

CIRCULAR DATED 6 AUGUST 2010

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This Circular is issued by Freight Links Express Holdings Limited. If you are in any doubt as to the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Freight Links Express Holdings Limited, you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the transferee.

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FREIGHT LINKS EXPRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Co. Reg. No. 198600061G

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) PROPOSED SHARE BUY-BACK MANDATE**
- (2) PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY**
- (3) PROPOSED SCRIP DIVIDEND SCHEME**

IMPORTANT DATES AND TIMES:

Last date and time for lodgment of Proxy Form	:	29 August 2010 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	31 August 2010 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	51 Penjuru Road, #04-00 Freight Links Express Logisticentre Singapore 609143

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:-

ACRA	:	The Accounting and Corporate Regulatory Authority.
Articles	:	The Articles of Association of the Company.
Associate	:	(a) in relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:- <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary;(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% and more; and (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
Associated Company	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or Group and in which the Company has management control.
Board	:	The board of Directors of the Company.
Books Closure Date	:	With respect to a Qualifying Dividend, the date to be determined by the Directors on which the transfer books and register of members of the Company will be closed for the purpose of determining the entitlements of Shareholders to that Qualifying Dividend.
CDP or Depository	:	The Central Depository (Pte) Limited.
CCDO	:	Chief Corporate Development Officer of the Company.
CEO	:	Chief Executive Officer of the Company.
CFO	:	Chief Financial Officer of the Company.
Circular	:	This Circular dated 6 August 2010.
Companies Act	:	The Companies Act of Singapore, Chapter 50, as amended or modified from time to time.
Companies Amendment Act	:	The Companies (Amendment) Act 2005 of Singapore.

Company	:	Freight Links Express Holdings Limited.
Controlling Shareholder	:	A person who:- <ul style="list-style-type: none"> (a) holds directly or indirectly, 15% or more of the amount of all voting shares in the Company; (b) in fact exercises control over the Company; or (c) such other meaning as the SGX-ST may ascribe to this term from time to time.
Director(s)	:	The director(s) for the time being of the Company or of the Group where the context so admits.
Dividend	:	A dividend (including any interim, final, special or other dividend) to be paid on the issued Shares as resolved or proposed by the Directors or the Company in general meeting.
EGM	:	The Extraordinary General Meeting convened pursuant to the notice set out on pages 56 to 58 of this Circular.
Financial Year or FY	:	Each period of 12 months at the end of which the balance of the accounts of the Company is struck and audited, or any period of more or less than 12 months at the end of which the balance of the accounts of the Company is struck and audited, for the purpose of laying the same before an annual general meeting of the Company.
FY10 Final Dividend	:	The proposed final one-tier tax-exempt dividend of 0.35 cents per Share for the year ended 30 April 2010.
Group	:	The Company and its subsidiaries.
Latest Practicable Date	:	26 July 2010, being the last practicable date prior to the printing of this Circular.
Listing Rules	:	The listing rules of the SGX-ST, as from time to time amended, modified or supplemented.
Market Day	:	A day on which the SGX-ST is open for trading in securities.
Maximum Price	:	Has the meaning ascribed to it in paragraph 2.4.4 of this Circular.
New Shares	:	New Shares to be issued, credited as fully paid, pursuant to the Scrip Dividend Scheme.
Overseas Shareholders	:	With respect to a Qualifying Dividend, Shareholders with registered addresses outside Singapore and who have not provided the Company or CDP, as the case may be, not later than 5 Market Days (or such other cut-off date as the Directors may determine) prior to the Books Closure Date for that Qualifying Dividend with addresses in Singapore for service of notices and documents.

Price Determination Period	:	The period of three (3) Market Days commencing on the day on which the Shares are first quoted ex-dividend on the SGX-ST after the announcement of the relevant Qualifying Dividend and ending on the Books Closure Date in respect of such Qualifying Dividend.
Qualifying Dividend	:	A Dividend to which the Scrip Dividend Scheme applies, as determined by the Directors.
Scrip Dividend Scheme	:	The Scrip Dividend Scheme, the terms and conditions of which are set out in Appendix D to this Circular, as amended from time to time.
SGX-ST	:	Singapore Exchange Securities Trading Limited.
Share(s)	:	Ordinary share(s) in the capital of the Company.
Shareholder(s)	:	Registered holder(s) of Shares or in the case of depositors, depositors who have shares entered against their names in the Depository Register.
Share Buyback Mandate	:	The general mandate given by Shareholders to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares in accordance with the Guidelines on Share Buy-Backs set out in Appendix A to this Circular.
SIC	:	Securities Industry Council.
Takeover Code	:	The Singapore Code on Take-Overs and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended.
trading day	:	A day on which the SGX-ST is open for trading in securities.
S\$ or \$:	Singapore dollar.
% or per cent	:	Percentage or per centum.

The terms **depositor**, **depository agent** and **Depository Register** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

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 Circular 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 or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

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

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

FREIGHT LINKS EXPRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Co. Reg. No. 198600061G

Directors:

Khua Hock Su
Eric Khua Kian Keong
Henry Chua Tiong Hock
Thomas Woo Sai Meng
Sebastian Tan Cher Liang
Derek Loh Eu Tse

Designation:

Non-Executive Chairman
Executive Director and CEO
Executive Director and CCDO
Executive Director and CFO
Independent Non-Executive Director
Independent Non-Executive Director

Registered Office:

51 Penjuru Road #04-00
Freight Links Express Logisticentre
Singapore 609143

6 August 2010

To: The Shareholders of
Freight Links Express Holdings Limited

Dear Sir/Madam,

- (1) PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE;**
- (2) PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY; AND**
- (3) PROPOSED SCRIP DIVIDEND SCHEME.**

1. INTRODUCTION

The Directors propose to convene an EGM to be held on 31 August 2010 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place) for the purpose of seeking Shareholders' approval for the following:-

- (a) the proposed Share Buyback Mandate;
- (b) the proposed Amendments to the Memorandum and Articles of Association; and
- (c) the proposed Scrip Dividend Scheme.

The purpose of this Circular is to provide Shareholders with information relating to the above matters and to seek their approval for the same at the EGM to be convened.

2. PROPOSED SHARE BUYBACK MANDATE

2.1 Introduction

Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by, the Companies Act and the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

It is a requirement that a company which wishes to purchase or acquire its own shares should obtain the prior specific approval of its shareholders in general meeting. Accordingly, approval is being sought from Shareholders at the EGM for a general and unconditional Share Buyback Mandate to be given for the purchase or acquisition by the Company of its issued shares.

If approved by Shareholders at the EGM, the Directors will have the authority to exercise all powers of the Company in purchasing or acquiring Shares pursuant to the terms of the Share Buyback Mandate.

2.2 Rationale

The approval of the Share Buyback Mandate authorizing the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the 10% limit described in paragraph 2.4.1 below at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) In managing the business of the Group, management strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways through which the return on equity of the Group may be enhanced.
- (b) The Share Buyback Mandate is an expedient, effective and cost-efficient way for the Company to return surplus cash which is in excess of the financial and possible investment needs of the Group to its Shareholders. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.
- (c) Share repurchase programmes help buffer short-term share price volatility and off-set the effects of short-term speculators and investors and, in turn, bolster shareholder confidence and employee morale.

While the Share Buyback Mandate would authorize a purchase or acquisition of Shares up to the said 10% limit (subject to other restrictions imposed by the Companies Act in relation to the maximum percentage of a company's shares that may be held as treasury shares), the Directors will only make a purchase or acquisition of Shares as and when (i) the Company is solvent; (ii) circumstances permit; and (iii) only if the Directors are of the view that such purchases or acquisitions are in the best interests of the Shareholders. No purchases or acquisitions of Shares would be made in circumstances which would have a material adverse effect on the financial position of the Company or the Group. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out at all, or to the full limit as authorised.

For the purposes of the foregoing paragraph, the Company is deemed "solvent" if:-

- (a) the Company is able to pay its debts in full at the time of the payment for the purchase or acquisition of the Shares and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the payment; and
- (b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase or acquisition become less than the value of its liabilities (including contingent liabilities).

In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

2.3 The Proposed Share Buyback Mandate

It is a requirement under the Act that a company which wishes to purchase or otherwise acquire its own shares must do so in accordance with and in the manner prescribed by the Act, Part XIII of Chapter 8 of the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

Under Rule 881 of the Listing Manual, a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the EGM for a general and unconditional Share Buyback Mandate to be given for the purchase or acquisition by the Company of its issued Shares.

2.4 Authority and Limits on the Proposed Share Buyback Mandate

The authority and limitations of the proposed Share Buyback Mandate are summarised below:–

2.4.1 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 Buyback Mandate shall not exceed 10% of the issued ordinary share capital of the Company as at the date of the last general meeting of the Company held before the resolution authorising the Share Buyback Mandate is passed or as at the date on which the resolution authorising the Share Buyback Mandate is passed, whichever is higher. Following the introduction of the Companies (Amendment) Act, any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 2,131,492,885 Shares in issue as at the Last Practicable Date and assuming that no further Shares are issued on or prior to the AGM, not more than 213,149,288 Shares (representing 10% of the Shares in issue as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

In the event that any of the outstanding share options granted pursuant to the Company's share option scheme that have vested are exercised during the period between the Latest Practicable Date and the date of the EGM, only those new Shares that are allotted and issued by the date of the EGM pursuant to the exercise of such vested share options will be taken into account for the purposes of determining the total number of Shares as at the date of the EGM.

2.4.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the EGM at which the Share Buyback Mandate is approved up to the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which the Share purchases are carried out to the full extent mandated under the Share Buyback Mandate; or
- (iii) the time when the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders of the Company in general meeting,

(“**Relevant Period**”).

The Share Buyback Mandate may be renewed at each annual general meeting or other general meeting of the Company.

2.4.3 Manner of Conduct of Share Buy-Backs

The Shares may be purchased or acquired by way of:-

- (i) an on-market purchase (“**On-Market Purchase**”) transacted through the SGX-ST's Central Limit Order Book trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or

- (ii) an off-market purchase (“**Off-Market Purchase**”) pursuant to an equal access scheme(s) (as defined in Section 76C of the Act) as may be determined or formulated by the Directors as they consider fit, of which such scheme(s) shall satisfy all the conditions pursuant to the proposed Share Buyback Mandate,

and in accordance with the Act, all laws, the Listing Manual and other rules and regulations of the SGX-ST.

On-Market Purchases refer to purchases or acquisitions of Shares by the Company effected on the SGX-ST, through one or more duly licensed dealers appointed by the Company for the purpose.

In an Off-Market Purchase, the Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy 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 are the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
 - (bb) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Under the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company will issue an offer document containing, *inter alia*, the following information to all Shareholders:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed share purchase;
- (iv) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or any other applicable take-over rules;
- (v) whether the share purchase, if made, could have any effect on the listing of the Shares on the SGX-ST; and
- (vi) details of any share buy-back made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.

2.4.4 Maximum Price to be paid for the Shares

The purchase price (excluding brokerage fees, stamp duties payable, applicable goods and services tax and other related expenses) to be paid per Share for any Share buy-backs shall be determined by the Directors, subject always to a maximum price ("**Maximum Price**") which:-

- (i) in the case of an On-Market Purchase, shall mean the price per Share based on not more than 5% above the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, shall mean the price per Share based on not more than 10% above the Average Closing Price.

