B. SUMMARY OF FOREIGN LAWS AND REGULATIONS

1. SALIENT PROVISIONS OF THE LAWS OF SINGAPORE

The following is a summary of the salient provisions of the laws of Singapore as at the date of this information sheet which are applicable to a Singapore incorporated company. The summary below is for general guidance only and does not constitute legal advice nor should it be used as a substitute for specific legal advice on the corporate laws of Singapore. The summary does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the corporate laws of Singapore, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

Reporting Obligations of Shareholders

As the shares of the Company (the "**Shares**") are not listed for quotation on the official list of a "securities exchange" (as such term is defined under the Securities and Futures Act, Chapter 289 of Singapore (the "**Singapore Securities and Futures Act**") and which term does not include the Stock Exchange), the Company is not subject to the provisions of Subdivision (2) of Division 1 to Part VII of the Singapore Securities and Futures Act regulating substantial shareholding reporting obligations.

Prohibited Conduct In Relation to Trading in the Securities of the Company

(a) Prohibitions against false trading and market manipulation — Section 197 of the Singapore Securities and Futures Act

Pursuant to Section 197(1) of the Singapore Securities and Futures Act, no person shall do any thing, cause any thing to be done or engage in any course of conduct, if his purpose, or any of his purposes, for doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, is to create a false or misleading appearance of (i) active trading in any capital markets products on an organised market; or (ii) with respect to the market for, or the price of, any capital markets products on an organised market.

In addition, pursuant to Section 197(1A) of the Singapore Securities and Futures Act, no person shall do any thing, cause any thing to be done or engage in any course of conduct that creates, or is likely to create, a false or misleading appearance of active trading in any capital markets products on an organised market, or with respect to the market for, or the price of, capital markets products on an organised market, if:

(1) he knows that doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance; or

(2) he is reckless as to whether doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance.

Pursuant to Section 197(2) of the Singapore Securities and Futures Act, a person must not maintain, inflate, depress, or cause fluctuations in, the market price of capital markets products by (i) means of any purchase or sale of any capital markets products that does not involve a change in the beneficial ownership of the capital markets products; or (ii) by any fictitious transaction or device.

Under Section 197(3) of the Singapore Securities and Futures Act, it is presumed that a person's purpose, or one of a person's purposes, is to create a false or misleading appearance of active trading in capital markets products on an organised market if the person:

(A) effects, takes part in, is concerned in or carries out, directly or indirectly, any transaction of purchase or sale of the capital markets products, being a transaction that does not involve any change in the beneficial ownership of the capital markets products;

(B) makes or causes to be made an offer to sell the capital markets products at a specified price, where the person has made or caused to be made or proposes to make or cause to be made, or knows that a person associated with the person has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of the capital markets products at a price that is substantially the same as the firstmentioned price; or

(C) makes or causes to be made an offer to purchase the capital markets products at a specified price, where the person has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with the person has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of the capital markets products at a price that is substantially the same as the firstmentioned price.

Section 197(4) of the Singapore Securities and Futures Act provides that the presumption under Section 197(3) may be rebutted if the defendant establishes that the purpose or purposes for which he did the act was not, or did not include, the purposes of creating a false or misleading appearance of active trading in the capital markets products on the organised market.

Section 197(5) of the Singapore Securities and Futures Act provides that a purchase or sale of capital markets products does not involve a change in the beneficial ownership if any of the following persons has an interest in the capital markets products after the purchase or sale: (a) a person who had an interest in the capital markets products before the purchase or sale; or (b) a person associated with the person mentioned in (a).

Section 197(6) of the Singapore Securities and Futures Act provides that in any proceedings against a person for contravention of Section 197(2) in relation to a purchase or sale of capital markets products that did not involve a change in the beneficial ownership of the capital markets products, it is a defence if the defendant establishes that the purpose or purposes for which the defendant purchased or sold the capital markets products was not, or did not include, the purpose of creating a false or misleading appearance with respect to the market for, or the price of, the capital markets products.

