companies Act, as amended by the Companies (Amendment) Act (in particular, the revised terminology used in Section 201 of the Companies Act, as re-enacted by the Companies (Amendment) Act).
- (g) **Clause 65(B) (Existing Article 61).** Clause 65(B) (which replaces Existing Article 61), which concerns voting at general meetings by poll where a poll is not mandatory:
 - (i) increases the number of members required to demand a poll from two to five; and
 - (ii) reduces the eligibility threshold for demanding a poll from 10% (“one-tenth”) to 5%, either of the total voting rights of all members having the right to vote at the meeting, or of the total sum paid-up on all the shares conferring such right.

This aligns Clause 65(B) with Section 178 of the Companies Act, as amended by the Companies (Amendment) Act. Shareholders should note that Rule 730A(2) of the Listing Manual currently requires all resolutions at general meetings of a company listed on the SGX-ST to be voted by poll. Therefore, Clause 65(B) will only apply where a poll is not required under the Listing Manual.

- (h) **Clauses 69 and 76 (Existing Articles 65 and 71).** Existing Articles 65 and 71 are amended to include new provisions consistent with the new multiple proxies regime in Section 181 of the Companies Act, as amended by the Companies (Amendment) Act. This regime permits “relevant intermediaries” such as banks, capital markets services licence holders, etc., to appoint more than two proxies to attend, speak and vote at general meetings (other than a scheme meeting convened by court order under Section 210 of the Companies Act).

Clause 69 (which replaces Existing Article 65) provides that every member who is present at a general meeting shall, on a show of hands, have one vote, provided that in the case of a member who is a relevant intermediary represented by two or more proxies, each proxy shall be entitled to vote on a show of hands. This aligns Clause 69 with new Section 181(1D) of the Companies Act, as introduced by the Companies (Amendment) Act.

Clause 76 (which replaces Existing Article 71) provides that 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 different shares held by such member. Additionally, where the instrument 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 said instrument. This amendment aligns Clause 76 with new Section 181(1C) of the Companies Act, as introduced by the Companies (Amendment) Act.

Clause 76 also clarifies that, in relation to a member who is not a relevant intermediary and whose instrument of proxy appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified. If no such proportion is specified, the first-named proxy shall be deemed to represent 100% of the shareholding to which the instrument of proxy relates, and the second-named proxy shall be deemed to be an alternate to the first-named proxy.

In addition, new Section 81SJ(4) of the SFA, as introduced by the Companies (Amendment) Act, provides that a depositor shall not be regarded as a member of a company entitled to attend a general meeting and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the general meeting. The said 72-hour requirement is reflected in Clauses 69 and 76(B) for consistency.

- (i) **Clause 78 (Existing Article 73).** Existing Article 73, which concerns the deposit of instruments appointing proxies, currently requires the said instruments to be submitted not less than 48 hours before the general meeting to which they relate. Clause 78 (which replaces Existing Article 73) instead provides that such instruments must be submitted not less than 72 hours before the general meeting to which they relate. This amendment aligns Clause 78 with Section 178(1)(c) of the Companies Act, as amended by the Companies (Amendment) Act.
- (j) **Clause 99 (Existing Article 93).** Existing Article 93 provides that a retiring Director shall be deemed to be re-elected where another person is not elected to his office, unless, *inter alia*, such Director has attained retiring age. Clause 99 (which replaces Existing Article 93) removes such restriction, in line with the removal of the 70-year age limit for directors of public companies and subsidiaries of public companies, following the repeal of Section 153 of the Companies Act by the Companies (Amendment) Act.
- (k) **Clause 108.** New Clause 108, which concerns the disclosure of Directors' and Chief Executive Officers' (or persons holding an equivalent position) interests in transactions or proposed transactions with the Company, provides that a Director or Chief Executive Officer (or a person holding an equivalent position) who is in any way, directly or indirectly, interested in a transaction or proposed transaction with the Company shall declare the nature of his interest, or send a written notice to the Company setting out the nature, character and extent of his interest, in accordance with legislation. This is in line with Section 156 of the Companies Act, as re-enacted by the Companies (Amendment) Act.
- (l) **Clause 117 (Existing Article 110).** Existing Article 110 currently provides that the business and affairs of the Company shall be managed by or under the direction of the Directors. Clause 117 (which replaces Existing Article 110) provides that the business and affairs of the Company shall be managed by or under the direction *or supervision* of the Directors. This amendment aligns Clause 117 with Section 157A of the Companies Act, as amended by the Companies (Amendment) Act.
- (m) **Clauses 126, 146, 147 and 151 (Existing Articles 119, 136, 137 and 140).** Reference to "financial statements" is made in Clauses 126, 146, 147 and 151 (which replace Existing Articles 119, 136, 137 and 140, respectively), and in the case of Clauses 146 and 147, is substituted for "profit and loss account". Reference to "statement of the Directors" is also made in Clause 147. This aligns the terminology used in Clauses 126, 146, 147 and 151 with that used in the Companies Act, as amended by the Companies (Amendment) Act (in particular, the revised terminology used in Section 201 of the Companies Act, as re-enacted by the Companies (Amendment) Act).
- (n) **Clause 136 (Existing Article 129).** Clause 136 (which replaces Existing Article 129), which concerns unclaimed dividends or other moneys payable in respect of a share, provides that payment by the Company to CDP of such dividends or moneys payable to a depositor shall, to the extent of the payment made, discharge the Company from any liability in respect of that payment. This amendment aligns Clause 136 with new Section 81SJ(5) of the SFA, as introduced by the Companies (Amendment) Act.

- (o) **Clause 143.** New Clause 143, which concerns the keeping of Company registers, provides that Directors shall comply with the provisions of the Companies Act, in particular with regard to the keeping of various registers (listed in Clause 143) as required under the Companies Act. Notably, new Clause 143 requires Directors to keep a register of Managing Directors and Chief Executive Officers (or persons holding an equivalent position) and a register of Managing Directors' and Chief Executive Officers' (or persons holding an equivalent position) share and debenture holdings (where required). This is in line with Sections 164 and 173 of the Companies Act, as amended by the Companies (Amendment) Act.
- (p) **Clause 147 (Existing Article 137).** Clause 147 (which replaces Existing Article 137), which concerns the sending of financial statements and related documents to members, provides that such documents may, subject to the listing rules of the SGX-ST, be sent less than 14 days before the date of a general meeting if all persons entitled to receive notice of general meetings from the Company agree. This amendment aligns Clause 147 with new Section 203(2) of the Companies Act, as introduced by the Companies (Amendment) Act. Notwithstanding this, Rule 707(2) of the Listing Manual currently provides that an issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its general meeting.
- (q) **Clauses 151, 155 and 158 (Existing Articles 140 and 146).** Clause 151 (which replaces Existing Article 140), which concerns the service of notices or other documents by the Company to its members, officers or auditors, includes new provisions to give effect to the revised electronic communication requirements under new Section 387C of the Companies Act, as introduced by the Companies (Amendment) Act.

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. In accepting these recommendations, the Ministry of Finance 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 under Section 387C, and indicated that such shareholders could highlight their concerns when the company proposes amendments to its constitution to move to an implied consent regime.

Shareholders should read the following discussion on the revised consent provisions carefully. If Shareholders are supportive of the revised electronic communication provisions, as well as the other provisions of the New Constitution, they may choose to cast their vote in favour of the proposed adoption of the New Constitution. If Shareholders do not agree with the said electronic communication provisions, they may choose to vote against the proposed adoption of the New Constitution.

Under Section 387C of the Companies Act, a notice or document may be given, sent or served to a member using electronic communications with the express, implied or deemed consent of the member. Under Section 387C:

- (i) **Express Consent:** a member has given express consent if he expressly agrees with the company that such notice or document may be given, sent or served on him using electronic communications.
- (ii) **Implied Consent:** a member has given implied consent if the constitution of the company (1) provides for the use of electronic communications; (2) specifies the manner in which electronic communications is to be used; and (3) provides that the members shall agree (for avoidance of doubt, this will include where a member is deemed to have so agreed in the constitution of the company) 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.