For the above purposes:

"Average Closing Price" means the average of the closing market prices of a Share over the last 5 Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed and quoted immediately preceding the date of the On-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 rules of the SGX-ST, for any corporate action that occurs after the relevant 5 day period; and

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

The Guidelines on Share Buy-Backs are set out in **Appendix A** to this Circular.

2.5 Status of Shares Bought Back

Pursuant to the Act, Shares purchased or acquired by the Company may be cancelled immediately on purchase or acquisition, and all rights and privileges attached to such Shares bought back shall expire upon cancellation unless held by the Company as treasury shares.

All Shares purchased or acquired by the Company where not held as treasury shares in accordance with the Act will be automatically de-listed by the SGX-ST and certificates in respect thereof (where applicable) will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

In such cases, where the Company decides to cancel the Shares bought back, the Company shall:-

- (i) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled. Where the purchased Shares are held in treasury, the total issued Shares of the Company remains unchanged.

2.6 Treasury Shares

Pursuant to the Act, Shares repurchased by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Act are summarised as follows:-

2.6.1 Maximum Holdings

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

2.6.2 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 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 (whether in cash or otherwise), and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding-up) may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.6.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time conduct the following:-

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.

2.7 Source of Funds

In purchasing of the Shares, the Company shall only apply funds legally available in accordance with its Articles, and the applicable laws in Singapore. The Company may not repurchase its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company will use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance the Company's purchase or acquisition of the Shares. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will also consider the financial position of the Group, particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions of the Shares in circumstances that they believe will not result in any material adverse effect to the financial position of the Group.

The Companies Act currently provides that purchases and acquisitions of Shares:

- (a) may be made out of the Company's capital or retained profits; and
- (b) only if the Company is solvent.

2.8 Financial Effects of the Share Buy-Back

Where the Company cancels any of the Shares it repurchased, the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its shares capital and profits proportionately where the Shares are purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will not affect the amount available for distribution in the form of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of retained profits, such consideration (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for distribution in the form of cash dividends by the Company.

The financial effects on the Group arising from the purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant times, the amount (if any) borrowed by the Group to fund the purchases or acquisitions, whether the Shares are purchased or acquired out of capital and/or retained profits of the Company and whether the Shares purchased or acquired are held as treasury shares or cancelled.

The purchase of Shares would result in the total number of issued Shares being diminished by the number of Shares repurchased by the Company which are not held as treasury shares.

Based on the existing issued and paid-up ordinary share capital of the Company as at the Latest Practicable Date, and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the EGM, the purchase by the Company of 10% of its issued Shares will result in the purchase or acquisition of 213,149,288 Shares.

Assuming the Company purchases or acquires the 213,149,288 Shares at the Maximum Price, the maximum amount of funds required (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is:-

- (a) in the case of On-Market Purchases of Shares, approximately S\$11,190,338 based on S\$0.0525 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the 5 consecutive Market Days immediately preceding the Latest Practicable Date); and
- (b) in the case of Off-Market Purchases of Shares, approximately, S\$11,723,211 based on S\$0.055 for one Share (being the price equivalent to ten per cent above the Average Closing Price of the Shares traded on the SGX-ST for the 5 consecutive Market Days immediately preceding the Latest Practicable Date).

For illustrative purposes only, on the basis of the assumptions set out above, and based on the audited financial statements of the Group for the year ended 30 April 2010 and assuming that:

- (i) the Share Buyback Mandate had been effective on the Latest Practicable Date being 26 July 2010; and

- (ii) the purchases or acquisitions of Shares are half financed by internal resources and half financed by profits,

the financial effects of the purchase or acquisition of such Shares by the Company on the audited financial statements of the Group for the financial year ended 30 April 2010 would have been as follows:

- (i) **Market Purchases of Shares up to 10% with 5% financed by internal resources and 5% financed by profits and subsequently cancelled**

	Group		Company	
	Before Share Buy-Back	After Share Buy-Back	Before Share Buy-Back	After Share Buy-Back
As at 30 April 2010				
Shareholders' Funds (S\$'000)	145,280	134,090	109,497	98,307
Treasury Shares	—	—	—	—
Net Assets (S\$'000)	150,640	139,450	109,497	98,307
Current Assets (S\$'000)	67,247	56,057	24,223	13,033
Current Liabilities (S\$'000)	44,979	44,979	3,705	3,705
Total Borrowings (S\$'000) ¹	57,503	57,503	13,893	13,893
Cash & cash equivalents	38,517	27,327	21,316	10,126
Number of shares ('000)	2,131,493	1,918,344	2,131,493	1,918,344
<u>Financial Ratios</u>				
NA per Share (cents)	7.067	7.269	5.137	5.125
Earnings per Share (cents)	0.650	0.722	N/A	N/A
Gearing (%) ²	13.069	22.505	—	3.832
Current Ratio (times) ³	1.495	1.246	6.538	3.518

(ii) **Off-Market Purchases of Shares up to 10% with 5% financed by internal resources and 5% financed by profits and subsequently cancelled**

	Group		Company	
	Before Share Buy-Back	After Share Buy-Back	Before Share Buy-Back	After Share Buy-Back
As at FYE 2010				
Shareholders' Funds (S\$'000)	145,280	133,557	109,497	97,774
Treasury Shares	—	—	—	—
Net Assets (S\$'000)	150,640	138,917	109,497	97,774
Current Assets (S\$'000)	67,247	55,524	24,223	12,500
Current Liabilities (S\$'000)	44,979	44,979	3,705	3,705
Total Borrowings (S\$'000) ¹	57,503	57,503	13,893	13,893
Cash and cash equivalents	38,517	26,794	21,316	9,593
Number of shares ('000)	2,131,493	1,918,344	2,131,493	1,918,344
<u>Financial Ratios</u>				
NA per Share (cents)	7.067	7.241	5.137	5.097
Earnings per Share (cents)	0.650	0.722	N/A	N/A
Gearing (%) ²	13.069	22.993	—	4.398
Current Ratio (times) ³	1.495	1.234	6.538	3.374

Notes:-

- (1) Total borrowings comprise liabilities arising from borrowings from banks and other financial institutions and outstanding debt securities.
- (2) Gearing is computed based on the ratio of total borrowings after deducting cash and cash equivalents to shareholders' funds.
- (3) Current ratio is derived based on current assets divided by current liabilities.

For illustrative purposes, it has been assumed that the purchases or acquisitions of Shares are half financed by internal resources and half financed by profits. Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be also an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company, with the actual impact dependent on, *inter alia*, the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE FOR ILLUSTRATION PURPOSES ONLY (BASED ON THE AFOREMENTIONED ASSUMPTIONS). THE ACTUAL IMPACT WILL DEPEND ON, INTER ALIA, THE NUMBER AND PRICE OF THE SHARES PURCHASED OR ACQUIRED (IF ANY), THE AMOUNT (IF ANY) BORROWED BY THE COMPANY TO FUND THE PURCHASES OR ACQUISITIONS AND WHETHER THE SHARES TO BE ACQUIRED OR PURCHASED ARE CANCELLED OR HELD IN

TREASURY. IN PARTICULAR, SHAREHOLDERS SHOULD NOTE THAT THE ABOVE ANALYSIS IS BASED ON THE AUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 APRIL 2010 AND IS NOT NECESSARILY REPRESENTATIVE OF FUTURE FINANCIAL PERFORMANCE.

The Company may take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution. Although the Share Buyback Mandate would authorize the Company to purchase or acquire up to 10% of its issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of its issued Shares. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased as treasury shares.

2.9 Listing Rules

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST (a) in the case of an On-Market Purchase, not later than 9.00 a.m. on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, not later than 9.00 a.m. on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

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

2.10 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 tax advisers.

2.11 Reporting Requirements

The Act and/or the Listing Manual require the Company to make the following reports in relation to the proposed Share Buyback Mandate: –

2.11.1 To lodge a copy of the Shareholders’ resolution approving the proposed Share Buyback Mandate with ACRA within 30 days of the passing of such resolution;

2.11.2 To notify ACRA of the purchase or acquisition of Shares on the SGX-ST or otherwise within 30 days. Such notification shall be in the prescribed form and shall include:-

- (i) the date of the acquisition or purchase of Shares;
- (ii) the number of Shares acquired or purchased;
- (iii) the number of Shares cancelled;
- (iv) the number of Shares held as treasury shares (if applicable);
- (v) the Company’s issued share capital before the purchase or acquisition;
- (vi) the Company’s issued share capital after the purchase or acquisition;
- (vii) the amount of consideration paid by the Company for the purchase or acquisition of the Shares;

- (viii) whether the Shares were purchased or acquired out of the profits or the capital of the Company; and
- (ix) such other particulars as may be required.

2.11.3 Pursuant to the Listing Manual, to report purchases of Shares to SGX-ST in the forms prescribed:-

- (i) in the case of On-Market Purchases, not later than 9.00 a.m. on the Market Day following the day on which the Company makes an On-Market Purchase; and
- (ii) in the case of Off-Market Purchases, not later than 9.00 a.m. on the second Market Day after the close of acceptances of the offer made by the Company.

2.11.4 To disclose in its annual report and accounts, all details pertaining to purchases of Shares made during the year, including the total number of Shares purchased during the financial year under review, the purchase price per Share or the highest and lowest prices paid for the purchases, and where relevant, the total consideration paid.

2.12 Listing Status on SGX-ST

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public Shareholders. As at the Latest Practicable Date, approximately 48.23% of the issued Shares are held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.13 Take-over Implications under the Take-over Code

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.13.1 Obligation to make a Take-over Offer

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

2.13.2 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, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);

- (iii) the subsidiaries of (i);
- (iv) the fellow subsidiaries of (i);
- (v) the associated companies of any of (i), (ii), (iii) or (iv); and
- (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v);
- (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 person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (d) a financial or other professional adviser (including a stockbroker), with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (e) 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;
- (f) partners; and
- (g) the following 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.

The circumstances under which Shareholders, including Directors and person 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.

2.13.3 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 its 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.

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 of the Take-over Code 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 Buyback Mandate unless so required by the Companies Act.

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 SIC and/or their professional advisers at the earliest opportunity.

2.13.4 Application of the Take-over Code

The interests of the Directors and Substantial Shareholders are set out in **Appendix B (Shares Held by the Directors and Substantial Shareholders)**. In the event the Company undertakes Share purchases within the Relevant Period, or within the current financial year of the Company, whichever expires earlier, of the maximum amount of 10% of the issued Shares of the Company as permitted by the Share Buyback Mandate, the shareholdings and voting rights of:

- (a) the Directors and their concert parties (as defined in the Take-over Code) will remain above 50%; and
- (b) the Substantial Shareholders and their concert parties (as defined in the Take-over Code) will remain above 50%,

and accordingly, no general offer is required to be made pursuant to the Take-over Code.

The Directors are not aware of any other Shareholder who may become obligated to make a mandatory offer in the event that the Company purchases or acquires the maximum number of Shares under the Share Buyback Mandate.

2.14 Approvals

The proposed Share Buyback Mandate is subject to the approval of the Shareholders at the EGM.