(b) Prohibition against market manipulation in relation to securities and securities-based derivatives contracts — Section 198 of the Singapore Securities and Futures Act

Under Section 198(1) of the Singapore Securities and Futures Act, a person must not effect, take part in, be concerned in or carry out directly or indirectly, two or more transactions in securities, or securities-based derivatives contracts, of a corporation, being transactions that have, or are likely to have, the effect of raising, lowering, maintaining or stabilising the price of the securities, or securities-based derivatives contracts, as the case may be, of the

corporation on an organised market, with the intent to induce other persons to subscribe for, purchase or sell securities, or securities-based derivatives contracts, as the case may be, of the corporation or of a related corporation. Section 198(3)(a) of the Singapore Securities and Futures Act provides that transactions in securities or securities-based derivatives contracts of a corporation includes (i) the making of an offer to purchase or sell such securities or securities-based derivatives contracts, as the case may be; and (ii) the making of an invitation, however expressed, that directly or indirectly invites a person to offer to purchase or sell such securities or securities-based derivatives contracts, as the case may be.

(c) Prohibition against false or misleading statements — Section 199 of the Singapore Securities and Futures Act

Under Section 199 of the Singapore Securities and Futures Act, no person shall make a statement, or disseminate information, that is false or misleading in a material particular and is likely (a) to induce other persons to subscribe for, amongst others, securities or securities-based derivatives contracts; (b) to induce the sale or purchase of, amongst others, securities or securities-based derivatives contracts by other persons; or (c) to have the effect (whether significant or otherwise) of raising, lowering, maintaining, or stabilising the market price of, amongst others, securities or securities-based derivatives contracts, if, when he makes the statement or disseminates the information, (1) he either does not care whether the statement or information is true or false; or (2) he knows or ought reasonably to have known that the statement or information is false or misleading in a material particular.

(d) Prohibition against fraudulently inducing persons to deal in capital markets products — Section 200 of the Singapore Securities and Futures Act

Under Section 200(1) of the Singapore Securities and Futures Act, no person shall (a) by making or publishing any statement, promise, or forecast that he knows or ought reasonably to have known to be misleading, false or deceptive; (b) by any dishonest concealment of material facts; (c) by the reckless making or publishing of any statement, promise, or forecast that is misleading, false or deceptive; or (d) by recording or storing in, or by means of, any mechanical, electronic, or other device information that he knows to be false or misleading in a material particular, induce or attempt to induce another person to deal in capital markets products. Section 200(2) of the Singapore Securities and Futures states that in any proceedings against a person for a contravention of Section 200(1) of the Singapore Securities and Futures Act constituted by recording or storing information as mentioned in sub-paragraph (d) of Section 200(1) above, it is a defence if it is established that, at the time when the defendant so recorded or stored the information, he had no reasonable grounds for expecting that the information would be available to any other person.

(e) Prohibition against employment of manipulative and deceptive devices — Section 201 of the Singapore Securities and Futures Act

Section 201 of the Singapore Securities and Futures Act provides that no person shall, directly or indirectly, in connection with the subscription, purchase or sale of any capital markets products (i) employ any device, scheme or artifice to defraud, (ii) engage in any act, practice, or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, upon any person, (iii) make any statement he knows to be false in a material particular, or (iv) omit to state a material fact necessary to make statements, in the light of the circumstances under which they were made, not misleading.

(f) Prohibition against bucketing —Section 201A of the Singapore Securities and Futures Act

Section 201A(1) of the Singapore Securities and Futures Act provides that a person must not knowingly execute, or hold himself out as having executed, an order for the purchase or sale of a derivatives contract, without having effected in good faith a purchase or sale of that derivatives contract in accordance with the order or with the business rules and practices of an organised market on which the derivatives contract is to be purchased or sold.

(g) Prohibition against manipulation of price of derivatives contracts and cornering — Section 201B of the Singapore Securities and Futures Act

Under Section 201B of the Singapore Securities and Futures Act, a person must not, directly or indirectly, (a) manipulate or attempt to manipulate the price of a derivatives contract traded on an organised market, or of any underlying thing which is the subject of such derivatives contract; or (b) corner, or attempt to corner, any underlying thing which is the subject of a derivatives contract.