- (iii) **Deemed Consent:** a member shall be deemed to have consented if (1) the constitution of the company provides for the use of electronic communications; (2) the constitution of the company specifies the manner in which electronic communications is to be used; (3) the constitution of the company specifies that the member will be given an opportunity to elect within a specified period of time (the specified time), whether to receive such notice or document by way of electronic communications or as a physical copy; and (4) the member was in fact given an opportunity to elect whether to receive such notice or document by way of such electronic communications or as a physical copy, but failed to make an election within the specified time.⁴

Clause 151 provides that:

- (A) notices or documents may be sent by electronic communications to the current address of a member, officer or auditor of the Company, or by making such notices or documents available on a website;
- (B) a member shall be deemed to have agreed to receive such notices or documents by way of electronic communications and shall not have a right to elect to receive physical copies of the same (for the avoidance of doubt, this relates to “Implied Consent” as described in paragraph 2.1(q)(ii) above);
- (C) notwithstanding paragraph 2.1(q)(B) above, the Directors may at their discretion give a member an opportunity to elect within a timeframe whether to receive such notices or documents by way of electronic communications or physical copy, and in exercising their discretion, the Directors are required to abide by, *inter alia*, the applicable listing rules of the SGX-ST. Where the member fails to respond within the said timeframe, he is deemed to have consented to receive such notices or documents by electronic communications (for the avoidance of doubt, this relates to “Deemed Consent” as described in paragraph 2.1(q)(iii) above); and
- (D) the Company shall give separate notice to members where it makes notices or documents available on a website, and information on the way in which such notices or documents may be accessed, by sending such separate notice to the member personally or by post; by sending such separate notice to the member using electronic communications to his current address; by way of advertisement in the daily press; and/or by way of announcement on the SGX-ST.

Notwithstanding the new provisions above, the Company will only make use of electronic communications with its members in reliance on the said provisions relating to implied consent and deemed consent after the Listing Manual has been amended by the SGX-ST to introduce specific provisions permitting the use of electronic communication following the amendments to the Companies Act that came into force on 3 January 2016, and in compliance with the requirements of the Listing Manual (as so amended). The SGX-ST issued a consultation paper on proposals to align its listing rules with the Companies Act on 11 January 2016, and feedback closed on 12 February 2016. As at the Latest Practicable Date, no amendments to the Listing Manual have been issued following the consultation exercise, and there is no certainty that the Listing Manual will be amended to allow for electronic communication.

⁴ Shareholders are to note that the provisions in the Companies Act on deemed consent, as set out in paragraph 2.1(q)(iii) above, will be amended pursuant to the Companies (Amendment) Bill 2017, which was passed in Parliament on 10 March 2017. When the relevant provisions of the Companies (Amendment) Bill 2017 come into effect, the provisions on deemed consent in the Companies Act will be simplified to state that: a member is deemed to have consented to receiving a notice or document by electronic communications if (a) the member was by notice in writing given an opportunity to elect, within such period of time specified in the notice, whether to receive the notice or document by way of electronic communications or as a physical copy; and (b) the member failed to make an election within the time so specified. This amendment will come into effect on a date that the Minister appoints by notification in the Gazette; no specific date has been currently set.

Clause 151 is made subject to, *inter alia*, the Companies Act and regulations made thereunder. Section 387C(4) of the Companies Act permits regulations to be made to exclude any notice or document from the application of the section, to provide that a member who is deemed to have consented to receiving notices or documents by electronic communications may make a fresh election to receive such notices or documents as physical copies, and to provide for other safeguards. In this regard, Regulation 89D of the Companies Regulations (Rg 1) (“**Companies Regulations**”) excludes notices or documents relating to take-over offers and rights issues from electronic communications pursuant to Section 387C of the Companies Act, and Regulation 89C of the Companies Regulations prescribes other safeguards, such as the requirement for the Company to give separate notice to its members where it makes notices or documents available on a website.

New Clause 155, which concerns the time at which service of a notice or document is deemed to take place if sent by electronic communications, provides that where a notice or document is sent to the current address of a person, service is deemed to have taken place at the time such notice or document was transmitted (notwithstanding any error message that the communication was delayed or unsuccessful), and where a notice or document is made available on a website, service is deemed to have taken place when such notice or document was first made available on such website. Clause 155 is stated to be subject to the Companies Act, Listing Manual and other applicable regulations or procedures.

Existing Article 146, which concerns the service of notices and other documents relating to a winding up of the Company on members outside Singapore, provides that a member outside Singapore shall appoint a householder in Singapore upon whom all such notices and documents may be served. If the member fails to make such an appointment, the liquidator may do so on the member’s behalf, in which event the liquidator shall serve a notice of the appointment on the member. Clause 158 (which replaces Existing Article 146) clarifies that the said notice may be served using electronic communication and is deemed to be served when the electronic communication is transmitted.

- (r) **Clause 159 (Existing Article 147).** Existing Article 147 currently provides the circumstances under which the Company may indemnify its officers. Clause 159 (which replaces Existing Article 147) clarifies that every officer of the Company is entitled to be indemnified by the Company against, *inter alia*, liabilities incurred (or to be incurred) by him, to the fullest extent permitted under the Companies Act. This is consistent with:
- (i) new Sections 172, 172A and 172B of the Companies Act, as re-enacted or introduced by the Companies (Amendment) Act, which expressly allow the Company to provide an indemnity to its officers for liabilities incurred to third parties, subject to certain qualifications; and
 - (ii) new Sections 163A and 163B of the Companies Act, as introduced by the Companies (Amendment) Act, which permit a company to lend funds to its director to meet expenses incurred (or to be incurred) in defending himself in court proceedings or regulatory investigations.

2.2 Changes for Alignment with the Listing Manual

The following Clauses have been revised to ensure alignment with the Listing Manual, in accordance with Rule 730(2) of the Listing Manual.

- (a) **Clauses 6(A) and 7(c) (Existing Article 3(c)).** New Clause 6(A) provides that the rights attaching to shares of a class other than ordinary shares shall be expressed in the New Constitution. Clause 7(c) (which replaces Existing Article 3(c)) is amended to provide the same. These amendments align new Clause 6(A) and Clause 7(c) with paragraph (1)(b) of Appendix 2.2 to the Listing Manual.

- (b) **Clause 38 (Existing Article 34).** Clause 38 (which replaces Existing Article 34), which concerns the application of proceeds from a sale of shares which are forfeited, or over which the Company has a lien, is amended to provide that the net proceeds of such a sale, after the satisfaction of unpaid calls and accrued interest and expenses of such sale, shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, or as he may direct. This aligns Clause 38 with paragraph (3)(b) of Appendix 2.2 to the Listing Manual.
- (c) **Clause 65(A).** New Clause 65(A), which concerns the method of voting at general meetings, has been amended to provide 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. This amendment aligns Clause 65(A) with Rule 730A(2) of the Listing Manual, which provides that all resolutions at general meetings shall be voted by poll.
- (d) **Clause 70 (Existing Article 66).** Clause 70 (which replaces Existing Article 66), which concerns the voting rights of joint holders, is amended to clarify that any one joint holder may vote, and be reckoned in a quorum at any general meeting of the Company, either personally or by proxy or attorney, but if more than one joint holder is present at such general meeting, only the joint holder whose name stands first in the Register of Members or the Depository Register (as the case may be) may vote. This brings Clause 70 into alignment with paragraph (8)(b) of Appendix 2.2 to the Listing Manual.
- (e) **Clause 72 (Existing Article 68).** Clause 72 (which replaces Existing Article 68) provides that every member shall be entitled to be present and to vote at a general meeting of the Company in respect of any share or shares upon which all calls due to the Company have been paid. This aligns Clause 72 with paragraph (8)(a) of Appendix 2.2 to the Listing Manual.
- (f) **Clause 74.** New Clause 74, which concerns the counting of votes at general meetings of the Company, provides that if any votes are counted which ought not to have been counted or which might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting or at any adjournment of such meeting, and not in that case unless the chairman is of the opinion that the error is of sufficient magnitude. Clause 74 further clarifies that where a member is required by the Listing Manual or by a court order to abstain from voting on a particular resolution, such member shall not vote but shall abstain from voting on the same. If votes are cast in contravention or if required under the Listing Manual, the Company shall be entitled to disregard such votes, to the extent permitted by the Companies Act and other applicable laws and regulations.

The introduction of Clause 74 gives practical force to rules in the Listing Manual which require a member to abstain from voting under certain circumstances, such as where the member is an interested person in an interested person transaction under Chapter 9 of the Listing Manual. Clause 74 also gives effect to a court order requiring a member to abstain from voting.

- (g) **Clauses 96(B) and 99 (Existing Article 93).** Rule 720(2) and paragraph (9)(n) of Appendix 2.2 to the Listing Manual provide that a director must resign immediately if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. This position is reflected in new Clause 96(B) and Clause 99 (which replaces Existing Article 93):
 - (i) Clause 96(B) provides that a Director who has been disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds shall immediately resign from his office as a Director; and
 - (ii) Existing Article 93 provides that a retiring Director shall be deemed to be re-elected where another person is not elected to his office, subject to various exceptions. In line with Rule 720(2) of and paragraph (9)(n) of Appendix 2.2 to the Listing Manual, Clause 99 excludes from this deeming provision any Director disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.