SHAREHOLDERS SHOULD NOTE THAT THE APPROVAL OF THE SHARE BUYBACK MANDATE WILL CONSTITUTE A WAIVER BY THE SHAREHOLDERS IN RESPECT OF THEIR RIGHT TO A GENERAL OFFER AT THE REQUIRED PRICE FROM THE AFFECTED PARTIES AND PARTIES ACTING IN CONCERT WITH THEM IF THEIR SHAREHOLDING CROSSES THE THRESHOLD UNDER THE TAKE-OVER CODE PURSUANT TO SHARE REPURCHASES MADE BY THE COMPANY.

2.15 Shares bought by the Company in the previous 12 months

No purchase of Shares has been made by the Company in the 12 months preceding the Latest Practicable Date.

3. PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

3.1 Rationale

The Companies (Amendment) Act, which came into operation on 30 January 2006, has introduced key amendments to the Companies Act. These amendments include the abolition of the concepts of par value and authorised capital, and allowing re-purchased shares to be held as treasury shares.

With the abolition of the concept of par value pursuant to the Companies (Amendment) Act, shares of a company no longer have any par or nominal value. The concepts of share premium and the issue of shares at a discount have also been abolished accordingly. All amounts standing to the credit of a company's share premium account and capital redemption reserves (if any) as at 30 January 2006 would become part of the company's share capital.

The Companies (Amendment) Act has also introduced new provisions on treasury shares. Under these new provisions, shares which are the subject of a share repurchase by a company can be held by the company as treasury shares instead of being cancelled. The right to attend and vote at meetings and the right to dividends and other distributions will be suspended for so long as the repurchased shares are held in treasury.

3.2 Proposed Alterations to the Memorandum and Articles

The Memorandum and Articles are proposed to be altered as a result of the above changes introduced by the Companies (Amendment) Act. The Company is also taking the opportunity to streamline and rationalise certain other provisions of the Articles.

3.3 Summary of Alterations

Shareholders should note that this is only a summary of the more substantive alterations to the Articles. For full details of the alterations, please refer to **Appendix C (Amendments to Memorandum and Articles)**.

(a) ***Removal of references to par or nominal value and authorised capital***

Following the abolition of the concepts of par or nominal value and authorised share capital, references to these terms throughout the existing Articles have been removed.

(b) ***Removal of references to share premium and capital redemption reserve***

Under the Companies (Amendment) Act, the concept of issuing shares at a discount or premium is no longer applicable following the abolition of the concept of par or nominal value. Further, the Companies (Amendment) Act provides that any amount standing to the credit of a company's share premium account and capital redemption reserve now become part of its share capital. The proposed alterations to the Articles provide for such corresponding amendments.

(c) ***Provisions for shares repurchased by the Company to be held as treasury shares***

New provisions on treasury shares have been introduced in the Companies (Amendment) Act. Shares repurchased by the Company can now be held as treasury shares instead of being cancelled. The right to attend and vote at meetings and the right to dividends and other distributions will be suspended for so long as such repurchased shares are held in treasury. The proposed alterations to the Articles include provisions for such treasury shares.

(d) ***Minimum number of Directors***

The provisions of the Articles are proposed to be altered to reflect the updated version of the Companies Act regarding the minimum number of Directors.

(e) ***Scrip Dividend Scheme***

The Company proposes to have a Scrip Dividend Scheme, details of which are set out in paragraph 4 below. To facilitate the implementation of the Scrip Dividend Scheme by the Directors, a new Article 114A is proposed to be inserted in the Articles to, *inter alia*, enable Shareholders to elect to receive New Shares credited as fully paid in lieu of the cash amount of a Qualifying Dividend, in accordance with the Scrip Dividend Scheme.

(f) **Notices**

Sections 387A and 387B of the Companies Act provide for service of notices and documents by electronic means. Alterations to the Articles in this respect are proposed to be made accordingly.

4. PROPOSED SCRIP DIVIDEND SCHEME

4.1 Rationale

The Scrip Dividend Scheme will provide Shareholders with the option to elect to receive a Qualifying Dividend in the form of New Shares in lieu of cash. The Scrip Dividend Scheme will enable Shareholders to acquire additional Shares without having to incur transaction or brokerage costs. The Company will also benefit from the participation by Shareholders in the Scrip Dividend Scheme as, to the extent that Shareholders elect to receive a Qualifying Dividend in the form of New Shares, the Company's share capital base will be enlarged and the cash retained for the Company's purpose.

The terms and conditions of the Scrip Dividend Scheme are set out in Appendix D of this Circular and a summary description and explanation of the Scrip Dividend Scheme is provided in paragraphs 4.2 to 4.13 below.

4.2 Implementation of Scrip Dividend Scheme

Shareholders' approval for the Scrip Dividend Scheme is being sought by way of an ordinary resolution.

Under the Scrip Dividend Scheme, Shareholders will receive their entitlements to any Qualifying Dividend in cash if they do not elect to receive their entitlements to a Qualifying Dividend in the form of New Shares.

4.3 Election to receive Qualifying Dividends in the Form of New Shares in lieu of Cash

Under the Scrip Dividend Scheme, whenever a Dividend has been announced and the Directors have determined that in respect of their entitlement to the Dividend Shareholders may elect to receive New Shares credited as fully paid, each Shareholder has the following choices in respect of the Dividend:

- (a) to receive a cash Dividend on all his existing Shares held;
- (b) elect to receive an allotment of New Shares in lieu of all the cash amount of the Dividend entitlement credited as fully paid; or
- (c) elect to receive an allotment of New Shares in lieu of the cash amount of the Dividend entitlement, credited as fully paid in relation to a portion of his existing Shares held and a cash Dividend in relation to the balance of his existing Shares held.

An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the Market Day immediately following the Books Closure Date for that Dividend.

A Shareholder will, at the absolute discretion of the Company, receive one or more notices of election ("**Notices of Election**") in relation to all of his holding of Shares. A Shareholder may elect to receive New Shares in respect of part only or all of his entitlement to the Qualifying Dividend to which each Notice of Election relates. A Shareholder may also make a permanent election to receive New Shares in respect of his entitlement to all future Qualifying Dividends to which each Notice of Election relates. Where a permanent election has been made, the participating Shareholder may, by giving the appropriate notice, cancel his participation and withdraw from the Scrip Dividend Scheme at any time. The cancellation of a permanent election by a Shareholder would not preclude him from making a fresh permanent election, should he wish to do so, at a later date.

A Shareholder receiving two or more Notices of Election may elect to receive New Shares in respect of his entitlement to which one Notice of Election relates and decline to receive New Shares in respect of his entitlement to which any other Notice of Election relates. For the avoidance of doubt, a Shareholder may not make a permanent election to participate in respect of part only of his holdings of Shares to which each Notice of Election relates to all future Qualifying Dividends. A Shareholder receiving two or more Notices of Election and wishing to receive New Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all his holding of Shares must complete all the Notices of Election received by him and return the completed Notices of Election to the Company and/or CDP, as the case may be. A Shareholder who is a Depository Agent or nominee company of a bank, merchant bank, stockbroker or other financial institution, holding Shares as custodian, may be allowed at the absolute discretion of the Directors, to make an election to participate in the Scrip Dividend Scheme in respect of part only of the Shares to which each Notice of Election received by it relates.

For the purpose of calculating the number of New Shares to be allotted to Shareholders, the issue price of a New Share shall not be set by the Directors at more than 10% discount (or such other discount as may be permitted by the Listing Manual) to, nor shall it exceed the average of the last dealt prices of the Share on the SGX-ST for each of the Market Days during the Price Determination Period. In the event that there is no trading in the Shares during the Price Determination Period, the issue price of a New Share shall not exceed the average of the last dealt prices of the Share on the SGX-ST for a period of three (3) Market Days on which there were trades of the Shares on the SGX-ST.

Consequently (where the Scrip Dividend Scheme applies to a particular Dividend), it will not be possible until after the close of business on the last day of the relevant Price Determination Period to determine the exact number of New Shares to which Shareholders electing to receive New Shares will be entitled. An announcement will be made setting out the issue price of a New Share to be used in the calculation of entitlements of Shareholders to the New Shares in respect of such Dividend.

The New Shares to be issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the existing Shares then in issue save only as regards to participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors or the Company in general meeting shall otherwise specify.

Fractional entitlements to the New Shares will be rounded down to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interests of the Company and as may be acceptable to the SGX-ST.

Shareholders will receive the Qualifying Dividend in cash if they do not expressly elect to participate in the Scrip Dividend Scheme according to its provisions. Shareholders need not take any action if they wish to receive their entitlement to the Qualifying Dividend in cash.

4.4 Availability of the Scrip Dividend Scheme

Notwithstanding any provisions of the Scrip Dividend Scheme, if at any time after the Directors have determined that the Scrip Dividend Scheme shall apply to any Dividend and before the allotment and issue of New Shares in respect of such Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of such Dividend, the Directors may, in their absolute discretion and as they deem fit in the interest of the Company, cancel the application of the Scrip Dividend Scheme to such Dividend. In such event, the Dividend shall be paid in cash to Shareholders in the usual way.

4.5 Eligibility

All Shareholders are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Overseas Shareholders, more particularly described in paragraph 4.7 below, and further subject to the requirement that such participation by the Shareholder will not result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or the Memorandum and Articles of Association of the Company.

4.6 Take-over Implications

The attention of Shareholders is drawn to Rule 14 of the Take-over Code. In particular, a Shareholder should note that he may be under an obligation to extend a take-over offer for the Company, if:

- (a) he acquires, by participating in the Scrip Dividend Scheme in relation to any dividend, whether at one time or different times, Shares which (taken together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) he, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of the Company and he, or any person acting in concert with him, acquires in any period of six months additional Shares carrying more than 1% of the voting rights of the Company by participating in the Scrip Dividend Scheme in relation to any Dividend.

Please refer to paragraph 2.13 for further details.

4.7 Shareholders resident outside Singapore

For practical reasons and to avoid any violation of securities laws applicable in countries outside Singapore where Shareholders may have their registered addresses, the Scrip Dividend Scheme may, at the absolute discretion of the Directors, not be offered to Overseas Shareholders. No Overseas Shareholder shall have any claims whatsoever against the Company as a result of the Scrip Dividend Scheme not applying to such Overseas Shareholder. Overseas Shareholders who wish to be eligible to participate in the Scrip Dividend Scheme should provide an address in Singapore for the service of notices and documents by notifying the Company, at 51 Penjuru Road, #04-00, Freight Links Express Logisticcentre, Singapore 609143 (or such other address as may be announced by the Company from time to time), or, if the Overseas Shareholder is a Depositor, CDP, at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 (or such other address as may be announced by the Company from time to time) no later than 5 Market Days prior to the Books Closure Date. Shareholders should note that all correspondence and notices will be sent to their last registered addresses with the Company or, as the case may be, CDP.

4.8 Listing on the SGX-ST

Approval in-principle has been granted by the SGX-ST for the listing of and quotation for the New Shares to be issued pursuant to the Scrip Dividend Scheme. Such approval is not to be taken as an indication of the merits of the Scrip Dividend Scheme, the New Shares or the Company.