(h) Prohibition against the dissemination of information about illegal transactions — Section 202 of the Singapore Securities and Futures Act

Section 202 of the Singapore Securities and Futures Act provides that a person must not circulate or disseminate, or authorise or be concerned in the circulation or dissemination of, any statement or information to, amongst others, any of the following effects:

(A) that the price of any securities or securities-based derivatives contract, of a corporation will, or is likely, to rise or fall or be maintained by reason of any transaction entered into or to be entered into or other act or thing done or to be done in relation to the securities or securities-based derivatives contracts, of that corporation (or of a related corporation) which to the person's knowledge was entered into or done in contravention of any of Sections 197, 198, 199, 200 or 201, or if entered into or done would be in contravention of any of Sections 197, 198, 199, 200 or 201; or

(B) that the price of a class of derivatives contracts will, or is likely to, rise or fall or be maintained by reason of any transaction entered into or to be entered into, or other act or thing done or to be done, in relation to that class of derivatives contracts by one or more persons which to the person's knowledge was entered into, or done, in contravention of any of Sections 197, 200, 201, 201A or 201B, or if entered into, or done, would be in contravention of any of Sections 197, 200, 201, 201A or 201B.

if the person mentioned, or a person associated with that person, has (i) entered into or purports to enter into any such transaction, or has done or purports to do any such act or thing; or (ii) received, or expects to receive, directly or indirectly, any consideration or benefit for circulating or disseminating, or authorising or being concerned in the circulation or dissemination of, the statement or information.

Prohibitions Against Insider Trading

(i) Prohibited conduct by connected person in possession of inside information — Section 218 of the Singapore Securities and Futures Act

Pursuant to Section 218(1) of the Singapore Securities and Futures Act, where:

(i) a person who is connected to a corporation possesses information concerning that corporation that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities or securities-based derivatives contracts of that corporation; and

(ii) the connected person knows or ought reasonably to know that:

(1) the information is not generally available; and

(2) if it were generally available, it might have a material effect on the price or value of those securities or securities-based derivatives contracts of that corporation,

amongst others, sub-section (2) of Section 218 of the Singapore Securities and Futures Act (as further described below) shall apply.

Pursuant to Section 218(2) of the Singapore Securities and Futures Act, a connected person must not (whether as principal or agent):

(A) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, the securities or securities-based derivatives contracts mentioned in Section 218(1); or

(B) procure another person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, the securities or securities-based derivatives contracts mentioned in Section 218(1).

A person is connected to a corporation if:

(I) he is an officer of that corporation or of a related corporation;

(II) he is a substantial shareholder in that corporation or in a related corporation;

(III) he occupies a position that may reasonably be expected to give him access to information of a kind to which Section 218 of the Singapore Securities and Futures Act applies by virtue of:

(a) any professional or business relationship existing between himself (or his employer or a corporation of which he is an officer) and that corporation or a related corporation; or

(b) being an officer of a substantial shareholder in that corporation or in a related corporation.

(j) Prohibited conduct by other persons in possession of inside information — Section 219 of the Singapore Securities and Futures Act

Pursuant to Section 219(1) of the Singapore Securities and Futures Act, where:

(i) a person who is not a connected person referred to in Section 218 of the Singapore Securities and Futures Act (referred to in this section as the insider) possesses information that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of, among other things, securities or securities-based derivatives contracts; and

(ii) the insider knows that:

(1) the information is not generally available; and

(2) if it were generally available, it might have a material effect on the price or value of those securities or securities-based derivatives contracts, as the case may be,

sub-section (2) of Section 219 of the Singapore Securities and Futures Act (as further described below) shall apply.

Pursuant to Section 219(2) of the Singapore Securities and Futures Act, the insider must not (whether as principal or agent):

(A) subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities or securities-based derivatives contracts, as the case may be; or

(B) procure another person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such securities or securities-based derivatives contracts, as the case may be.

Section 220 of the Singapore Securities and Futures Act further provides that in any proceedings against a person for a contravention of Section 218 or 219, it is not necessary for the prosecution or plaintiff to prove that the accused person or defendant intended to use the information referred to in sub-paragraph (i) of Section 218(1) or sub-paragraph (i) of Section 219(1) (each as described above) in contravention of Section 218 or 219, as the case may be.