- (h) **Clause 101 (Existing Article 95).** Clause 101 (which replaces Existing Article 95), which concerns the election of persons other than retiring Directors to the office of Director, sets out various conditions and procedures by which such persons may be elected. For better alignment with paragraph (9)(h) of Appendix 2.2 to the Listing Manual, Clause 101 has been amended to expressly provide that a notice in writing signed by the person proposed to be appointed as a Director giving his consent to the nomination and signifying his candidature for the office of Director must be lodged at the registered office of the Company. Clause 101 also provides that the conditions and procedures stipulated therein will only apply for so long as the listing rules of the SGX-ST so require.
- (i) **Clause 104(A) (Existing Article 98(A)).** Clause 104(A) (which replaces Existing Article 98(A)), which concerns the appointment of Alternate Directors, is amended to clarify that a Director may appoint any person (other than another Director) who is approved by a majority of his co-Directors to be his Alternate Director. This brings Clause 104(A) in line with paragraph (9)(l) of Appendix 2.2 to the Listing Manual.

2.3 General Changes

The Clauses below have been amended for better clarity and consistency.

- (a) **Clause 13(A) (Existing Article 10(A)).** Existing Article 10(A), which concerns capital reductions, provides that the Company may reduce its share capital or other undistributable reserve. Clause 13(A) (which replaces Existing Article 10(A)) provides that the ability of the Company to so reduce its share capital or other undistributable reserve is subject to Shareholders' approval by way of a special resolution. This aligns Clause 13(A) with Section 78C of the Companies Act.
- (b) **Clauses 13(C), 13(D) and 128 (Existing Article 121).** New Clauses 13(C) and 13(D) concern treasury shares. Clause 13(C) provides that shares purchased or acquired by the Company may be held as treasury shares. Clause 13(D) provides that where purchased or acquired shares are so held, the Company shall be entered in the Register of Members as the member holding the treasury shares. This aligns Clauses 13(C) and 13(D) with Section 76H of the Companies Act.

Clause 128 (which replaces Existing Article 121), which concerns the declaration of dividends, is amended to provide expressly that no dividends may be paid, unless otherwise provided in the Companies Act, to the Company in respect of treasury shares. This brings Clause 128 into alignment with Section 76J(4) of the Companies Act.

- (c) **Clause 19.** New Clause 19, which concerns the power of the Company to charge interest on capital, provides that if any shares of the Company are issued to raise money to defray the expenses of construction works or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to the Companies Act, pay interest on such share capital that is paid up and may charge the same to capital as part of the cost of construction works or the provision of any plant. This aligns Clause 19 with Section 78 of the Companies Act.
- (d) **Clause 48 (Existing Article 44).** Existing Article 44 provides that persons becoming entitled to a share in consequence of a member's death or bankruptcy may elect to be registered in the Company's Register of Members, or have the share transferred to some other person. Clause 48 (which replaces Existing Article 44) now stipulates additionally that:
 - (i) any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members; and
 - (ii) any person managing the estate of a member whose name is entered in the Register of Members and who becomes mentally disordered or whose person or estate is liable to be dealt with under the law relating to mental capacity,

may elect to be registered as a member or to transfer the share to some other person.

Consequential amendments throughout the New Constitution have been made so that references in the Existing Constitution to a person becoming entitled to a share in consequence of a member's death or bankruptcy have been substituted with references to a person becoming entitled to a share in consequence of a member's death or bankruptcy or otherwise.

- (e) **Clause 53 (Existing Article 49).** The requirement in Existing Article 49 for the Company to hold its annual general meeting at least once a year, and within a period of not more than 15 months after its previous annual general meeting, has been removed. Clause 53 (which replaces Existing Article 49) simply provides that the interval between the close of a financial year of the Company and the date of the Company's annual general meeting shall not exceed four months (or such other period as may be prescribed or permitted by legislation or the listing rules of the SGX-ST). This change is made in anticipation of the amendments to Section 175 of the Companies Act pursuant to the Companies (Amendment) Bill 2017. When the relevant provisions of the said Bill come into effect, Section 175 of the Companies Act will be amended to require a public company that is listed on the SGX-ST to hold its annual general meeting within four months after the end of each financial year. This amendment will come into effect on a date that the Minister appoints by notification in the Gazette, and the Accounting and Corporate Regulatory Authority has informed that this is likely to be in early 2018.
- (f) **Clauses 55(A) and 55(B) (Existing Article 51).** New Clause 55(B) provides that where special notice of a resolution is required under the Companies Act, notice of the intention to move the resolution shall be given to the Company, and notice of any general meeting shall be called in accordance with the Companies Act, and in particular Section 185 of the Companies Act. This brings Clause 55(B) into alignment with Section 185 of the Companies Act. Consequential amendment is made to Clause 55(A) (which replaces Existing Article 51), which concerns notices of general meetings of the Company, to remove the reference therein to special notice.
- (g) **Clauses 57, 86 and 141(B) (Existing Articles 53, 80 and 134(B)).** Existing Article 134(B) currently permits the Directors to capitalise reserves for the purpose of issuing fully paid-up shares for share-based incentive plans which have been implemented by the Company and approved by the Shareholders in general meeting. Clause 141(B) (which replaces Existing Article 134(B)) additionally permits the issuance of fully paid-up shares as part of the fees of non-executive Directors approved by the Shareholders in general meeting.

Consequential amendments have been made to Existing Articles 53 and 80. Clause 57 (which replaces Existing Article 53) clarifies that Directors' fees may be in cash, shares or otherwise. Likewise, Clause 86(B) (which replaces Existing Article 80(B)) clarifies that the fees payable to non-executive Directors shall be a fixed sum in cash, shares or otherwise. Clause 86(A) (which replaces Existing Article 80(A)) is also amended to the effect that extra remuneration paid to Directors in respect of executive office, service on a committee of Directors or services provided outside the ordinary scope of duties need not be by way of salary only.

- (h) **Clause 59 (Existing Article 55).** Existing Article 55, which concerns the manner of election of a chairman of a general meeting, has been amended. Clause 59 (which replaces Existing Article 55) clarifies that if neither the Chairman nor Deputy Chairman of the Board of Directors is willing to act as chairman of a general meeting, the Directors present shall choose one of their number to be chairman of the general meeting, and if the Directors who are present are unable to do so, the members present shall elect a Director present to be chairman of the meeting. This amendment will ensure that general meetings of the Company proceed efficiently.

- (i) **Clauses 77 and 78 (Existing Articles 72 and 73).** Existing Article 72 concerns the authorisation of instruments of proxy. Clause 77 (which replaces Existing Article 72) has new provisions which facilitate the authorisation of instruments of proxy by individuals, corporations and limited liability partnerships by electronic means. Clause 77 provides that a Shareholder may authorise an instrument of proxy in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication. This is in lieu of the present requirement of signing or (if applicable) the affixation of a corporate Shareholder's common seal. Clause 77 further clarifies that the Directors may designate procedures for authenticating instruments of proxy authorised electronically.

Existing Article 73 concerns the submission of instruments of proxy. Clause 78 (which replaces Existing Article 73) has new provisions which facilitate the submission of instruments of proxy by electronic means. Clause 78 provides that a Shareholder may submit an instrument of proxy via electronic communication, in such manner as may be specified by the Directors.

- (j) **Clauses 80 and 96 (Existing Articles 75 and 90).** Existing Article 75 makes reference to the insanity of a member, and Existing Article 90 makes reference to a Director of unsound mind. Clause 80 (which replaces Existing Article 75), which concerns the validity of votes cast by proxies, substitutes the references in Existing Article 75 to the insanity of a member with references to the mental disorder of a member. Clause 96 (which replaces Existing Article 90), which concerns the circumstances in which a Director shall vacate office, substitutes the reference in Existing Article 90 to a Director of unsound mind with a reference to a Director who becomes mentally disordered and incapable of managing himself or his affairs. These changes align Clauses 80 and 96 with the terminology in the Mental Health (Care and Treatment) Act, Chapter 178A of Singapore, which repealed and replaced the Mental Disorders and Treatment Act, Chapter 178 of the 1985 Revised Edition of Singapore, as well as that in the Mental Capacity Act, Chapter 177A of Singapore.

Clause 96 additionally provides that a Director shall vacate office if he is absent from meetings of the Directors for a continuous period of six months without leave from the Directors, and the Directors resolve that his office be vacated.

- (k) **Clause 81.** New Clause 81 makes provision for votes to be cast *in absentia*. Clause 81 provides that subject to the New Constitution and legislation, the Directors may, at their sole discretion, approve and implement voting methods allowing members unable to vote in person to vote *in absentia*, for example, by mail, electronic mail or facsimile. This is in line with Guideline 16.1 of the Code of Corporate Governance 2012 ("**CG Code**"), which provides that companies should incorporate in their constitutions provisions which allow for *absentia* voting at general meetings.

- (l) **Clauses 83 and 103 (Existing Articles 77 and 97).** Existing Article 77, which concerns the number of Directors, stipulates that the Directors shall not be more than 12 in number. Clause 83 (which replaces Existing Article 77) removes this limit on the maximum number of Directors for greater flexibility. Consequently, the power of the Company to vary the maximum number of Directors by ordinary resolution has been removed.