It is expected that share certificates will be posted at the risk of those entitled or, as the case may be, the New Shares will be credited to the relevant securities accounts of Depositors, on or about the payment date for the Qualifying Dividend, which shall be a date not less than 30 Market Days but not more than 35 Market Days after the Books Closure Date for that Qualifying Dividend.

4.9 Taxation

The Company takes no responsibility for the taxation liabilities of Shareholders or Depositors who choose to participate in the Scrip Dividend Scheme or the tax consequences of any election made by Shareholders or Depositors. As individual circumstances and laws may vary considerably, specific taxation advice should be obtained by Shareholders and Depositors if required. The Company accepts no responsibility for the correctness or accuracy of any information as to tax liability contained in the Scrip Dividend Scheme Statement set out in Appendix D of this Circular.

Without prejudice to the foregoing paragraph, as a general indication, however, it is understood that as the date hereof, under the income tax legislation in Singapore, the tax liability of a Shareholder will not alter, nor is there any advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.

4.10 Odd Lots

A Shareholder who elects to receive New Shares in lieu of the cash amount of the Qualifying Dividend may receive such New Shares in odd lots.

4.11 Modification and Termination

The Scrip Dividend Scheme may be modified or terminated at any time by the Directors as they deem fit on giving notice in writing to all Shareholders.

In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Shareholder who has made a permanent election under the Scrip Dividend Scheme unless and until the Company, or as the case may be, CDP (where the Shareholder is a Depositor) receives a notice of cancellation in respect of a Notice of Election submitted by the Shareholder.

4.12 General

It should be noted that all Shareholders, including Directors and substantial shareholders of the Company who hold Shares are entitled to participate in the Scrip Dividend Scheme in respect of any Qualifying Dividend, subject to the restrictions referred to in paragraph 4.5 above.

In connection with the proposed issue of New Shares in lieu of a cash Dividend, the Directors consider it appropriate to obtain the approval of Shareholders to the allotment and issue of such number of New Shares as may be required to be issued pursuant to the election by Shareholders under the Scrip Dividend Scheme.

4.13 Application of the Scrip Dividend Scheme to the FY10 Final Dividend

On 25 June 2010, the Company announced (the “**Scrip Dividend Scheme Announcement**”) that it was proposing a Scrip Dividend Scheme and apply it to the proposed FY10 Final Dividend to give Shareholders the option to receive the FY10 Final Dividend in the form of New Shares, subject to Shareholders approving:

- (a) the alteration to the Articles to authorise the Directors to determine the terms of the Scrip Dividend Scheme and apply the Scrip Dividend Scheme to any dividend;
- (b) the proposed Scrip Dividend Scheme; and
- (c) the FY10 Final Dividend.

The Company will make a further announcement on or about 31 August 2010, which will set out the details of the application of the Scrip Dividend Scheme to the FY10 Final Dividend.

5. DIRECTORS’ RECOMMENDATION

5.1 Proposed Share Buyback Mandate

The Directors are of the opinion that the proposed Share Buyback Mandate is in the best interests of the Company.

Accordingly, the Directors recommend that Shareholders vote in favour of the resolution (set out in the notice of the EGM at pages 56 to 58 of this Circular) relating to the proposed Share Buyback Mandate to be raised at the EGM to be held on 31 August 2010 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place) at 51 Penjuru Road, #04-00, Freight Links Express Logisticcentre, Singapore 609143.

5.2 Amendments to the Memorandum and Articles

The Directors are of the opinion that the proposed amendments to the Memorandum and Articles of the Company are in the best interests of the Company.

Accordingly, they recommend that the Shareholders vote in favour of Special Resolution 2 relating to the proposed amendments to the Memorandum and Articles of the Company as set out in the Notice of EGM (on pages 56 to 58 of this Circular).

5.3 Proposed Scrip Dividend Scheme

The Directors are of the opinion that the proposed authority to be given to Directors to implement the Scrip Dividend Scheme and issue New Shares pursuant to the Scrip Dividend Scheme is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 3, being the Ordinary Resolution relating to the implementation of the proposed Scrip Dividend Scheme to be proposed at the EGM.

In addition, it should be highlighted that the passing of Resolution 3 is contingent upon the approval of Resolution 2, being the Special Resolution relating to the proposed amendment to the Memorandum and Articles of Association. If Resolution 2 is not approved, Resolution 3, being the Ordinary Resolution relating to the implementation of the proposed Scrip Dividend Scheme, cannot be carried out by the Company.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 56 to 58 of this Circular, will be held on 31 August 2010 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place) at 51 Penjuru Road, #04-00, Freight Links Express Logisticcentre, Singapore 609143 for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution and the Special Resolution set out in the notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 51 Penjuru Road, #04-00, Freight Links Express Logisticcentre, Singapore 609143 not later than 10.30 a.m. on 29 August 2010. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting in person at the EGM if he so wishes.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Share Buyback Mandate, the proposed Amendments to Memorandum and Articles of Association of the Company, the proposed Scrip Dividend Scheme, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at the registered office of the Company during normal office hours from the date hereof up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Annual Report of the Company and the Group for the financial year ended 30 April 2010.

Yours faithfully
For and on behalf of the Board

Eric Khua Kian Keong
Executive Director and CEO
FREIGHT LINKS EXPRESS HOLDINGS LIMITED

APPENDIX A – GUIDELINES ON SHARE BUY-BACKS

1. Shareholder Approval

- (a) Purchases of Shares by the Company must be specifically approved in advance by the Shareholders at a general meeting of the Company, by way of general mandate.
- (b) A general mandate authorising the purchase of Shares by the Company will expire on the earliest of:-
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.

The authority conferred on the Board by the Share Buy-Back Mandate to purchase Shares may be renewed at the next annual general meeting of the Company.

2. Manner of Purchase

The Shares may be purchased or acquired by way of:-

- (i) an on-market purchase (“**On-Market Purchase**”) transacted through the SGX-ST’s Central Limit Order Book trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or
- (ii) an off-market purchase (“**Off-Market Purchase**”) pursuant to an equal access scheme(s) (as defined in Section 76C of the Act) as may be determined or formulated by the Directors as they consider fit, of which such scheme(s) shall satisfy all the conditions pursuant to the proposed Share Buyback Mandate,

and in accordance with the Act, all laws, the Listing Manual and other rules and regulations of the SGX-ST.

3. Funding of Share Buy-Backs

- (a) In purchasing Shares, the Company may only apply funds legally available for such purchase in accordance with its Articles of Association and the applicable laws in Singapore.
- (b) The Company may not purchase its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.
- (c) Any purchases by the Company may be made out of its capital or profits as long as the Company is solvent.

4. Trading Restrictions

- (a) The aggregate number of Shares which can be repurchased pursuant to the Share Buy-Back Mandate is such number which represents up to a maximum of 10% of the issued share capital of the Company as at the date of the EGM.
- (b) In making the decision to effect a Share repurchase, the Board shall use its best efforts to ensure that the number of Shares remaining in the hands of the public will not fall to such a level as to reduce market liquidity of the Shares and affect adversely the listing status of the Company.

5. Price Restrictions

Purchases of Shares by the Company shall be at any price of up to but not exceeding the Maximum Price.

6. Status of Repurchased Shares

Shares purchased or acquired are deemed cancelled immediately on purchase or acquisition unless such Shares are held by the Company as treasury shares. All rights and privileges attached to such cancelled shares shall expire upon cancellation.

7. Reporting Requirements

- (a) Within 30 days of the passing of a Shareholders' resolution to approve purchases of Shares, the Company must lodge a copy of such resolution with the ACRA.
- (b) The Company must notify the ACRA, within 30 days of the purchase of Shares on the SGX-ST or otherwise. Such notification shall include details of the date of the purchase, the total number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase of Shares, the amount of consideration paid by the Company for the purchase of the Shares, the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required.
- (c) Purchases of Shares on the SGX-ST must be reported to the SGX-ST in the forms prescribed:-
 - (i) in the case of On-Market Purchases, not later than 9.00 a.m. on the Market Day following the day on which the Company makes an On-Market Purchase; and
 - (ii) in the case of Off-Market Purchases, not later than 9.00 a.m. on the second Market Day after the close of acceptances of the offer made by the Company.
- (d) In its annual report and accounts, the Company shall make disclosure of all details pertaining to purchases of Shares made during the year, including the total number of Shares purchased during the financial year under review, the purchase price per Share or the highest and lowest prices paid for the purchases; and where relevant, the total consideration paid.

8. Interested Persons

The Company is prohibited from knowingly purchasing Shares on the SGX-ST from an interested person, that is a Director, the CEO or substantial Shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

9. Suspension of Repurchase

In making share buy-backs, the Company will have to comply with the provisions of the Securities and Futures Act (Cap. 289) relating to insider trading.

The Company may also not purchase Shares on the SGX-ST during such periods ("**Black Out Periods**") as may from time to time be prescribed by the SGX-ST under the Listing Rules as best practices on dealings in securities. Currently, the Black Out Period is the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of the financial year, or one month before the half year or full year results, as the case may be, and ending on the date of announcement of the relevant results.

10. Listing Rules and Companies Act

These guidelines are supplemental to the Listing Rules and subject to the Companies Act. In the event of any inconsistency between these guidelines and the Listing Rules, the Listing Rules will prevail and in the event of inconsistency between these guidelines and the Companies Act, the provisions of the Companies Act shall prevail.

No amendments, deletions or additions which may be inconsistent with the Listing Rules or the Companies Act shall be made to these guidelines.

APPENDIX B - SHARES HELD BY THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Number of Shares

	Direct Interest	%	Deemed Interest	%	Total Interest	%
<u>Directors</u>						
Eric Khua Kian Keong	47,700,000	2.2379	1,052,416,591	49.3746	1,100,116,591	51.6125
Khua Hock Su	–	–	1,052,416,591	49.3746	1,052,416,591	49.3746
Henry Chua Tiong Hock	3,106,500	0.1457	–	–	3,106,500	0.1457
Thomas Woo Sai Meng	241,047	0.0113	–	–	241,047	0.0113
<u>Substantial Shareholders</u>						
Vibrant Capital Pte Ltd	1,052,416,591	49.3746	–	–	1,052,416,591	49.3746
Eric Khua Kian Keong ¹	47,700,000	2.2379	1,052,416,591	49.3746	1,100,116,591	51.6125
Lian Hup Holdings Pte Ltd ²	–	–	1,052,416,591	49.3746	1,052,416,591	49.3746
Khua Hock Su ³	–	–	1,052,416,591	49.3746	1,052,416,591	49.3746
Vincent Khua Kian Ann ³	–	–	1,052,416,591	49.3746	1,052,416,591	49.3746
Khua Kian Hua ³	–	–	1,052,416,591	49.3746	1,052,416,591	49.3746
Lee Siew Geok ³	25,000	0.0012	1,052,416,591	49.3746	1,052,441,591	49.3758

Interest in warrants to subscribe for ordinary Shares	Direct Interest	Deemed Interest
<u>Directors</u>		
Eric Khua Kian Keong	–	–
Khua Hock Su	–	–
Henry Chua Tiong Hock	–	–
Thomas Woo Sai Meng	–	–

Notes:

- (1) Eric Khua Kian Keong is deemed to be interested in 1,052,416,591 Shares held by Vibrant Capital Pte Ltd (“**Vibrant**”) by virtue of his controlling interest in Vibrant.
- (2) Lian Hup Holdings Pte Ltd (“**Lian Hup**”) is deemed to be interested in 1,052,416,591 Shares held by Vibrant by virtue of its shareholding interest in Vibrant.
- (3) Messrs Khua Hock Su, Vincent Khua Kian Ann, Khua Kian Hua and Lee Siew Geok are deemed to be interested in 1,052,416,591 Shares held by Vibrant by virtue of their respective shareholdings interests in Lian Hup.