Section 216 of the Singapore Securities and Futures Act also provides that a reasonable person would be taken to expect information to have a material effect on the price or value of, among other things, securities or securities-based derivatives contracts, if the information would, or would be likely to, influence any of the following persons in deciding whether or not to subscribe for, buy or sell those securities or securities-based derivatives contracts: (a) the persons who commonly invest in securities or securities-based derivatives contracts; or (b) any one or more classes of persons who constitute the persons mentioned in (a).

Penalties — Sections 232, 204 and 221 of the Singapore Securities and Futures Act

Section 232 of the Singapore Securities and Futures Act provides whenever it appears to the Monetary Authority of Singapore (the "**MAS**") that any person has contravened the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above), the MAS may, with the consent of the Public Prosecutor, bring an action in a court against him to seek an order for a civil penalty in respect of that contravention. If the court is satisfied on the balance of probabilities that the person has contravened a provision, the court may make an order against him for the payment of a civil penalty of a sum not exceeding the greater of the following: (a) three times the amount of the profit that the person gained as a result of the contravention or the amount of loss that the person avoided as a result of the contravention; or (b) S$2 million. The civil penalty must not be less than: (i) in the case where the person is a corporation, S$100,000; and (ii) in any other case, S$50,000.

Under Section 204 of the Singapore Securities and Futures Act, a person who contravenes Sections 197, 198, 199, 200, 201, 201A, 201B or 202 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding seven years or to both. Section 204 further provides that no proceedings shall be instituted against a person for the offence after a court has made an order against him for the payment of a civil penalty under Section 232 in respect of the contravention.

Under Section 221 of the Singapore Securities and Futures Act, a person who contravenes Section 218 or 219 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding seven years or to both. Section 221 further provides that no proceedings shall be instituted against a person for an offence in respect of a contravention of Section 218 or 219 after a court has made an order against him for the payment of a civil penalty under Section 232 in respect of that contravention.

Civil Liability — Section 234 of the Singapore Securities and Futures Act

Section 234 of the Singapore Securities and Futures Act provides that a person who has contravened any of the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above) shall, if he had gained a profit or avoided a loss as a result of that contravention, whether or not he had been convicted or had a civil penalty imposed on him in respect of that contravention, be liable to pay compensation to any person who:

(a) had been dealing in capital markets products of the same description contemporaneously with the contravention; and

(b) had suffered loss by reason of the difference between:

(i) the price at which the capital markets products were dealt in or traded contemporaneously with the contravention; and

(ii) the price at which the capital markets products would have been likely to have been so dealt in or traded at the time of the contemporaneous dealing or trading if:

(1) in the case where the contravening person had acted in contravention of Section 218 or 219, the information mentioned had been generally available; or

(2) in any other case, the contravention had not occurred.

Extra-territoriality of the Singapore Securities and Futures Act

Section 339(1) of the Singapore Securities and Futures Act provides that where a person does an act partly in and partly outside Singapore, which, if done wholly in Singapore, would constitute an offence against any provision of the Singapore Securities and Futures Act (which would include the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above)), that person shall be guilty of that offence as if the act were carried out by that person wholly in Singapore, and may be dealt with as if the offence were committed wholly in Singapore.

Section 339(2) of the Singapore Securities and Futures Act provides that where:

(a) a person does an act outside Singapore which has a substantial and reasonably foreseeable effect in Singapore; and

(b) that act would, if carried out in Singapore, constitute an offence under the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above),

that person may be guilty of an offence as if the act were carried out by that person in Singapore, and may be dealt with as if the offence were committed in Singapore.

In addition, for the purposes of an action under Section 232 or 234 of the Singapore Securities and Futures Act, where a person:

(i) does an act partly in and partly outside Singapore which, if done wholly in Singapore, would constitute a contravention of any of the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above); or

(ii) does an act outside Singapore which has a substantial and reasonably foreseeable effect in Singapore and that act, if carried out in Singapore, would constitute a contravention of any of the provisions relating to prohibited conduct in relation to trading in the securities of the Company and insider trading (as described above),

the act shall be treated as being carried out by that person in Singapore.