Clause 103 (which replaces Existing Article 97), which concerns the filling of casual vacancies and the appointment of additional Directors, is consequentially amended to remove the requirement that the total number of Directors following appointments made under Existing Article 97 shall not exceed the maximum number fixed by or in accordance with the New Constitution.

- (m) **Clause 105 (Existing Article 99).** Clause 105 (which replaces Existing Article 99), which concerns meetings of Directors, is amended to provide that, in addition to meeting by means of telephone conference, Directors may meet by means of video conference telephone. This is in line with Guideline 1.4 of the CG Code, which encourages companies to provide in their constitutions for telephonic and video-conference meetings of directors.

In addition, Clause 105 sets out in detail the manner in which notices and documents may be served on Directors, and when such notices and documents are deemed served.

- (n) **Clause 124 (Existing Article 117).** Clause 124 (which replaces Existing Article 117), which concerns the affixation of the common seal of the Company, additionally provides that nothing in Clause 124 or Clause 123 (which concerns the safe custody of the common seal) shall prevent or prohibit the execution of contracts, deeds or documents by or on behalf of the Company in such manner as may be permitted by the Companies Act. This ensures that the Company can execute documents otherwise than by the use of its common seal. This change has been made in anticipation of the amendments to the relevant provisions in the Companies Act relating to common seals, pursuant to the Companies (Amendment) Bill 2017. These amendments will take effect from 31 March 2017. New Section 41B of the Companies Act (as amended) will provide that a company may execute a document described or expressed as a deed without affixing its common seal, by signature on behalf of the company by (i) a director and a secretary; (ii) at least two directors; or (iii) a director in the presence of a witness who attests the signature.
- (o) **Clause 137 (Existing Article 130).** Clause 137 (which replaces Existing Article 130), which concerns the payment of dividends in scrip, is amended to allow the implementation of a scrip dividend scheme for holders of any particular class of shares, and not only for holders of ordinary shares. Clause 137 also sets out in greater detail the mechanics of scrip dividend schemes, including the manner in which members may elect to receive an allotment of shares in lieu of a cash dividend.
- (p) **Clause 142.** New Clause 142, which requires minutes to be maintained, provides that Directors shall cause minutes to be made in books to be provided for the purpose (i) of all appointments of officers by the Directors; (ii) of the Directors present at each meeting of Directors or a committee of Directors; and (iii) of all resolutions and proceedings at meetings of the Company, of any class of members or of Directors or a committee of Directors. Clause 142 additionally clarifies that minutes of a general meeting or of a meeting of the Directors or a committee of Directors which are signed by the chairman of such meeting constitutes evidence of the proceedings. This is in line with Section 188 of the Companies Act.
- (q) **Clause 145 (Existing Article 135).** Existing Article 135 concerns the keeping of accounting records. Clause 145 (which replaces Existing Article 135) clarifies that accounting records shall be kept in such manner as to enable them to be conveniently and properly audited. This aligns Clause 145 with the relevant wording used in Section 199(1) of the Companies Act.
- (r) **Clause 148.** New Clause 148, which concerns the appointment and duties of auditors, provides that an auditor of the Company shall be appointed and his duties regulated in accordance with legislation. This aligns Clause 148 with the provisions on auditors in the Companies Act, in particular Section 207 of the Companies Act.
- (s) **Clause 161.** The Personal Data Protection Act 2012 permits an organisation to collect, use or disclose an individual's personal data only with the consent of such individual. Further, an individual's personal data may only be collected, used or disclosed for reasonable purposes made known to him by the organisation.

To this end, Clause 161 has been added to the New Constitution. New Clause 161(A) provides that a member who is a natural person is deemed to consent to the collection, use and disclosure of his personal data by the Company, its agents or its service providers for various stated purposes. Clause 161(B) provides that a member who provides to the Company any personal data relating to a third party (i) warrants to the Company that he has obtained the prior consent of the third party to the collection, use and disclosure by the Company, its agents or its service providers of such personal data for the purposes set out in Clause 161(A) and (ii) agrees to indemnify the Company in respect of loss as a result of a breach of such warranty.

3. EXTRACTS OF CLAUSES IN THE NEW CONSTITUTION WHICH ARE NEW OR SIGNIFICANTLY DIFFERENT FROM THE CORRESPONDING EXISTING ARTICLES IN THE EXISTING CONSTITUTION

Extracts of the Clauses in the New Constitution which are new or significantly different from the corresponding Existing Articles in the Existing Constitution are set out in **Annexure V** of this Appendix.

4. RECOMMENDATION

The Directors are of the view that the proposed adoption of the New Constitution is in the best interests of the Company. They accordingly recommend that Shareholders vote in favour of Resolution 10 for the proposed adoption of the New Constitution to be proposed at the forthcoming annual general meeting of the Company to be held on 28 April 2017 (“**56th AGM**”).

5. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 16 Raffles Quay, #26-00 Hong Leong Building, Singapore 048581, during normal business hours from the date of this Appendix up to the date of the 56th AGM:

- (a) the Existing Constitution; and
- (b) the New Constitution.

EXTRACTS OF CLAUSES IN THE NEW CONSTITUTION WHICH ARE NEW OR SIGNIFICANTLY DIFFERENT FROM THE CORRESPONDING EXISTING ARTICLES IN THE EXISTING CONSTITUTION

1. EXTRACTS OF CLAUSES IN THE NEW CONSTITUTION WHICH ARE NEW OR SIGNIFICANTLY DIFFERENT FROM THE CORRESPONDING EXISTING ARTICLES IN THE EXISTING CONSTITUTION

The Clauses in the New Constitution which are new or significantly different from the corresponding Existing Articles in the Existing Constitution are set out below. Insertions are reflected as underlined and deletions are reflected as struck-through.

A. Clause 1

21. In ~~these Articles~~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 opposite to them respectively. Interpretation

“Act”	The Companies Act, Chapter 50 <u>or any statutory modification, amendment or re-enactment thereof for the time being in force.</u>
“Company”	<u>Hong Leong Asia Ltd..</u>
“ these Articles Constitution”	These Articles of Association <u>This Constitution</u> as from time to time altered.
“Directors”	The directors of the Company; for the time being, as a body, or unless the context otherwise requires, as constituting a quorum necessary for the transaction of the business of the directors of the Company.
“Exchange”	<u>Singapore Exchange Securities Trading Limited or any other securities exchange on which shares of the Company are listed.</u>
“in writing”	Written or produced by any substitute for writing, or partly one and partly another, <u>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.</u>
“Market Day”	A day on which the SGX-ST <u>Exchange</u> is open for trading in securities.
“month”	Calendar month.
“Office”	The registered office of the Company for the time being.

“paid”	Paid or credited as paid.
“ <u>registered address</u> ” or “ <u>address</u> ”	<u>In relation to any member, his physical address for the service or delivery of notice or documents personally or by post, except where otherwise expressly provided in this Constitution.</u>
“Seal”	The C ommon S eal of the Company.
“ SGX=ST ”	Singapore Exchange Securities Trading Limited, or any successor entity of body thereof for the time being.
“ <u>Securities and Futures Act</u> ”	<u>The Securities and Futures Act, Chapter 289 or any statutory modification, amendment or re-enactment thereof for the time being in force.</u>
“Statutes”	The Act and every other act for the time being in force concerning companies and/or affecting the Company.
“year”	Calendar year.

The expressions “~~D~~epositor”, “Depository”, “~~Depository Agent~~” and “~~Depository Register~~” and “~~treasury shares~~” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The expression “electronic communication” shall have the meaning ascribed to it in the Act.

The expressions “current address” and “relevant intermediary” shall have the meanings ascribed to them in Section 387A and Section 181 respectively of the Act.

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

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

References in ~~these Articles~~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 Secretaries, shall include any one of those persons.

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

Where the Company is required to record any information in any company records, such information may be kept in electronic form in accordance with the Act.

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 ~~these Articles~~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 expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in ~~these Articles~~this Constitution.

The headnotes and marginal notes are inserted for convenience only and shall not affect the construction of ~~these Articles~~this Constitution.

B. Clause 6

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

C. Clause 7

37. Subject to the Statutes and ~~these Articles~~this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to ~~Article 8, clause 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 always that:

Issue of shares

- (a) (subject to any direction to the contrary that may be given by the Company in a 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~~clause 11(A) with such adaptations as are necessary shall apply;
- (b) any other issue of shares, the aggregate of which would in any one financial year of the Company exceed the limits referred to in ~~Article 8~~clause 11(B), shall be subject to the approval of the Company in General Meeting; and

- (c) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same and in this Constitution.

D. Clause 12

912. (A) The Company may by Ordinary Resolution, subject to the provisions of the Statutes:

Power to consolidate, divide, cancel, sub-divide and redenominate shares

- (a) consolidate and divide all or any of its shares;
- (b) cancel the number of shares which, at the date of the passing of the resolution, have been forfeited and diminish the amount of its capital by the number of the shares so cancelled;
- ~~(b)~~(c) sub-divide its shares, or any of them (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 any class of shares into any other class of shares;
- (d) convert its share capital or any class of shares from one currency into another currency.