APPENDIX C – PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

A. AMENDMENTS TO THE MEMORANDUM

A.1 Section 3

RATIONALE: To reflect the fact that the Companies Act now grants companies full capacity to carry on or undertake any business activity. The Companies Act has been amended such that, subject to its provisions and the provisions of a company's memorandum and articles of association, a company has full capacity to carry out or undertake any business or activity, do any act or enter into any transaction, and in this connection, it will have full rights, powers and privileges (Section 23 of the Companies Act). The proposed amendment to the Memorandum is to provide the Company with the power to engage in a broader range of business activities (as allowed by law) if it deems fit.

PROPOSED AMENDMENT: To insert the words “(but without prejudice to the capacity and powers provided by law (including in Section 23(1) of the Companies Act))” after the word “established” in the first line thereof.

The revised section will be as follows:-

“3. The objects for which the Company is established (but without prejudice to the capacity and powers provided by law (including in Section 23(1) of the Companies Act)) are:”

A.2 Section 5

RATIONALE: To reflect the abolition of par value under Singapore law. Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act) and authorised share capital, references to these terms throughout the existing Articles have been removed.

PROPOSED AMENDMENT: To replace the existing Section 5 in its entirety and replace it as follows:-

“The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.”

B. AMENDMENTS TO THE ARTICLES

B.1 Article 2

RATIONALE: The proposed amendment is to generally rationalise and clarify the definitions. Also, as new provisions on treasury shares have been introduced in the Companies Act, references to treasury shares have also been incorporated into this Article.

PROPOSED AMENDMENT:

To insert the following new paragraph after the definition “The expression “Secretary” shall include any person appointed by the Directors to perform any of the duties of the Secretary of the Company and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.”:

“The expression ‘treasury shares’ shall have the meaning ascribed to it in the Act.

References in these presents 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.”

B.2 Article 3

RATIONALE: Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act), the concept of issuing shares at a discount or premium is no longer applicable.

PROPOSED AMENDMENT: To delete the words “but so that no shares shall be issued at a discount except in accordance with Section 68 of the Act” appearing in the fourth and fifth lines of this Article 3.

The revised article shall read as follows:

“3. **ISSUE OF SHARES.** The shares taken by the subscribers to the Memorandum of Association shall be issued by the Directors. Subject as aforesaid and to these Articles, the shares shall be under the control of the Directors who may allot and issue the same to such persons on such terms and conditions and at such times as the Directors think fit ~~but so that no shares shall be issued at a discount except in accordance with Section 68 of the Act.~~”

B.3 New Article 3A

RATIONALE: To reflect the amendments to Singapore law which now allow a company to hold its shares in the form of treasury shares.

PROPOSED AMENDMENT: To insert a new Article 3A after the existing Article 3.

This article provides:-

“3A. **TREASURY SHARES.** The Company shall not exercise any of its rights in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised or prescribed pursuant to the Act.”

B.4 Article 5

RATIONALE: To reflect the abolition of par value under Singapore law. Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act) and authorised share capital, references to these terms have been removed.

PROPOSED AMENDMENT: To replace the words “nominal value” appearing in the last two lines thereof with the word “number”.

The revised article will be as follows:-

“5. **SPECIAL RIGHTS.** Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine; **PROVIDED ALWAYS THAT** the total ~~nominal value~~ number of issued preference shares shall not at any time exceed the total ~~nominal value~~ number of issued ordinary shares of the Company.”

B.5 Article 7

RATIONALE: This is an editorial amendment.

PROPOSED AMENDMENT:

1. To insert the words “of the Company” after the words “sanctioning a sale of the undertaking” appearing in the fourth line thereof; and
2. To insert the word “for” after the words “shares are in arrears” appearing in the last line thereof; and

The revised article will read as follows:-

“7. **RIGHTS OF PREFERENCE SHAREHOLDERS.** Holders of preference shares shall have the same rights as ordinary shareholders as regards receiving notices, reports and Balance Sheets, and attending general meetings of the Company. They shall have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of

the undertaking of the Company, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividends on the preference shares are in arrears for more than six months.”

B.6 Article 10

RATIONALE: Article 10 provides that the Company may exercise the power to pay commissions. Section 67 (relating to the power to pay certain commissions) of the Companies Act was repealed. However, as the Company may retain the power to pay commissions, the proposed amendments provide for this right to be exercised by the Directors at such rate and in such amount and in such manner as they shall determine.

PROPOSED AMENDMENTS:

1. To insert the words “, unless otherwise restricted or specified by law,” after the words “The Company may” appearing in the first line thereof;
2. To insert the words “or brokerage on any issue or purchase of its shares, or on the sale or disposal or transfer of treasury shares at such rate or in such amount and in such manner as the Directors shall determine,” before the words “to any person in consideration of his subscribing or agreeing to subscribe, whether absolute or conditional, for any shares in the Company” appearing in the fourth, fifth and sixth lines thereof;
3. To delete the words “whether absolutely or conditionally, or procuring or agreeing to procure subscriptions,”;
4. To delete the words “;Provided Always That such commission shall not exceed ten per cent of the price at which such shares are issued, or an amount equivalent to such percentage, and that the requirements of Section 67 of the Act shall be observed”; and
5. To replace the word “and” with the word “or” appearing in the last sentence thereof.

The revised article will read as follows:-

“10. **COMMISSION ON SUBSCRIPTION.** The Company may, unless otherwise restricted or specified by law, pay a commission or brokerage on any issue or purchase of its shares, or on the sale or disposal or transfer of treasury shares at such rate or in such amount and in such manner as the Directors shall determine, to any person in consideration of his subscribing or agreeing to subscribe, ~~whether absolutely or conditionally, or procuring or agreeing to procure subscriptions,~~ whether absolute or conditional, for any shares in the Company.; ~~Provided Always That such commission shall not exceed ten per cent of the price at which such shares are issued, or an amount equivalent to such percentage, and that the requirements of Section 67 of the Act shall be observed.~~ Subject to the provisions of Section 63 of the Act, such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly in one way and or partly in the other.”

B.7 Article 12

RATIONALE:

These are editorial amendments to reflect the following:-

- (1) the abolition of par value under Singapore law. Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act) and authorised share capital, references to these terms have been removed;
- (2) clarification of the powers granted to the Directors by a general mandate to issue shares upon the passing of an ordinary resolution by the Company in general meeting; and
- (3) clarification of the conditions to any general mandate to issue shares granted to the Directors upon the passing of an ordinary resolution by the Company in general meeting.

PROPOSED AMENDMENTS:

1. to replace the word “amount” with the word “number” appearing in the fifth line thereof;
2. to insert the words “or make or grant offers, agreements or options (collectively **“Instruments”**) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares;” after Article 12(2)(d);
3. to delete Article 12(2)(d)(i), (ii) and (iii) in their entirety;
4. to insert the following new Article 12(2)(d)(i) as follows:-

“the aggregate number of shares to be issued pursuant to the above (including shares to be issued in pursuance of Instruments made or granted) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange”; and
5. to renumber the existing Article 12(2)(d)(iv) as Article 12(2)(d)(ii).

The revised article will read as follows:-

“12. OFFER OF NEW SHARES.

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

(2) Notwithstanding Article 12(1) above, the Company may by ordinary resolution in a general meeting, give to the Directors a general mandate, either conditionally or unconditionally to issue:-

- (a) shares in the capital of the Company (whether by way of bonus, rights or otherwise); or
- (b) convertible securities;
- (c) additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or capitilisation issues; or
- (d) shares arising from the conversion of convertible securities,

or make or grant offers, agreements or options (collectively ‘Instruments’) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares;

at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that :-

- (i) ~~the aggregate number of shares and convertible securities that may be issued shall be not more than 50% of the issued share capital of the Company as at the date the general mandate is passed or such other limit as may be prescribed by the Stock Exchange;~~

- ~~(ii) — the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to existing shareholders shall be not more than 20% of the issued share capital of the Company as at the date the general mandate is passed or such other limit as may be prescribed by the Stock Exchange;~~
- ~~(iii) — for the purpose of determining the aggregate number of shares that may be issued under sub paragraphs (i) and (ii) above, the percentage of issued share capital shall be calculated based on the issued share capital of the Company as at the date the general mandate is passed after adjusting for new shares arising from the conversion of any convertible securities or exercise of any employee options in issue as at the date the general mandate is passed and any subsequent consolidation or subdivision of the Company's shares; and~~
- (i) the aggregate number of shares to be issued pursuant to the above (including shares to be issued in pursuance of Instruments made or granted) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange.
- ~~(iv)(ii) unless earlier revoked or varied by the Company in general meeting, such authority shall continue in force only until the next Annual General Meeting or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier.”~~

B.8 Article 13

RATIONALE:

This is an editorial update to reflect the following:-

- (1) the allotment of securities and the issuance of securities pursuant to such allotment be allotted and issued within such period as the SGX-ST may determine;
- (2) the abolition of par value under Singapore law. Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act) and authorised share capital, references to these terms have been removed; and
- (3) the Stamp Duties Act (Cap. 312) of Singapore currently provides that stamp duty is not payable on share certificates, but to allow for any future amendment to the law if stamp duty is payable on share certificates.

PROPOSED AMENDMENTS:

- 1. to delete the words “ten market days of the final applications closing date for an issue of securities or within ten market days after the lodgement of any transfer, as the case may be (or” appearing in the third, fourth and fifth lines thereof;
- 2. to delete the word “other” appearing in the fifth line thereof;
- 3. to delete the words “in reasonable denominations” appearing in the eighth line thereof;
- 4. to insert the words “Each certificate shall specify the number and class of shares to which it relates and the amount paid and the amount unpaid (if any) thereon” after the words “(or such lesser sum as the Directors shall from time to time determine) for every certificate after the first.” appearing in the ninth and tenth lines thereof;
- 5. to delete the words “Stamp duty” appearing in the tenth line thereof;
- 6. to insert the words “The amount of proper duty (if any)” before the words “payable on such certificate” appearing in the tenth line thereof; and
- 7. to insert the words “chargeable under any law for the time being in force relating to stamps” after the words “payable on such certificate” appearing in the tenth and eleventh lines thereof.