Take-Over Obligations

Pursuant to written confirmation obtained by the Company from the Singapore Securities Industry Council, in light of the protections afforded to Shareholders under the Hong Kong Takeovers Code — which does apply to the Company — the Singapore Code on Take-overs and Mergers does not apply to the Company.

Share Capital

The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the constitution of that company. However, pursuant to Section 161 of the Singapore Companies Act, notwithstanding anything to the contrary in the constitution of a company, prior approval of the company at a general meeting is required to

authorise the directors to exercise any power of the company to issue shares, or the share issue is void under Section 161 of the Singapore Companies Act. Such approval need not be specific but may be general and, once given, will only continue in force until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier, provided that such approval has not been previously revoked or varied by the company in a general meeting.

Pursuant to Section 64A of the Singapore Companies Act, and subject to the approval of the shareholders of a public company incorporated in Singapore by Special Resolution, different classes of shares in the public company may be issued if the issue of the class(es) of shares is provided for in the constitution of the company, and the constitution of the company sets out in respect of each class of shares the rights attached to that class of shares. Such class(es) of shares may confer special, limited or conditional voting rights, or not confer any voting rights.

Financial Assistance to Purchase Shares of a Company or its Holding Company

Generally, pursuant to Section 76 of the Singapore Companies Act, a public company or a company whose holding company or ultimate holding company is a public company is prohibited from giving financial assistance to any person directly or indirectly for the purpose of, or in connection with, the acquisition of that company's shares or shares in its holding company.

Financial assistance includes the making of a loan, the giving of a guarantee, the provision of security, and the release of a debt or obligation. Certain transactions are specifically provided by the Singapore Companies Act not to be prohibited. These include the distribution of a company's assets by way of dividends, a distribution in the course of a company's winding up, the payment by a company pursuant to a reduction of capital in accordance with the Singapore Companies Act, the giving by a company in good faith and in the ordinary course of commercial dealing of any representation, warranty or indemnity in relation to an offer to the public of, or an invitation to the public to subscribe for or purchase shares or units of shares in the company, and the entering into by the company, in good faith and in the ordinary course of commercial dealing, of an agreement with a subscriber for shares in the company permitting the subscriber to make payments for the shares by instalments, an allotment of bonus shares, a redemption of redeemable shares of a company in accordance with the company's constitution, or the payment of some or all of the costs by a company listed on an approved exchange in Singapore or any securities exchange outside Singapore associated with a scheme, an arrangement or a plan under which any shareholder of the company may purchase or sell shares for the sole purpose of rounding off any odd-lots which he owns.

The Singapore Companies Act further provides that a company can give financial assistance in certain circumstances, including but not limited to: (i) where the amount of financial assistance does not exceed 10.0% of the aggregate of the total paid-up capital and reserves of the company as disclosed in the most recent financial statements of the company and the company receives fair value in connection with the financial assistance; (ii) where the giving of financial assistance does not materially prejudice the interests of the company or its shareholders or, the company's ability to pay its creditors; or (iii) where the financial assistance is approved unanimously by the shareholders of the company, provided that certain conditions and procedures under the Singapore Companies Act are also complied with.

Where the company is a subsidiary of a listed corporation or a subsidiary whose ultimate holding company is incorporated in Singapore, the listed corporation or the ultimate holding company, as the case may be, is also required to pass a special resolution to approve the giving of the financial assistance.

Purchase of Shares by a Company

The Singapore Companies Act generally prohibits a company from acquiring its own shares subject to certain exceptions. Any contract or transaction by which a company acquires its own shares is void subject to the exceptions below. However, provided that it is expressly permitted to do so by its constitution and subject to the special conditions of each permitted acquisition contained in the Singapore Companies Act, a company may:

(a) redeem redeemable preference shares. Preference shares may be redeemed out of capital if all the directors make a solvency statement in relation to such redemption in accordance with the Singapore Companies Act;

(b) make an off-market purchase of its own shares in accordance with an equal access scheme authorised in advance at a general meeting;

(c) make a selective off-market purchase of its own shares in accordance with an agreement authorised in advance at a general meeting by a special resolution where persons whose shares are to be acquired and their associated persons have abstained from voting;

(d) make an acquisition of its own shares under a contingent purchase contract which has been authorised in advance at a general meeting by a special resolution; and

(e) make a market purchase of its own shares which has been authorised in advance at a general meeting.