(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

E. Clause 13

~~1013.~~ (A) The Company may by Special Resolution, subject to and in accordance with the Statutes, reduce its share capital or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

Power to reduce capital

(B) The Company may, subject to and in accordance with the provisions of the Act, the ~~Listing Manual~~ listing rules of the ~~SGX-ST~~ Exchange, and any other written law, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to ~~these Articles~~ this Constitution, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. in accordance with the Act.

Power to repurchase shares

(C) Shares that the Company purchases or otherwise acquires may be held as treasury shares in accordance with the provisions of this Constitution and the Act.

Power to hold repurchased shares in treasury

(D) Where the shares purchased or otherwise acquired are held as treasury shares by the Company, the Company shall be entered in the Register of Members as the member holding the treasury shares.

Company to be a member in respect of treasury shares

F. Clause 19

19. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of such share capital as is for the time being paid up and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of the plant.

Power to charge interest on capital

G. Clause 20

1620. Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates and the amount paid and amount (if any) unpaid thereon such information as required in the Act 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.

Form of share certificate

H. Clause 38

3438. The net proceeds of such sale pursuant to Article 33 after payment of the costs of such sale shall be applied in or towards payment or any such sale, whether of a share forfeited by the Company or of a share over which the Company had a lien, after the satisfaction of the debts or liabilities and any residue unpaid calls and accrued interest and expenses of such sale, shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.

Application of sale proceeds

I. Clause 48

4448. Any of the following persons:

Transmission of shares

- (a) a person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members;
- (b) any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members; and
- (c) any person as properly has the management of the estate of a member whose name is entered in the Register of Members and:
 - (i) who becomes mentally disordered; or
 - (ii) whose person or estate is liable to be dealt with in any way under the law relating to mental capacity.

may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of ~~these Articles~~this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the ~~death or bankruptcy of the person whose name is entered in the Register of Members~~circumstances referred to in this clause had not occurred and the notice or transfer were a transfer executed by such person.

J. Clause 53

~~49~~53. An Annual General Meeting shall be held ~~once in every year~~, at such ~~intervals, times~~ (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and places as may be determined by the Directors, Provided that the interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months (or such other period as may be prescribed or permitted by the Statutes or the listing rules of the Exchange). All other General Meetings shall be called Extraordinary General Meetings.

Annual General Meeting and Extraordinary Meeting

K. Clauses 55(A) and 55(B)

~~51~~55. (A) Subject to the Act, ~~Any~~ General Meeting at which it is proposed to pass a Special Resolution ~~or (save as provided by the Statutes) a resolution of which special notice has been given to the Company~~, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to all members other than such as are not under the provisions of ~~these Articles~~this Constitution and the Act entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

Notice of General Meeting

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

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

(B) Where special notice is required of a resolution pursuant to the Act, notice of the intention to move the resolution shall be given to the Company and notice of any General Meeting shall be called in accordance with the Act and in particular, Section 185 of the Act.

Special notice

L. Clause 57

~~5357.~~ All business other than routine business shall be special business. Routine business
Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:

- (a) declaring dividends;
- (b) ~~receiving~~reading, considering and adopting the ~~accounts, the reports of financial statements, the Directors and Auditors' statement, the Auditor's report 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 and fixing the fees of the Directors (in cash, shares or otherwise) proposed to be paid in respect of their office as such under clause 85 and/or clause 86;
- (d) appointing or re-appointing the Auditors; and
- (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

M. Clause 59

~~5559.~~ The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting or be willing to act, the Directors present shall choose one of their number ~~(to be chairman of the meeting. If the Directors who are present are unable to do so, the members present shall elect a Director present to be chairman of the meeting, or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number)~~ to be chairman of the meeting. Chairman of General Meeting

N. Clause 65

~~6465.~~ (A) If required by the listing rules of the Exchange, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Exchange). Mandatory polling

(B) Subject to clause 65(A), Aat any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by: Method of voting where mandatory polling not required

- (a) the chairman of the meeting; ~~or~~
- (b) not less than ~~two~~five members present in person or by proxy or attorney and entitled to vote at the meeting; ~~or~~
- (c) a member or members present in person or by proxy or attorney 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 or attorney and holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than tenfive per cent of the total number ofsum paid-up shares ofon all the Company (excluding treasury shares) conferring that right,

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

O. Clause 69

~~6569.~~ 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 5, clause 9,~~ each member entitled to vote may vote in person or by proxy. ~~On a show of hands, every or attorney. Every~~ member who is present in person or by proxy or attorney shall:

How members may vote

- (a) on a poll, have one vote ~~(provided that for every share which he holds or represents; and~~
- (b) on a show of hands, have one vote, Provided that:
- (i) in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion, shall be entitled to vote on a show of hands); ~~and on a poll, every~~
- (ii) in the case of a member who is present in person or by proxy shall have one vote for every share which he holds or represents: 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 ~~D~~depositor, or his proxy or attorney may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that ~~D~~depositor, be the number of shares entered against his name in the Depository Register as at ~~forty-eight~~seventy-two hours before the time of the relevant General Meeting (or such other time specified in Section 81SJ of the Securities and Futures Act) as certified by the Depository to the Company.

P. Clause 70

~~6670.~~ In the case of joint holders of a share, any one of such persons may vote, and be reckoned in quorum at any General Meeting, either personally or by proxy or attorney as if he were solely entitled thereto, but if more than one of such joint holders be present at a General Meeting, the vote of the senior who tenders a vote, whether in person or by proxy or attorney, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.

Voting rights of joint holders

Q. Clause 72

~~6872. Every member shall be entitled in respect of shares held by him to be present and vote at a General Meeting either personally or by proxy or attorney and to be reckoned in a quorum, or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid, in respect of any share or shares upon which all calls due to the company have been paid.~~

Entitlement of members to vote

R. Clause 74

~~74. (A) If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the chairman be of sufficient magnitude.~~

Votes counted in error

~~(B) To the extent permitted by the Act, and any other applicable laws or regulations, where a member is required by the listing rules of the Exchange or a court order to abstain from voting on a resolution at a General Meeting, such member shall not be entitled to vote on the relevant resolution and shall be required to abstain from voting his shares (including by proxy or attorney) in respect of such resolution, and if the member casts any votes in contravention of this clause, or if the listing rules of the Exchange require the Company to do so, the Company shall be entitled to disregard such votes.~~

Disregarding of votes cast in contravention of abstention requirement

S. Clause 76

~~7176. (A) A member may appoint not more than two proxies to attend and vote at the same General Meeting; Provided that if the member is a Depositor, the Company shall be entitled and bound: 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 instrument of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy. If no proportion is specified, the first-named proxy shall be deemed to represent one hundred per cent of the shareholding to which the instrument of proxy relates, and the second-named proxy shall be deemed to be an alternate to the first-named 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 instrument 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 instrument of proxy.~~

~~(B) In any case where a member is a depositor, the Company shall be entitled and bound:~~

Shares entered in Depository Register

- (ia) to reject any instrument of proxy lodged ~~if the Depositor by that depositor~~ if he is not shown to have any shares entered against his name in the Depository Register as at ~~forty-eight~~seventy-two hours before the time of the relevant General Meeting (or such other time specified in Section 81SJ of the Securities and Futures Act) as certified by the Depository to the Company; and
- (iib) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the ~~Depositor~~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~~depositor in the Depository Register as at ~~forty-eight~~seventy-two hours before the time of the relevant General Meeting (or such other time specified in Section 81SJ of the Securities and Futures Act) 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~~depositor.

(~~BC~~) 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 ~~instruments~~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.

(D) A proxy need not be a member of the Company.

Proxy need not be a member

T. Clause 77

~~7277.~~ (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 under hand by the appointor or his attorney 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 or limited liability partnership, shall be:
 - (i) either given under its common seal (if any) or signed under hand on its behalf by an attorney or a duly authorised officer of the corporation or limited liability partnership if the instrument is delivered personally or sent by post; or

- (ii) authorised by that corporation or limited liability partnership 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 clauses 77(A)(a)(ii) and 77(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 clause 78(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 clauses 77(A)(a)(ii) and 77(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), clause 77(A)(a)(i) and/or (as the case may be) clause 77(A)(b)(i) shall apply.

U. Clause 78

7378. (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 ~~forty-eight~~seventy-two 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 that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this clause 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 clause 78(A)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), clause 78(A)(a) shall apply.

Directors may specify means for electronic communications

V. Clause 80

7580. 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 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 mental disorder

W. Clause 81

81. Subject to this Constitution and the Statutes, the Board of Directors may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any General Meeting the option to vote *in absentia*, including but not limited to voting by mail, electronic mail or facsimile.