The revised article shall read as follows:-

“13. SHARE CERTIFICATES. Unless otherwise resolved by the Directors, securities will be allotted and certificates issued in the name of and despatched to every person whose name is entered as a Member in the Register of Members within ~~ten market days of the final applications closing date for an issue of securities or within ten market days after the lodgement of any transfer, as the case may be~~ (or such other period of time as the Stock Exchange may determine). Every person whose name is entered as a Member in the Register of Members shall be entitled without payment to one certificate under the seal of the Company in respect of each class of shares held by him for all his shares in that class or several certificates in ~~reasonable denominations~~ each for one or more of his shares in any one class upon payment of \$2.00 (or such lesser sum as the Directors shall from time to time determine) for every certificate after the first. Each certificate shall specify the number and class of shares to which it relates and the amount paid and the amount unpaid (if any) thereon. Stamp duty ~~The amount of proper duty (if any) payable on such certificate chargeable under any law for the time being in force relating to stamps~~ shall be borne by such Member unless otherwise directed by the Directors; PROVIDED ALWAYS THAT in the case of joint holders the Company shall not be bound to issue more than one certificate and delivery of such certificate to any one of them shall be sufficient delivery to all such holders. PROVIDED FURTHER THAT the Company shall not be bound to register more than three persons as the holders of any share except in the case of executors or administrators of the estate of a deceased Member.”

B.9 Article 14

RATIONALE: This is an editorial update to reflect the position that the Stamp Duties Act (Cap. 312) of Singapore currently provides that stamp duty is not payable on share certificates, but to allow for any future amendment to the law if stamp duty is payable on share certificates.

PROPOSED AMENDMENTS:

- (1) to replace the words “stamp duty” appearing in the ninth line thereof with the words “the amount of proper duty (if any)”; and
- (2) to insert the words “chargeable under any law for the time being in force relating to stamps” before the words “or in the case of defacement or wearing out, on delivery up of the old certificate.” appearing in the last 2 lines thereof.

The revised article shall read as follows:-

“14. RENEWAL OF CERTIFICATES. Subject to the provisions of the Act, if a share certificate be worn out, defaced, destroyed, lost or stolen, it may be renewed on payment of such fee not exceeding \$2.00 or in the event of the Company being listed on the Stock Exchange such other sum as may from time to time be prescribed by the Stock Exchange and on such terms as the Directors think fit, if any, as to evidence and indemnity being given by the shareholder, transferee, person entitled, purchaser member of the Stock Exchange or on behalf of its/their client(s) and, in the case of destruction, loss or theft, on payment by the shareholder or person entitled to whom such renewed certificate is given out-of-pocket expenses of the Company of investigating evidence including the payment of ~~stamp duty~~ the amount of proper duty (if any) on such certificate chargeable under any law for the time being in force relating to stamps or in the case of defacement or wearing out, on delivery up of the old certificate.”

B.10 Article 15

RATIONALE: This is an editorial amendment.

PROPOSED AMENDMENT: To delete the word “BEEN” appearing on the heading of this article.

The revised article shall read as follows:-

“15. **COMPANY TO HAVE BEEN LIEN ON SHARES AND DIVIDENDS.** The Company shall have a lien on every share not being a fully-paid share for all monies (whether presently payable or not) called or payable at a fixed time in respect of such share, and for all monies as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Company’s lien, if any, on a share shall extend to all dividends payable thereon.”

B.11 Article 17

RATIONALE: This is an editorial update to clarify that authorised persons shall be allowed to procure the entry of the purchaser’s name into the register of shareholders of the company where such purchaser is an account holder or a depository agent.

PROPOSED AMENDMENT: To insert the words “(where such purchaser is a Depositor, the authorised person shall procure that the name is entered in the Depository Register)” before the words “, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.” appearing in the last four lines thereof.

The revised article shall read as follows:-

“17. **DIRECTORS MAY AUTHORISE TRANSFER AND ENTER PURCHASER’S NAME IN REGISTER.** To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser’s name in the Register of Members as holder of the shares (where such purchaser is a Depositor, the authorised person shall procure that the name is entered in the Depository Register), and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.”

B.12 Article 26

RATIONALE: Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act) and correspondingly, the concept of issuances of shares at a premium, the Articles are being amended to delete such references.

PROPOSED AMENDMENT: To delete the words, “whether on account of the amount of the share or by way of premium,” after the phrase “Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date” appearing in the first and second lines thereof.

The revised article shall read as follows:-

“26. **SUM PAYABLE ON ALLOTMENT DEEMED TO BE A CALL.** Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, ~~whether on account of the amount of the share or by way of premium,~~ shall, for all purposes of these Articles, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all the relevant provisions of these Articles, shall apply as if such sum were a call duly made and notified as hereby provided.”

B.13 Article 28

RATIONALE: This is an editorial update to allow for any future amendments to the SGX-ST’s policy that the Directors may give their reasons or justifications for their refusal to register any transfer of shares within 10 market days.

PROPOSED AMENDMENT: To replace the words “ten market days beginning with the day on which the application for such transfer of shares was made” appearing in the second and third last lines thereof with “such period as the Stock Exchange may prescribe from time to time”

The revised article shall read as follows:-

“28. TRANSFER OF SHARES. There shall be no restriction on the transfer of fully paid up shares (except where required by law or, where the Company is listed on the Stock Exchange, the rules, bye-laws or listing rules of the Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, they shall within one month, or in the event of the Company being listed on the Stock Exchange, within such period as the Stock Exchange may prescribe from time to time ~~ten market days beginning with the day on which the application for such transfer of shares was made~~, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Act.”

B.14 Article 30

RATIONALE: This is an editorial amendment to clarify that the names of transferees will be entered into the Register of Members or the Depository Register, as the case may be.

PROPOSED AMENDMENT: To insert the words “or the Depository Register, as the case may be,” before the words “in respect thereof” appearing in the last line thereof.

The revised article shall read as follows:-

“30. TRANSFERS TO BE EXECUTED BY BOTH PARTIES. The instrument of transfer of any share shall be executed by one or on behalf of both the transferor and the transferee and be witnessed, PROVIDED ALWAYS THAT the Depository shall not be required to sign, as transferee, any transfer form relating to the transfer of shares to it and PROVIDED FURTHER THAT, at the discretion of the Directors, the signature of any other transferee may be dispensed with. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members or the Depository Register, as the case may be, in respect thereof.”

B.15 Article 44

RATIONALE: To delete references to authorised capital and par value. Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act), this Article is being amended to delete the references to shares “of any denomination”.

PROPOSED AMENDMENT: To delete the words “of any denomination” in the last line thereof.

The revised article will read as follows:-

“44. POWER TO CONVERT INTO STOCK. The Company may by ordinary resolution passed at a general meeting convert any paid up shares into stock and reconvert into paid up shares ~~of any denomination.~~”

B.16 Article 45

RATIONALE: This Article 45 provides for holders of stock to transfer their stock. As the Article makes reference to the “nominal amount of the shares from which the stock arose”, and following the abolition of the concept of nominal value of shares (Section 62A of the Companies Act), this Article is being amended to delete such reference and to provide for a reference to the paid-up value of the shares instead.

PROPOSED AMENDMENTS:

1. to replace the words “amount of stock” with “number of stock units” appearing in the fifth line thereof;
2. to replace the words “nominal amount of the shares” with “number of shares” appearing in the last 2 lines thereof.

The revised article will read as follows:-

“45. **TRANSFER OF STOCK.** The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum ~~amount of stock~~ number of stock units transferable and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the ~~nominal amount of the shares~~ number of shares from which the stock arose.”

B.17 Article 46

RATIONALE: To delete references to authorised capital and par value. Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act), this Article is being amended to delete the references to “amount of the stock”.

PROPOSED AMENDMENT: To replace the words “amount of the stock” with “number of stock units” appearing in the second line thereof.

The revised article will read as follows:-

“46. **RIGHTS OF STOCKHOLDERS.** The holders of stock shall according to the ~~amount of the stock~~ number of stock units held by them have the same rights privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on the winding-up) shall be conferred by such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.”

B.18 Article 48

RATIONALE: To reflect the abolition of par value under Singapore law. Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act) and authorised share capital, references to these terms have been removed and consequential changes made to this Article.

PROPOSED AMENDMENTS: To delete the words “to be divided into shares of such amount,” before the words “as the resolution shall prescribe” appearing in the last line thereof.

The revised article will read as follows:-

“48. **COMPANY MAY INCREASE ITS CAPITAL.** The Company may from time to time by ordinary resolution increase its share capital by such sum, ~~to be divided into shares of such amount,~~ as the resolution shall prescribe.”

B.19 Article 49

RATIONALE: To reflect the amended provisions of the Companies Act relating to alterations of share capital. Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act) and authorised share capital, references to these terms throughout the existing Articles have been removed, with consequential changes made.

PROPOSED AMENDMENTS:

1. to insert the letter “s” after the word “share” before the words “capital into shares of larger amount than its existing shares” appearing in Article 49(1);
2. to delete the words “capital into shares of larger amount than its existing shares” appearing in Article 49(1); and
3. to delete the words “into shares of smaller amount than is fixed by the Memorandum of Association” appearing in the first and second lines of Article 49(2).

The revised article shall read as follows:-

“49. COMPANY MAY ALTER ITS CAPITAL. The Company may by ordinary resolution:-

- (1) consolidate and divide all or any of its shares ~~capital into shares of larger amount than its existing shares~~; or
- (2) sub-divide its existing shares, or any of them, ~~into shares of smaller amount than is fixed by the Memorandum of Association~~ subject, nevertheless, to the provisions of the Statutes and so that as between the resulting shares, one or more of such shares may by the resolution by which such subdivision is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares; or
- (3) cancel any shares not taken or agreed to be taken by any person.”

B.20 Article 50

RATIONALE: To reflect the abolition of par value under Singapore law. The existing Article 50 provides that the Company may “reduce its share capital, any capital redemption reserve fund or share premium account”. As the Companies Act has been amended such that the concept of capital redemption reserve and share premium account would be abolished (Section 62B(2) of the Companies Act states that any amount standing to the credit of such accounts/reserves shall become part of the company’s share capital), Article 49 is being amended accordingly.

PROPOSED AMENDMENT: To replace the words “capital redemption reserve fund” with “other undistributable reserve” appearing in the second line thereof.

The revised article will read as follows:-

“50. COMPANY MAY REDUCE ITS CAPITAL. The Company may by special resolution reduce its share capital and any ~~capital redemption reserve fund~~ other undistributable reserve in any manner authorised and subject to any conditions prescribed by the Statutes.”

B.21 Article 50A

RATIONALE: New provisions on treasury shares have been introduced in the Companies (Amendment) Act on 30 January 2006. Shares repurchased by the Company can now be held as treasury shares instead of being cancelled. The proposed alteration is to reflect this change.

PROPOSED AMENDMENT: To replace the words “All shares repurchased by the Company shall be cancelled.” appearing in the last line thereof, with the words “Unless held as treasury shares in accordance with the Act, all shares or stock (as the case may be) repurchased by the Company shall be cancelled.”

The revised provision shall read as follows:-

“50A. COMPANY MAY PURCHASE ITS OWN SHARES. Subject to and in accordance with the provisions of the Act, the Company may purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. ~~All shares repurchased by the Company shall be cancelled. Unless held as treasury shares in accordance with the Act, all shares or stock (as the case may be) repurchased by the Company shall be cancelled.~~”

B.22 Article 55

RATIONALE: To reflect compliance with Paragraph 7 in Appendix 2.2 of the Listing Manual.

PROPOSED AMENDMENT: To insert the words “(excluding the date of notice and the date of meeting)” after the words “by fourteen days’ notice” appearing in the third line thereof.