A company may also purchase its own shares by an order of a Singapore court.

The total number of ordinary shares that may be purchased by a company in a relevant period may not exceed 20% of the total number of ordinary shares in that class as of the date of the resolution passed pursuant to the relevant share purchase provisions under the Singapore Companies Act. Where, however, the Company has reduced its share capital by a special resolution of the general meeting or a Singapore court made an order to such effect, the total number of ordinary shares shall be taken to be the total number of ordinary shares in that class as altered by the special resolution or the order of the court. Payment may be made out of the company's profits or capital, provided that the company is solvent.

Where ordinary shares are re-purchased, such shares may be held as treasury shares or cancelled as provided in the Singapore Companies Act. Treasury shares may be dealt with in such manner as may be permitted under the Singapore Companies Act. On cancellation of the shares, the rights and privileges attached to those shares will expire.

Dividends and Distributions

Section 403 of the Singapore Companies Act provides that no dividends may be paid to shareholders of a company except out of the company's profits. Section 76J of the Singapore Companies Act provides that no dividend may be paid, and no other distribution (whether in cash or otherwise) of a company's assets may be made to the company in respect of shares held by a company as treasury shares.

Minority Protection

Section 216 of the Singapore Companies Act protects the rights of minority shareholders of Singapore incorporated companies by giving the Singapore courts a general power to make any order, upon application by any shareholder of a company, as they think fit to remedy any of the following situations:

(a) if the affairs of the company are being conducted or the powers of the board of directors are being exercised in a manner oppressive to, or in disregard of the interest of, one or more of the shareholders including the applicant or in disregard of his or their interests as shareholders of the company; or

(b) if the company takes an action, or threatens to take an action, or the shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the shareholders, including the applicant.

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

(i) direct or prohibit any act or cancel or vary any transaction or resolution;

(ii) regulate the conduct of the affairs of the company in the future;

(iii) authorise civil proceedings to be brought in the name of, or on behalf of, the company by a person or persons and on such terms as the court may direct;

(iv) direct the company or some of its shareholders to purchase a minority shareholder's shares and, in the case of the company's purchase of shares, a corresponding reduction of the company's share capital;

(v) provides that the company's constitution be amended; or

(vi) provide that the company be wound up.

Disposal of Assets

Under Section 160 of the Singapore Companies Act, prior approval of the company at a general meeting is required before the directors can carry into effect any proposals for disposing of the whole or substantially the whole of the company's undertaking or property, notwithstanding anything in a company's constitution.

Accounting and Auditing Requirements

Section 199 of the Singapore Companies Act provides that every company must keep accounting and other records that will sufficiently explain the transactions and financial position of the company and enable true and fair financial statements to be prepared.

Exchange Controls

As at the date of this information sheet, no exchange control restrictions are in effect in Singapore.

Members' Requisition to Convene Extraordinary General Meetings

Section 176 of the Singapore Companies Act provides that members of a company holding not less than 10.0% of the total number of paid up shares of a company carrying the right to vote at general meetings or, in the case of a company not having a share capital, members representing not less than 10% of the total voting rights of all members having a right to vote at general meetings, may requisition for an extraordinary general meeting in accordance with the provisions of the Singapore Companies Act. The directors must convene the meeting to be held as soon as practicable, but in any case not later than two months after the receipt by the company of the requisition.

Section 183 of the Singapore Companies Act provides that (a) any number of members representing not less than 5.0% of the total voting rights of all the members having at the date of requisition a right to vote at a meeting to which the requisition relates or (b) not less than 100 members holding shares on which there has been paid up an average sum, per member, of not less than S$500, may requisition the company to give to members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting, and circulate to members entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Loans to Directors

Subject to specified exceptions, a company (other than an exempt private company) is prohibited from making a restricted transaction. Restricted transactions include making a loan or quasi-loan to a director (and to the spouse or natural, step or adopted child of any such director) of the company or a related company ("**relevant director**"), entering into any guarantee or providing any security in connection with a loan or quasi-loan made to a relevant director by any other person, entering into a credit transaction as creditor for the benefit of a relevant director, entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of a relevant director, taking part in an arrangement under which another person enters into a transaction that, if it had been entered into by the company, would have been a restricted transaction, and that person obtains a benefit from the company or a related company, or arranging the assignment to the company, or assumption by the company, of any rights, obligations or liabilities under a transaction that, if entered into by the company, would have been a restricted transaction.