Voting in absentia

X. Clause 83

7783. Subject as hereinafter provided, the Directors, all of whom shall be natural persons, shall not be less than two ~~nor more than twelve in number~~. The Company may by Ordinary Resolution from time to time vary the minimum ~~and/or maximum~~ number of Directors.

Number of Directors

Y. Clause 86

8086. (A) Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid ~~such extra remuneration therefor by way of salary, which shall not include a commission on or a percentage of turnover~~. Salaries payable to ~~e~~Executive ~~d~~Directors may not include a commission on or a percentage of turnover.

Remuneration for work outside scope of ordinary duties

(B) The fees (including any remuneration under clause 86(A) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum (in cash, shares or otherwise) and shall not at any time be by commission on or percentage of the profits or turnover.

Payment of fees

Z. Clause 96

9096. (A) 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 (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~~

- (c) if he becomes a bankrupt or ~~shall compound~~suspends payments to or makes any arrangement or composition with his creditors generally; or
- (d) 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
- (e) if he be absent from meetings of the Directors for a continuous period of six months without leave from the Directors, and the Directors resolve that his office be vacated; or
- (f) if he is removed by the Company in a General Meeting pursuant to ~~these Articles~~this Constitution.

(B) A Director who has been disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds shall immediately resign from his office as a Director.

Disqualification on non-technical grounds

AA. Clause 99

9399. The Company at the meeting at which a Director retires under any provision of ~~these Articles~~this Constitution may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director 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;
- (b) where such Director is disqualified under the ~~Act~~Statutes from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected;
- (c) where the default is due to the moving of a resolution in contravention of ~~the next following Article~~clause 100; or
- (d) where such Director ~~has attained any retiring age applicable to him as Director~~is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.

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.

BB. Clause 101

~~95101.~~ ~~No~~ For as long as the listing rules of the Exchange so require, 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 eleven nor more than forty-two clear days (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 a 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 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

CC. Clause 103

~~97103.~~ The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. ~~Without prejudice thereto, the Directors shall have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number fixed by or in accordance with these Articles.~~ Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Filling of casual vacancies and appointment of additional Directors

DD. Clause 104(A)

~~98104.~~ (A) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (other than another Director) approved by a majority of his co-Directors to be his Alternate Director provided that any fees paid to the Alternate Director shall be deducted from that Director's fees as provided in clause 104(D) and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the majority of the Directors, shall have effect only upon and subject to being so approved. A person shall not act as Alternate Director to more than one Director at the same time.

Appointment of Alternate Directors

EE. Clause 105

~~99105.~~ (A) Subject to the provisions of ~~these Articles~~ this Constitution, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time, any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. Notice of a meeting of Directors shall be given to each of the Directors in writing at least two days prior to the day of the meeting. The period of notice shall be exclusive of the day on which it is served or deemed to be served and the day on which the meeting is to be held. ~~Where the Director is absent from Singapore, such notice may be given by telefax, to a telefax number, or any form of electronic communication, as the case may be, given by that absent Director to the Secretary.~~ Any Director may waive notice of any meeting and any such waiver may be retroactive and for this purpose, the presence of a Director at the meeting shall be deemed to constitute a waiver on his part.

Meetings of Directors

(B) Directors may participate in a meeting of the Directors by means of a telephone or video conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and if applicable, see 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 100 clause 106, 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 telephone or video 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 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 telephone or similar communications equipment

(C) Any notice or document may be served on or delivered to any Director either personally or by sending it through the post in a prepaid cover addressed to such Director at his registered address appearing in the Register of Directors maintained by the Registrar of Companies pursuant to Section 173 of the Act, or to the address, if any, supplied by him to the Company for such purpose, or by sending a telefax containing the text of the notice or document to him to such address as aforesaid, or by delivering it to such address as aforesaid, or by using electronic communication. 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. Where a notice or other document is served or sent by telefax, service or delivery shall be deemed to be effected on the day it is so sent, and in proving such service or delivery it shall be sufficient to prove that the telefax was properly addressed and transmitted. Where a notice or other document is served or sent using electronic communication, service or delivery 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, any other applicable regulations or procedures and/or the listing rules of the Exchange.

Service of notice or other document

FF. Clause 108

108. A Director or Chief Executive Officer (or a person holding an equivalent position) who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the Company shall declare the nature of his interest, or send a written notice to the Company, setting out the nature, character and extent of his interest, in accordance with the provisions of the Statutes.

Director or Chief Executive Officer to declare interests

GG. Clause 117

~~110~~117. The business and affairs of the Company shall be managed by or under the direction or supervision of the Directors. The Directors may exercise all such powers of the Company as are not by the Statutes or by ~~these Articles~~this Constitution required to be exercised by the Company in General Meeting. 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~~clause shall not be limited or restricted by any special authority or power given to the Directors by any other ~~Article~~clause.

General powers of Directors to manage Company's business

HH. Clause 124

~~117~~124. Every instrument to which the Seal shall be affixed shall be signed autographically by one Director and the Secretary or by a second Director or some other person appointed by the Directors save that as regards any certificates for shares or debentures or other securities of the Company, the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature or other method approved by the Directors. For the avoidance of doubt, nothing in this clause 124 or in clause 123 shall prevent or prohibit the execution of contracts, deeds or documents by or on behalf of the Company in such manner as may be permitted by the Act.

Affixing Seal

II. Clause 126

~~119~~126. 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~~this Constitution and any resolutions passed by the Company or the Directors or any committee appointed by the Directors, and any books, records, documents ~~and~~ accounts and financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents ~~or~~ accounts or financial statements are 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 appointed by the Directors 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 minutes so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to this ~~Article~~clause may be made by any electronic means approved by the Directors 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

JJ. Clause 128

~~121~~128. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors. No dividends may be paid, unless otherwise provided in the Act, to the Company in respect of treasury shares.

Declaration of dividends

KK. Clause 136

~~129~~136. 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 were first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. A payment by the Company to the Depository of any dividend or other moneys payable to a depositor shall, to the extent of the payment made, discharge the Company from any liability in respect of that payment. If the Depository returns any such dividend or moneys to the Company, the relevant ~~D~~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 on which such dividends or other moneys were first payable.

Unclaimed dividends or other moneys

LL. Clause 137

~~130~~137. (A) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of a particular class in the capital of the Company, the Directors may further resolve that ~~M~~members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend on such terms as the Directors may think fit. In such case, the following provisions shall apply:

Scrip dividend scheme

- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this clause;
- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, Provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and

- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect whereof the share election has been duly exercised (the “elected shares”) and in lieu and in satisfaction thereof shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of clause 141, the Directors shall capitalise and apply out of the amount standing to the credit of any of the Company’s reserve accounts or any amount standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and among the holders of the elected shares on such basis, or apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.

(B) The shares of the relevant class allotted pursuant to the provisions of clause 137(A) shall rank *pari passu* in all respects with the shares of that class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

Ranking of shares

(C) The Directors may, on any occasion when they resolve as provided in clause 137(A), determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit, and in such event the provisions of clause 137 shall be read and construed subject to such determination.

Record date

(D) The Directors may, on any occasion when they resolve as provided in clause 137(A), further determine that:

Eligibility

- (a) no allotment of shares or rights of election for shares under clause 137(A) shall be made available or made to members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared; and

- (b) no allotment of shares or rights of election for shares under clause 137(A) shall be made available or made to a person or any persons, if such allotment or rights of election would in the opinion of the Directors cause such person, or such persons, to hold or control voting shares in excess of any shareholding or other limits which may from time to time be prescribed in any Statute, without the approval of the applicable regulatory or other authority as may be necessary.

(E) Notwithstanding the foregoing provisions of this clause, if at any time after the Directors' resolution to apply the provisions of clause 137(A) in relation to any dividend but prior to the allotment of shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company and without assigning any reason therefor, cancel the proposed application of clause 137(A).

Cancellation

(F) The Directors may do all acts and things considered necessary or expedient to give effect to the provisions of clause 137(A), with full power to make such provisions as they think fit in the case of shares of the relevant class becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).

Fractional entitlements

MM. Clause 141

~~134141.~~ (A) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to ~~Article 8~~clause 11(B)):-

Power to issue free bonus shares and/or capitalise reserves

- (a) issue bonus shares for which no consideration is payable to the Company, to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:-
- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
- (ii) (in the case of an Ordinary Resolution passed pursuant to ~~Article 8~~clause 11(B)) such other date as may be determined by the Directors,
- in proportion to their then holdings of shares; and/or
- (b) capitalise any sum standing to the credit of any of the Company's reserve accounts or any undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:-
- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

- (ii) (in the case of an Ordinary Resolution passed pursuant to ~~Article 8~~clause 11(B)) such other date as may be determined by the Directors,

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

The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under ~~Article 134~~clause 141(A), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(B) In addition to and without prejudice to the power provided for by ~~Article 134~~clause 141(A), the Directors shall, subject to the Statutes have power to issue shares for which no consideration is payable and to capitalise any undivided profits or moneys of the Company not required for the payment or provision of any dividend on any shares entitled to ~~fixed~~ cumulative or non-cumulative dividends (including profits or moneys carried and standing to any reserve or reserves) and to apply such profits or 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' fees

- (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 the Company in General Meeting and on such terms as the Directors shall think fit;
or
- (b) be held by or for the benefit of non-executive Directors as part of their fees under clause 85 and/or 86 approved by the Company in General Meeting 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.