The revised provision shall read as follows:-

55. **NOTICE OF MEETING.** Any general meeting at which it is proposed to pass a special resolution or a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice at least and any other general meeting by fourteen days' notice (excluding the date of notice and the date of the meeting) at least, 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 by all the Members entitled to attend and to vote thereat. Every notice calling a general meeting shall specify the place and the day and the hour of meeting and be given in manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notices of general meetings from the company. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. In the event of the Company being listed on the **Stock Exchange** at least fourteen days' notice of every such meeting shall be given by advertisement in the daily press and in writing to the **Stock Exchange**. The accidental omission to give such notice to, or the non-receipt of such notice by, any such person shall not invalidate the proceedings or any resolution passed at any such meeting.

B.23 Article 65

RATIONALE: To reflect the abolition of par value under Singapore law. Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act) and authorised share capital, references to these terms have been removed.

PROPOSED AMENDMENT: To delete the words "Where the shares of the Company are of different monetary denominations, a unit of capital in each such class of shares shall, when reduced to a common denominator, carry the same voting power when such right is exercisable." appearing in the last 3 lines thereof.

The revised provision shall read as follows:-

"65. **NUMBER OF VOTES.** Subject to any rights or restrictions for the time being attached to any class or classes of shares, every Member present in person or by proxy or by attorney shall have one vote on a show of hands and on a poll, every Member present in person or by proxy or by attorney shall have one vote for each share which he holds or represents. ~~Where the shares of the Company are of different monetary denominations, a unit of capital in each such class of shares shall, when reduced to a common denominator, carry the same voting power when such right is exercisable.~~"

B.24 Article 75

RATIONALE: The Companies Act has been amended such that the minimum number of directors is one (Section 145). Article 73 is proposed to be amended to provide for this.

PROPOSED AMENDMENT: To replace the word "two" with the word "one" after the words "less than" in the third line thereof.

The revised provision shall read as follows:-

"75. **NUMBER OF AND FIRST DIRECTORS.** All the Directors of the Company shall be natural persons. Until otherwise determined by a general meeting the number of Directors shall be not less than ~~two~~ one and shall not be more than fifteen (15). The first Directors are **LIM TECK HIANG, DAVID** and **MARISA CHNG SU BEE**."

B.25 Article 76

RATIONALE: Section 150 of the Companies Act states that at a general meeting of a public company, a motion for the appointment of 2 or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. It is proposed to clarify the provision in the Articles on appointment of Directors such that all resolutions for the appointment of Directors shall be voted on individually save where otherwise permitted by the Companies Act.

PROPOSED AMENDMENT: To insert a new sentence: “Resolutions for the appointment of Directors shall be voted on individually, unless otherwise permitted by the Act.” in the fourth line thereof.

The revised provision shall read as follows:-

“76. **POWER TO FILL CASUAL VACANCIES AND ADD TO DIRECTORS.** The Directors may at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors; PROVIDED ALWAYS THAT the total number of Directors shall not exceed the prescribed maximum. Resolutions for the appointment of Directors shall be voted on individually, unless otherwise permitted by the Act. Any Director so appointed shall hold office only until the next annual general meeting, but shall then be eligible for re-election and shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.”

B.26 Article 85

RATIONALE: To reflect the abolition of par value under Singapore law. Following the abolition of the concepts of par or nominal value (Section 62A of the Companies Act) and authorised share capital, references to these terms have been removed and consequential changes made to this Article.

PROPOSED AMENDMENT: To delete the words “(whether at par or at a discount or premium)” appearing in fourth line thereof.

The revised article shall read as follows:-

“85. **DIRECTORS’ BORROWING POWERS.** The Directors may borrow or raise from time to time for the purposes of the Company or secure the payment of such sums as they may think fit, and may secure the repayment or payment of any such sums by mortgage or charge upon all or any of the property or assets of the Company or by the issue of debentures ~~(whether at par or at a discount or premium)~~ or otherwise as they may think fit.”

B.27 Article 92(2)

RATIONALE: To reflect compliance with Appendix 2.2 of the Listing Manual. Paragraph 9(b) of Appendix 2.2 of the Listing Manual states that a director must immediately resign from the board if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.

PROPOSED AMENDMENTS:

1. To insert the words “or disqualified” appearing after the words “if he is prohibited” appearing in the first line thereof;
2. To insert the words “in any jurisdiction” appearing after the words “from being a Director” appearing in the first line thereof; and
3. To insert the words “or any other law, other than on technical grounds” appearing after the words “under any provision of the Statutes” appearing in the second line thereof; and

The revised article shall read as follows:-

“(2) if he is prohibited or disqualified from being a Director in any jurisdiction by reason of any order made under any provision of the Statutes or any other law, other than on technical grounds;”

B.28 Article 96

RATIONALE: This amendment is made to reflect the wordings set out in Paragraph 9(h) in Appendix 2.2 of the Listing Manual.

PROPOSED AMENDMENTS: To replace the word “unless” with “if” appearing in the first line thereof.

The revised article shall read as follows:-

“96. NOMINATION OF DIRECTORS FOR ELECTION. *A person who is not* a retiring Director shall be eligible for election to the office of Director at any general meeting ~~unless if~~ the Member intending to propose him has, at least eleven clear days before the meeting, left at the Office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him; PROVIDED ALWAYS THAT in the case of a person recommended by the Directors for election, nine clear days’ notice shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven days prior to the meeting at which the election is to take place.”

B.29 Article 109

RATIONALE: This is an editorial amendment to clarify the dividend policy of the Company. The proposed amendments also serve to clarify that only amounts paid or credited after a call will be considered in the distribution of dividends.

PROPOSED AMENDMENTS:

1. To insert the words “and except as otherwise permitted under the Act” appearing after the words “Subject to any preferential or other special rights for the time being attached to any special class of shares” appearing in the first and second lines thereof.
2. To replace the words “amounts paid up or credited as paid up thereon respectively otherwise than in advance of calls” appearing in the fourth and fifth lines thereof with the words “number of shares held, but where shares are partly paid all dividend must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares. Provided that for the purpose of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.”

The revised article shall read as follows:-

“109. DISTRIBUTION OF PROFITS. Subject to any preferential or other special rights for the time being attached to any special class of shares and except as otherwise permitted under the Act, the profits of the Company which it shall from time to time determine to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the ~~amounts paid up or credited as paid up thereon respectively otherwise than in advance of calls.~~ number of shares held, but where shares are partly paid all dividend must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares. Provided that for the purpose of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.”

B.30 Article 114

RATIONALE: This amendment is an editorial amendment to clarify the Company’s position that its payment of any dividends or other moneys to a Depositor will discharge the Company from any liability to the Depositor in respect of that payment.

PROPOSED AMENDMENT: To insert the words “PROVIDED THAT a payment by the Company to the Depository Register of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.” after the last line thereof.

The revised article shall read as follows:-

“114. DIVIDEND WARRANTS TO BE POSTED TO MEMBERS. Every dividend warrant may, unless otherwise directed, be sent by post to the last registered address of the Member entitled thereto, and the receipt of the person, whose name at the date of the declaration of the dividend appears on the Register of Members as the owner of any share or, in the case of joint holders, of any one of such joint holders, shall be a good discharge to the Company for all payments made in respect of such share. No unpaid dividend or interest shall bear interest as against the Company.

PROVIDED THAT a payment by the Company to the Depository Register of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment."

B.31 Article 114A

RATIONALE: The Company proposes to have a Scrip Dividend Scheme. To facilitate the implementation of the Scrip Dividend Scheme by the Directors, a new Article 114A is proposed to be inserted to, *inter alia*, enable Shareholders to elect to receive New Shares credited as fully paid in lieu of the cash amount of a Qualifying Dividend, in accordance with the Scrip Dividend Scheme.

PROPOSED AMENDMENTS: To insert a new Article 114A after the existing Article 114.

This article provides:-

"114A.SCRIP DIVIDEND SCHEME.

- (1) 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 share capital of the Company subject to the provisions of the Act and the listing rules of the Stock Exchange, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Directors;
 - (ii) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares 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 Article 114A;
 - (iii) 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
 - (iv) 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 ordinary shares in respect whereof the share election has been duly exercised (the "**elected ordinary shares**") and in lieu and in satisfaction thereof ordinary shares, shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding the provisions of the Articles), the Directors shall (a) capitalize and apply the amount standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (b) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

(2)

- (i) The ordinary shares allotted pursuant to the provisions of paragraph (1) of this Article 114A shall rank *pari passu* with the ordinary shares of the same class then in issue save only as regards to 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.
 - (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalization pursuant to the provisions of paragraph (1) of this Article 114A, with full power to make such provisions as they think fit in the case of fractional entitlements to ordinary shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the members).
- (3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article 114A, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Article 114A shall be read and construed subject to such determination.
- (4) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Article 114A, further determine that no allotment of ordinary shares or rights or election for ordinary shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register of Member the Depository Register (as the case may be) 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 entitlements of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (5) Notwithstanding the foregoing provisions of this Article 114A, if at any time after the Directors' resolution to apply the provisions of paragraph (1) of this Article 114A in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reasons of any event or circumstances (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, cancel the proposed application of paragraph (1) of this Article 114A.

B.32 Article 115

RATIONALE: As the Companies Act has been amended such that the concept of capital redemption reserve and share premium account would be abolished (Section 62B(2) states that any amount standing to the credit of such accounts/reserves shall become part of the company's share capital), this Article is proposed to be amended to delete such references.

PROPOSED AMENDMENTS:

1. To insert the words "(which includes any ordinary resolution passed pursuant to Article 12(2))", after the words "from time to time pass a resolution" appearing in the second line thereof;
2. To delete the words "including premiums received on the issue of any shares or debentures of the Company," appearing in the fourth and fifth lines thereof;

3. To delete the words “in particular they may issue fractional certificates, fix the value for distribution of any fully paid up shares or debentures,” appearing in the ninth and tenth last lines thereof; and
4. To delete the words “on the footing of the value so fixed in order to adjust rights” appearing in the seventh and eighth last lines thereof.

The revised article will read as follows:-

“115. **COMPANY MAY CAPITALISE RESERVES AND UNDIVIDED PROFITS.** The Company in general meeting may at any time and from time to time pass a resolution (which includes any ordinary resolution passed pursuant to Article 12(2)) that any sum not required for the payment or provision of any fixed preferential dividend; and (1) for the time being standing to the credit of any reserve of the Company, ~~including premiums received on the issue of any shares or debentures of the Company;~~ or (2) being undivided net profits in the hands of the Company, be capitalised, and that such sum be appropriated as capital to and amongst the ordinary shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the ordinary shares, and in such manner as the resolution may direct, and such resolution shall be effective; and the Directors shall in accordance with such resolution apply such sum in paying up in full any unissued shares or debentures of the Company on behalf of the ordinary shareholders aforesaid, and appropriate such shares or debentures and distribute the same credited as fully paid up to and amongst such shareholders in the proportion aforesaid in satisfaction of the shares and interests of such shareholders in the said capitalised sum or shall apply such sum or any part thereof on behalf of the shareholders aforesaid in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued ordinary shares held by such shareholders or otherwise deal with such sum as directed by such resolution. Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and ~~in particular they may issue fractional certificates, fix the value for distribution of any fully paid up shares or debentures;~~ make cash payments to any shareholders ~~on the footing of the value so fixed in order to adjust rights,~~ and vest any such shares or debentures in trustees upon such trust for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite a proper contract for the allotment and acceptance of any shares to be distributed as aforesaid shall be delivered to the Registrar of Companies for registration in accordance with Section 63 of the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution and such appointment shall be effective.”