For these purposes, a related company of a company means its holding company, its subsidiary and a subsidiary of its holding company.

Subject to specified exceptions, a company (the "**first mentioned company**") (other than an exempt private company) is also prohibited from making loans or quasi-loan to connected persons, entering into any guarantee or providing any security in connection with a loan or quasi-loan made to connected persons by a third-party, entering into a credit transaction for the benefit of connected persons or, entering into any guarantee or providing any security in connection with a credit transaction entered into by any person for the benefit of connected persons. Connected persons of the first mentioned company include companies in which the director(s) of the first mentioned company, individually or collectively, have an interest in 20.0% or more (as determined in accordance with the Singapore Companies Act).

This prohibition does not apply to:

(a) anything done by a company where the other company is its subsidiary, holding company or a subsidiary of its holding company; or

(b) a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done in the ordinary course of that business if the activities of that company are regulated by any written law relating to banking, finance companies or insurance or are subject to supervision by the Monetary Authority of Singapore.

Inspection of Corporate Records

Pursuant to Section 192(2) of the Singapore Companies Act, the register of members of a public company incorporated in Singapore shall be open to the inspection of any member without charge.

Register of Members

Pursuant to Sections 190 and 191 of the Singapore Companies Act, a public company must keep a register of members at its registered office (the "**principal register**"). In addition, Section 196 of the Singapore Companies Act provides that a public company having a share capital may keep a branch register of members (the "**branch register**") outside Singapore. Such branch register is deemed to be part of the company's principal register and a duplicate of the branch register will be kept at the same office as the principal register.

Register of Directors, Chief Executive Officers, Secretaries and Auditors

Pursuant to Section 173 of the Singapore Companies Act, the register of a company's directors, chief executive officers, secretaries and auditors (if any) shall be kept by the Registrar of Companies.

Winding Up and Dissolution

The winding up of a company may be done in the following ways:

(a) members' voluntary winding up;

(b) creditors' voluntary winding up;

(c) court compulsory winding up; and

(d) an order made pursuant to Section 216 of the Singapore Companies Act for the winding up of the company.

The type of winding up depends, inter alia, on whether the company is solvent or insolvent.

A company may be dissolved:

(i) through the process of liquidation pursuant to the winding up of the company;

(ii) in a merger or amalgamation of two companies where the court may order the dissolution of one after its assets and liabilities have been transferred to the other; or

(iii) when it is struck off the register by the Registrar of Companies on the ground that it is a defunct company.

Mergers and Similar Arrangements

Section 212 of the Singapore Companies Act provides that the Singapore courts have the authority, in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (the transferor company) is to be transferred to another company (the transferee company), to order that the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of the transferor company. Such power only exists in relation to companies incorporated in Singapore.

Sections 215A to 215J of the Singapore Companies Act further provides for a voluntary amalgamation process without the need for a court order. Under this voluntary amalgamation process, two or more companies may amalgamate and continue as one company, which may be one of the amalgamating companies or a new company, in accordance with the procedure set out in the Singapore Companies Act. As part of these procedures, the board of directors of each of the amalgamating company must make a solvency statement in relation to both the amalgamating company and the amalgamated company.

Indemnification

Subject to specified exceptions, Section 172 of the Singapore Companies Act prohibits a company from indemnifying its officers (including directors acting in an executive capacity) against liability, which by law would otherwise attach to them in connection with any negligence, default, breach of duty or breach of trust in relation to that company. A company is not prohibited from (a) purchasing and maintaining for its officers insurance against any such liability; and (b) indemnifying its officers against third party liability, except in circumstances where such liability is for any criminal or regulatory fines or penalties, or where such liability is incurred in respect of (i) the officer defending criminal proceedings in which he is convicted; (ii) the officer defending civil proceedings brought by the company or a related company in which judgment is given against him; or (iii) in connection with any application under Section 76A(13) or Section 391 of the Singapore Companies Act in which the court refuses to grant the officer relief.