NN. Clause 142

142. The Directors shall cause minutes to be made in books to be provided for the purpose:

Minutes

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and
- (c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of Directors.

Any such minutes of any General Meeting or of the Directors or of any committee of Directors if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting shall be evidence of the proceedings to which it relates.

OO. Clause 143

143. The Directors shall duly comply with the provisions of the Act and in particular the provisions in regard to registration of charges created by or affecting property of the Company, in regard to (where required) keeping a register of Directors, Managing Directors, Chief Executive Officers (or persons holding an equivalent position) and Secretaries, a register of members, a register of mortgages and charges, a register of Directors', Managing Directors' and Chief Executive Officers' (or persons holding an equivalent position) share and debenture holdings, and a Register of Substantial Shareholders and in regard to the production and furnishing of copies of such registers and of any register of holders of debentures of the Company.

Keeping of registers

PP. Clause 144

144. Any register, index, minute book, accounting record or other book required by this Constitution or by the Act or the Statutes to be kept by or on behalf of the Company may, subject to and in accordance with the Act, be kept in hard copy form or in electronic form, and arranged in the manner that the Directors think fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy form, and shall provide for the manner in which the records are to be authenticated and verified. In any case where such records are kept otherwise than in hard copy form, the Directors shall take reasonable precautions for ensuring the proper maintenance and authenticity of such records, guarding against falsification and facilitating the discovery of any falsifications.

Form of registers, etc.

QQ. Clause 145

145. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit, and in such manner as to enable them to be conveniently and properly audited. No member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or ordered by a court of competent jurisdiction or authorised by the Directors.

Accounting records / Location and inspection

RR. Clause 146

146. In accordance with the provisions of the ActStatutes and the listing rules of the Exchange, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such profit and loss accountsfinancial 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 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 financial statements, etc.

SS. Clause 147

~~137~~147. 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 and the statement of the Directors shall not less than fourteen 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~~General Meetings from the Company under the provisions of the Statutes or of ~~these Articles~~this Constitution; Provided that:

Copies of financial statements, etc.

- (a) these documents may, subject to the listing rules of the Exchange, be sent less than fourteen days before the date of the General Meeting if all persons entitled to receive notice of General Meetings from the Company so agree; and
- (b) this Article~~clause~~ shall not require a copy of these documents to be sent to more than one ~~or of~~ any joint holders or to any person 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.

TT. Clause 148

148. An Auditor shall be appointed and his duties regulated in accordance with the provisions of the Statutes.

Appointment of Auditor

UU. Clause 151

~~140~~151. (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 140(A)~~clause 151(A), but subject otherwise to the Act and any regulations made thereunder and (where applicable) the listing rules of the Exchange, relating to electronic communications, any notice or document (including, without limitations, any accounts, balance- sheet, financial statements or report) which is required or permitted to be given, sent or served under the Act or under ~~these Articles~~this Constitution by the Company, or by the Directors, to a member or an officer or Auditor of the Company may be given, sent or served using electronic communications;

Electronic communications

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

in accordance with the provisions of, ~~or as otherwise provided by this Constitution, the Statutes Act~~ and/or any other applicable regulations or procedures. Such notice or document shall be deemed to have been duly given, sent or served upon transmission of the electronic communication to the current address of such person or as otherwise provided under the Statutes and/or any other applicable regulations or procedures.

(C) For the purposes of clause 151(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 clause 151(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. The Directors shall abide by the provisions of the Act, applicable regulations and the listing rules of the Exchange in exercising their discretion under this clause.

Deemed consent

(E) Where a notice or document is given, sent or served to a member by making it available on a website pursuant to clause 151(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 clause 151(A);
- (b) by sending such separate notice to the member using electronic communications to his current address pursuant to clause 151(B)(a);
- (c) by way of advertisement in the daily press; and/or
- (d) by way of announcement on the Exchange.

VV. Clause 155

155. 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 clause 151(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, any other applicable regulations or procedures and/or the listing rules of the Exchange; and

- (b) by making it available on a website pursuant to clause 151(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, any other applicable regulations or procedures and/or the listing rules of the Exchange.

WW. Clause 158

~~146158.~~ In the event of a winding up of the Company, every member of the Company who is not for the time being in Singapore shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder in Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination, the Liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes, and where the Liquidator makes any such appointment, he shall, with all convenient speed, give notice thereof to such member by advertisement in any leading daily newspaper in the English language in circulation in Singapore or by a registered letter sent through the post and addressed to such member at his address as appearing in the Register of Members or (as the case may be) the Depository Register; or given, sent or served to any member using electronic communication in pursuance of this Constitution and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted: or the electronic communication is transmitted.

Member outside
Singapore

XX. Clause 159

~~147159.~~ Subject to the provisions of and so far as may be To the fullest extent permitted by ~~under the Statutes Act,~~ every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all claims, proceedings, demands, causes of action, damages, costs, charges, losses, expenses and liabilities brought against or suffered or 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. Every officer of the Company shall be entitled to be indemnified by the Company against any liability (other than any liability referred to in Section 172B of the Act) incurred by that officer to a person other than the Company, attaching to the officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company. To the fullest extent permitted under the Act, no Director, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, Secretary 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 or investment 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 or dishonesty.

Indemnity

YY. Clause 161

161. (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

- (a) facilitating appointment as a Director or other officer or corporate representative of the Company;
- (b) implementation and administration of any corporate action by the Company (or its agents or service providers);
- (c) internal analysis and/or market research by the Company (or its agents or service providers);
- (d) investor relations communications by the Company (or its agents or service providers);
- (e) administration by the Company (or its agents or service providers) relating to that member and/or that member's holding of shares in the Company;
- (f) 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;
- (g) processing, administration and analysis by the Company (or its agents or service providers) of attorneys, 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);
- (h) implementation and administration of, and compliance with, any provision of this Constitution;
- (i) compliance with any applicable laws, listing rules, take-over rules, regulations, codes and/or guidelines, and provision of assistance and information in connection with regulatory inquiries and investigations by relevant authorities;
- (j) any other purposes specified in the Company's prevailing privacy or data protection policies; and
- (k) purposes which are reasonably related to any of the above purposes.

(B) Any member who appoints a proxy, attorney, corporate representative or other third party 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, attorney, corporate representative or other third party for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy, attorney, corporate representative or other third party for the purposes specified in clause 161(A), 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
third party

PROPOSED ALTERATION OF OBJECTS IN THE NEW CONSTITUTION

1. INTRODUCTION

In the event that the shareholders (“**Shareholders**”) of Hong Leong Asia Ltd. (the “**Company**”) vote in favour of Resolution 10 for the proposed adoption of the new constitution of the Company (“**New Constitution**”), the Company further proposes to alter its objects, as contained in Clause 4 of the New Constitution (“**Clause 4**”). The alteration of objects contained in Clause 4 is conditional on the approval by special resolution of the Shareholders.

2. SUMMARY OF, AND RATIONALE FOR, THE PROPOSED ALTERATION OF OBJECTS

The objects of the Company in Clause 4 comprise an extensive list of the activities which the Company has capacity or power to undertake. It is proposed that these objects be deleted and substituted with a general provision (“**General Provision**”), which provides that the Company has, subject to the provisions of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”), any other written law, and the New Constitution:

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

This amendment brings Clause 4 into alignment with Section 23 of the Companies Act, which provides that a company has full capacity, rights, powers and privileges to carry on or undertake any business or activity, do any act or enter into any transaction, subject to the Companies Act, any other written law and its constitution.

The General Provision affords the Company greater flexibility, allowing it to adapt to the rapidly changing business environment and enter into transactions and arrangements that are in the best interests of the Shareholders. Further, any uncertainty as to whether the Company has power to conduct its business in a certain way or has capacity to enter into a particular transaction, which arises from the way Clause 4 is presently worded, is removed.

Notwithstanding the substitution of the General Provision for the detailed objects contained in Clause 4, the Company must still comply with the Companies Act and the Listing Manual of Singapore Exchange Securities Trading Limited (“**Listing Manual**”). By way of example, the Company must obtain Shareholders’ approval to enter into major transactions as defined in Chapter 10 of the Listing Manual.

The existing provisions of Clause 4, which are proposed to be deleted and replaced with the General Provision, as well as the General Provision, are set out in **Annexure VII** of this Appendix.