2. SINGAPORE TAXATION

The following summary of certain Singapore tax consequences of the purchase, ownership and disposition of the Shares is based upon the laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Shares and does not purport to apply to all categories of prospective investors, some of whom may be subject to special rules. Prospective investors should consult their own tax advisers concerning the application of Singapore tax laws to their particular situation as well as any consequences of the purchase, ownership and disposition of the Shares arising under the laws of any other taxing jurisdiction.

Where Singapore tax laws are discussed, these are merely an outline of the implications of such laws.

Investors should note that the following statements are based on advice received by the Company regarding taxation laws, regulations and practice in force as at the date of this information sheet, which may be subject to change. The statements below are based on the assumption that the Company is tax resident in Singapore for Singapore tax purposes.

Individual income tax

An individual is tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax in Singapore (the "**Comptroller**") is satisfied that the tax exemption would be beneficial to the individual.

A Singapore tax resident individual is taxed at progressive rates ranging from 0% to 22% currently. Non-resident individuals, subject to certain exceptions and conditions, are subject to Singapore income tax on income accruing in or derived from Singapore at the rate of 22% currently.

Corporate income tax

A corporate taxpayer is regarded as resident in Singapore for Singapore tax purposes if the control and management of its business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of dividends, branch profits and service income received or deemed to be received in Singapore by Singapore tax resident companies are exempt from tax if certain prescribed conditions are met, including the following:

(a) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and

(b) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever named called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15%.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore ("**IRAS**") with respect to such conditions.

A non-resident corporate taxpayer is subject to income tax on income that is accrued in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore, subject to certain exceptions.

The corporate tax rate in Singapore is currently 17%.

Dividend distributions

All Singapore-resident companies are currently under the one-tier corporate tax system ("**one-tier system**").

Dividends received in respect of the Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax, on the basis that the Company is a tax resident of Singapore and under the one-tier system.

Under the one-tier system, the tax on corporate profits is final and dividends paid by a Singapore-resident company are exempt from Singapore tax in the hands of a Shareholder, regardless of whether the Shareholder is a company or an individual and whether or not the Shareholder is a Singapore tax resident.

Gains on disposal of the Shares

Singapore does not impose tax on capital gains. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains arising from the disposal of the Shares may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which are regarded as the carrying on of a trade or business in Singapore.

Holders of the Shares who apply, or who are required to apply, the Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Shares, in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of Shares is made.

Stamp Duty

There is no stamp duty payable on the subscription for the Shares.

Singapore stamp duty is payable on a transfer of the Shares if there is an instrument of transfer executed in Singapore or if there is an instrument of transfer executed outside Singapore which is received in Singapore. In such situations, stamp duty is payable on the instrument of transfer of the Shares at the rate of 0.2% of the consideration for, or market value of, the Shares, whichever is higher.

The stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an instrument of transfer is executed outside Singapore or no instrument of transfer is executed, no stamp duty is payable on the acquisition of the Shares. However, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore.

Estate duty

Singapore estate duty was abolished with respect to all deaths occurring on or after 15 February 2008.

Goods and services tax ("GST")

The sale of the Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making an exempt supply is generally not recoverable from the Singapore Comptroller of GST.

Where the Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor contractually to and for the direct benefit of a person belonging outside Singapore, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0%. Any input GST incurred by the GST-registered investor in making such a supply in the course of or furtherance of a business may be fully recoverable from the Singapore Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of the Shares.

Services consisting of arranging, brokering, underwriting or advising on the issue, allotment or transfer of ownership of the Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of the Shares will be subject to GST at the standard rate of 7%. Similar services rendered by a GST-registered person contractually to and for the direct benefit of an investor belonging outside Singapore should generally, subject to the satisfaction of certain conditions, be subject to GST at 0%.

Tax Treaties between Hong Kong and Singapore

There is no comprehensive double tax treaty entered into between Hong Kong and Singapore.

Effect of holding Shares through CCASS or outside CCASS on tax payable

The holding of the Shares through the Central Clearing and Settlement System ("**CCASS**") in Hong Kong or outside CCASS should not give rise to any additional Singapore income tax implications.