3. RECOMMENDATION

The directors of the Company are of the view that the proposed alteration of objects in the New Constitution is in the best interests of the Company. They accordingly recommend that Shareholders vote in favour of Resolution 11 for the proposed alteration of objects in the New Constitution to be proposed at the forthcoming annual general meeting of the Company to be held on 28 April 2017.

**EXISTING PROVISIONS OF CLAUSE 4 OF THE NEW CONSTITUTION,
AND THE GENERAL PROVISION**

1. EXISTING PROVISIONS OF CLAUSE 4 OF THE NEW CONSTITUTION

The existing provisions of Clause 4 of the New Constitution, which are proposed to be deleted and replaced with the General Provision, are as follows:

4. The objects for which the Company is established are: -
- (a) To carry on the business of an investment holding company and for that purpose in particular to invest in establishments which operate businesses such as concrete, quarry, building materials including quarry products, cement, ready-mix concrete, structural iron and steel bars, pipes and other related businesses, and to acquire and hold either in the name of the Company or in that of any nominees shares, stocks, debentures, debenture stock, scrip, loans, bonds, obligations, notes, securities and investments issued or guaranteed by any company, corporation, association, body or trust constituted or carrying on business in any part of the world, and in the funds or loans or other securities and investments of or issued or guaranteed by any government, state, or dominion, public body or authority, supreme, municipal, local or otherwise.
 - (b) To carry on the trade or business of manufacturers of pipes, tubes, conduits and hollowed bodies shaped in a cylindrical form or otherwise, columns, pillars, supports and structures of all kinds, shapes and sizes from all forms of raw material or otherwise, including the material known as polyvinyl chloride, plastics and similar materials; girders, blocks, cement, lime, concrete whether reinforced or otherwise, iron and steel and bricks and tiles or any product of asbestos or asbestos - cement and to acquire all or any of the assets and liabilities of the business of Hume Industries (Far East) Limited;
 - (c) To carry on the trades or businesses of iron and steel founders, iron masters, steel makers, steel convertors, smelters, engineers, tin plate makers, tool makers, brass founders, metal workers, boiler makers, mill wright, machinist, smiths, woodworkers, contractors, metallurgists, mechanical and electrical engineers and hardware dealers and manufacturers of and dealers in metal goods of all descriptions.
 - (d) To import and store cement clinker and gypsum and other necessary materials, if any, for manufacturing of cement; to grind these materials into cement and to store and sell cement; to import all or any machinery, equipment, materials and others necessary for construction, operation, maintenance and repair of the cement plant; and to carry on all or any of the business related to the above.

- (e) To carry on all or any of the business of manufacturers of and dealers and workers in cement, lime, plasters, whiting, clay, gravel, sand, minerals, earth, coke fuel, artificial stone, and builders' requisites and conveniences of all kinds, and of engineers, ship barge, lighter, and truck owners, quarry owners, builders, general contractors and carriers and of such other products and goods as may be conveniently manufactured, dealt in and worked therewith and all things capable of being used therewith or in the maintenance, repair and manufacture thereof.
- (f) To carry on in all their respective branches all or any of the business of builders, masonry and general construction contractors and hauliers and among other things to construct, execute, carry out, equip, improve, work and advertise railways, roadways, tramways, docks, harbours, wharves, canals, water-courses, reservoirs, embankments, irrigations, reclamations, sewage, drainage, and other sanitary works, water, gas, electric and other supply works, houses, buildings, and erections of every kind, quarry proprietors, stone and granite merchants, dealers, and exporters and contractors, and to search for, get, win, raise, make marketable, use, sell and dispose of grains, stone, coal, minerals and mineral substances and products within or under any property of the Company, and to prepare and manufacture, cement paving blocks, tar, macadam, bituminous road materials and all or any of the materials or things which the Company may require or which may be useful for carrying on any of the abovementioned businesses;
- (g) To buy, sell, repair, export, import and deal in all articles and things which the Company is authorised to manufacture or which may be required for the business of the Company or commonly supplied or dealt in by persons engaged in any such business or which may seem capable of being profitably dealt with in connection with any of the Company's business;
- (h) To carry on any other business, manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with the objects herein set out or any of them or any other business the carrying on of which the Company may think directly or indirectly conducive to the development of any business of the Company or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights;
- (i) To purchase or otherwise acquire and undertake and extend the whole or any part of the business, goodwill, property and other assets and the liabilities of any person or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for any of the purposes of the Company;

- (j) To undertake, take over, accept, carry out and fulfil all such contracts, obligations, liabilities and duties as the Company or its Directors shall think fit and whether the same are now existing or are hereafter to arise and whether created by mortgage, bill of sale, specialty instrument in writing or oral contract or otherwise howsoever and upon such terms and conditions and generally as the Company or its Directors shall think fit;
- (k) Generally to purchase, take on, lease or in exchange, hire, or apply for or otherwise acquire any real and / or personal property or interests therein and any patents, copyrights, formulae, recipes, secret, processes, concessions, trade marks, brevets d'invention, licences and other like rights and any other rights or privileges which the Company may think necessary or convenient for the purposes of its business;
- (l) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction 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 the Company;
- (m) To amalgamate with any other company having objects altogether or in part similar to those of this Company;
- (n) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities both present and future of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company;
- (o) To sell, grant options or rights to purchase over or otherwise dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company;
- (p) To sell, grant options or rights to purchase over or otherwise improve, manage, develop, exchange, lease, sub-lease, mortgage, licence, dispose of, turn to account or otherwise deal with all or any part of the property whether real or personal and rights of the Company including its uncalled capital (if any);
- (q) To purchase or otherwise acquire, construct, build, repair, maintain and alter any buildings or works, offices, workshops, mills, plant or machinery for the purposes of the Company;
- (r) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined;

- (s) To lend money to such persons or persons, company or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts of any such persons or companies;
- (t) To borrow or raise or secure the payment of money in such manner as may be deemed fit and in particular by the issue of debentures or debenture stock (perpetual or otherwise) bonds, mortgages, bills of sale or other securities charged upon all or any of the Company's property (both present and future) including its uncalled capital or without such security and to purchase, redeem or pay off any such securities.
- (u) To remunerate any person or company by payment in cash or the allotment and / or issue of shares in the Company either fully or partly paid up or otherwise for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the advancement or conduct of its business and to pay any brokerage fees or commission to brokers or other persons for placing or obtaining subscriptions for or underwriting any of the Company's shares or securities;
- (v) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments;
- (w) To give any guarantee for the payment of money or the performance of any obligation or undertaking;
- (x) To grant mortgages or other forms of encumbrances on the whole or any part of the property or assets of the Company to secure liabilities incurred by this Company or by any other person or any other company and to enter into guarantees and indemnities;
- (y) To establish and regulate whether within or outside Singapore agencies for any purposes of the Company and to establish local boards to appoint attorneys and agents to open branch registers and to do all acts and things of whatever nature necessary to procure the Company to be registered, incorporated or legally recognised according to the law of Great Britain or any British Dominion colony possession or protectorate foreign countries or elsewhere and to secure to this Company the same rights and privileges in any dominion colony possession, protectorate state or country as are possessed by local companies or partnerships of a similar nature;
- (z) To distribute any of the property of the Company in specie amongst its members;

- (aa) To establish or support or aid in the establishment or support of associations, institutions, funds, trusts and conveniences calculated to benefit directors, managing directors, governing directors, officers, employees, ex-directors, ex-managing directors, ex-governing directors, ex-officers or ex-employees of the Company or the dependents or connections of such persons and to grant pensions and allowances and to make payments towards insurances and to subscribe or guarantee money for charitable or benevolent objects or for any public general or useful object;
- (bb) To enter into any arrangement with employees and others for the payment of bonuses or for participation in the profits of the Company or in any scheme of profit sharing;
- (cc) To pay all costs, charges and expenses of and incidental to or in connection with the formation of the Company;
- (dd) To do all or any of the abovementioned things in any part of the world and either alone or in conjunction with others and either by or through agents, sub-contractors, trustees, corporations or otherwise;
- (ee) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them or which may be conveniently carried on or done in connection therewith or which may be calculated directly or indirectly to enhance the value of or render profitable any business or property of the Company;

AND IT IS HEREBY DECLARED that the intention is that the objects specified in each of the paragraphs of this clause shall (except where otherwise expressed in such paragraph) be construed in the most liberal way and shall be in no wise limited or restricted by reference to or inference from the terms of the first or any other paragraph or the name of the Company and the word "Company" in this clause (except where used in reference to this Company) shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and whether domiciled in Singapore or elsewhere.

2. THE GENERAL PROVISION

The General Provision, which is proposed to be substituted for the detailed objects contained in Clause 4, is as follows:

4. Subject to the provisions of the Act and any other written law and this Constitution, the Company has:
- Capacity, powers and privileges generally
- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
 - (b) for the purposes of clause 4(a), full rights, powers and privileges.