B.33 Article 118

RATIONALE: To reflect compliance with Appendix 2.2 of the Listing Manual Paragraph 10 of Appendix 2.2 of the Listing Manual provides that the interval between the close of an issuer's financial year and the date of its annual general meeting shall not exceed four months.

PROPOSED AMENDMENT: To insert the words “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 Companies Act and listing rules of the Stock Exchange.” after the last line thereof.

The revised article shall read as follows:-

“118. **ACCOUNTS TO BE LAID BEFORE COMPANY.** The Directors shall cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary in accordance with the provisions of the Statutes and the Listing Rules of the Stock Exchange. 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 Companies Act and listing rules of the Stock Exchange.”

B.34 Article 120

RATIONALE: Sections 387A and 387B of the Companies Act provide for services of notices and documents by electronic means. Alterations to the Articles in this respect have been proposed accordingly. Further, an editorial amendment is included to clarify that notices may be given to persons first named in the register of members or the Depository Register.

PROPOSED AMENDMENTS:

1. To insert the words “or the Depository Register (as the case may be)” after the words “be given to whichever of such persons is named first in the Register of Members” appearing in the second and third last lines thereof;
2. To re-number the existing Article 120 as Article 120(1); and
3. To insert a new Article 120(2) after the renumbered Article 120(1).

The revised article shall read as follows:-

“120. **SERVICE OF NOTICES.** (1) A notice or any other document may be served by the Company upon any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register of Members or, in the case of a Depositor, such address as may be notified by the Depository to the Company for the purpose of the despatch of such notice or document. All notices directed to be given to the Members shall, with respect of any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register of Members or the Depository Register (as the case may be), and any notice so given shall be sufficient notice to all the holders of such share.

(2) Without prejudice to the provisions of Article 120(1), any notice or document (including, without limitation, any accounts, balance sheet or report) which is required or permitted to be given, sent or served under the Act or under these Articles, 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 to the current address of that person in accordance with the provisions of, or as otherwise provided by the Act and / or any other applicable regulations or procedures.”

B.35 Article 122

RATIONALE: Sections 387A and 387B of the Companies Act provide for services of notices and documents by electronic means. Alterations to the Articles in this respect have been proposed accordingly. Further, an editorial amendment is included to clarify that notices may be given to persons first named in the register of members or the Depository Register.

PROPOSED AMENDMENT: To insert the words “or by sending or serving by electronic communication” after the words “A notice may be given by the Company to the persons entitled to any share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives or trustees of such deceased or bankrupt Member,” appearing in the first four lines thereof.

The revised article shall read as follows:-

“122. **NOTICES IN CASE OF DEATH OR BANKRUPTCY.** A notice may be given by the Company to the persons entitled to any share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives or trustees of such deceased or bankrupt Member, or by sending or serving by electronic communication at the address (if any) supplied for the purpose by such person as aforesaid, or (until such an address has been supplied) by giving the notice in the manner in which the same would have been given if the death or bankruptcy had not occurred.”

B.36 New Article 125A

RATIONALE: It is proposed that a new Article be inserted to expressly provide that the Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

PROPOSED AMENDMENT: To insert a new Article 125A after the existing Article 125.

The new Article 125A shall read as follows:-

“125A. **POWER OF DIRECTORS TO PRESENT APPLICATION FOR WINDING UP.** The Directors shall have power in the name and on behalf of the Company to present an application to the court for the Company to be wound up.”

B.37 New Article 125B

RATIONALE: It is proposed that a new Article be added to provide that if the Company is wound up, every member of the Company who is not in Singapore must appoint someone resident in Singapore on whom documents may be served. This is to facilitate a winding up of the Company.

PROPOSED AMENDMENT: To insert a new Article 125B after the existing Article 125 and the proposed new Article 125A.

The new article will provide as follows:-

“125B. **DUTY OF MEMBER TO SERVE NOTICE IN THE EVENT OF A WINDING UP OF THE COMPANY.** In the event of a winding up of the Company every member of the Company who is not for the time being in the Republic of Singapore shall be bound, within 14 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 the Republic of 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, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.”

APPENDIX D – PROPOSED SCRIP DIVIDEND SCHEME STATEMENT

Scrip Dividend Scheme Statement	<p>This Statement contains the terms and conditions of the Scrip Dividend Scheme (“Scrip Dividend Scheme”) under which persons registered in the Register of Members of the Company or, as the case may be, the Depository Register (as defined below) as the holders of fully paid ordinary shares in the Company (“Members”) may elect to receive fully paid ordinary shares in the capital of the Company (“Shares”) in lieu of part only or all of the cash amount of any dividend (including any interim, final, special or other dividend) which is declared on the Shares held by them.</p>
Summary of Main Features	<p>The Scrip Dividend Scheme provides Members with the option to elect to receive Shares in lieu of part only or all of the cash amount of any dividend (including any interim, final, special or other dividend) (“Dividend”) declared on their holding of Shares.</p> <p>All Members are eligible to participate in the Scrip Dividend Scheme subject to the restrictions on Overseas Members (as defined below), more particularly described below and except for such other Members or class of Members as the directors of the Company (“Directors”) may in their absolute discretion decide.</p> <p>Members may elect to participate in respect of part only or all of their holding of Shares to which each Notice of Election (as defined below) relates in respect of any Qualifying Dividend (as defined below) and may make a permanent election to participate in respect of all of their holding of Shares to which each Notice of Election relates for all future Qualifying Dividends. For the avoidance of doubt, Members may not make a permanent election to participate in respect of part only of their holdings of Shares in respect of all future Qualifying Dividends. Members receiving more than one Notice of Election may elect to participate in respect of their holding of Shares to which one Notice of Election relates and elect not to participate in respect of their holding of Shares to which any other Notice of Election relates. Where a permanent election has been made, participating Members may, by giving the appropriate notice, cancel their participation and withdraw from the Scrip Dividend Scheme. However, the cancellation of a permanent election by a Member would not preclude him from making a fresh permanent election, should he wish to do so at a later date.</p> <p>The Directors may, in their absolute discretion, determine that the Scrip Dividend Scheme will apply to any particular Dividend. An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day (as defined below) immediately following the Books Closure Date (as defined below) in respect of that particular Dividend. Unless the Directors have determined that the Scrip Dividend Scheme will apply to any particular Dividend, the Dividend concerned will be paid in cash to the Members in the usual way.</p> <p>Shares allotted under the Scrip Dividend Scheme will rank <i>pari passu</i> in all respects with the Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.</p> <p>Participation in the Scrip Dividend Scheme is optional.</p>

<p>How to Join</p>	<p>A Member wishing to receive Shares in respect of any Qualifying Dividend or to make a permanent election to receive Shares in respect of all future Qualifying Dividends to which a Notice of Election received by him relates should complete such Notice of Election and return it to the Company at the address indicated on the Notice of Election or, if the Member is a depositor (as defined below), to CDP (as defined below). A Member receiving more than one Notice of Election and wishing to receive Shares in respect of part only or all of his entitlement to the Qualifying Dividend in respect of his holding of Shares or to make a permanent election to receive Shares in respect of all future Qualifying Dividends must complete all the Notices of Election received by him and return the completed Notices of Election to the Company and/or CDP, as the case may be.</p> <p>A Member may only make a permanent election to receive Shares in respect of all and not only part of his entitlement to future Qualifying Dividends. Where a Shareholder elects to receive Shares in respect of part only of his entitlement to any Qualifying Dividend, permanent election shall not be available.</p> <p>To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by the Company or (as the case may be) CDP no later than the date to be specified by the Directors in respect of that Qualifying Dividend.</p>
<p>Terms and Conditions of Scrip Dividend Scheme</p>	<p>1. Establishment</p> <p>The Scrip Dividend Scheme has been established by the Directors.</p> <p>2. Terms and Conditions</p> <p>The following are the Terms and Conditions of the Scrip Dividend Scheme. In these Terms and Conditions:</p> <p>(1) “Act” shall mean the Companies Act, Chapter 50 of Singapore (or its successor statute), as amended from time to time;</p> <p>(2) “Books Closure Date” shall mean the date to be determined by the Directors on which the Transfer Books and Register of Members of the Company will be closed for the purpose of determining the entitlements of Members to a Dividend;</p> <p>(3) “CDP” shall mean The Central Depository (Pte) Limited or any successor entity thereto;</p> <p>(4) “depositor”, “depository agent” and “Depository Register” shall have the respective meanings ascribed to them in the Act;</p> <p>(5) “Market Day” shall mean a day on which the SGX-ST (as defined below) is open for trading in securities;</p> <p>(6) “Qualifying Dividend” shall mean any Dividend to which the Scrip Dividend Scheme (as determined by the Directors as provided below) applies; and</p> <p>(7) “SGX-ST” shall mean Singapore Exchange Securities Trading Limited or any successor entity thereto.</p>

3. Eligibility

All Members are eligible to participate in the Scrip Dividend Scheme subject to the restrictions on Overseas Members, more particularly described below, and except that participation in the Scrip Dividend Scheme shall not be available to such Members or class of Members, as the Directors may in their absolute discretion determine, and further subject to the requirement that such participation by the Member will not result in a breach of any other restriction on such Member's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, or by the Memorandum and Articles of Association of the Company.

4. Overseas Shareholders

For practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Members may have their registered addresses, the Scrip Dividend Scheme may, at the absolute discretion of the Directors, not be offered to Members with registered addresses outside Singapore and who have not provided to the Company or (as the case may be) CDP, not later than 5 Market Days (or such other cut-off date as the Directors may determine) prior to the Books Closure Date, addresses in Singapore for the service of notices and documents ("**Overseas Members**").

No Overseas Member shall have any claim whatsoever against the Company, the Company's Share Registrar, CDP or any of their respective agents as a result of the Scrip Dividend Scheme not being offered to such Overseas Members.

If the Directors have decided not to offer the Scrip Dividend Scheme to Overseas Members, Overseas Members who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Scrip Dividend Scheme as may be applicable to them.

Overseas Members who wish to be eligible to participate in the Scrip Dividend Scheme may provide an address in Singapore for the service of notices and documents by notifying the Company at 51 Penjuru Road, #04-00, Freight Links Express Logisticentre, Singapore 609143 or, if the Overseas Member is a depositor, to CDP currently at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 not later than 5 Market Days (or such other cut-off date as the Directors may determine) prior to the Books Closure Date. Members should note that all correspondence and notices will be sent to their last registered addresses with the Company or, as the case may be, CDP.

5. Level of Participation

A member may elect to participate in the Scrip Dividend Scheme ("**Participating Member**") in respect of part only or all of his holding of Shares as at each Books Closure Date to which each Notice of Election received by him relates for a Qualifying Dividend, except in the case of a Member who is a depository agent or nominee company of a bank, merchant bank, stockbroker or other financial institution, holding Shares as custodian, such depository agent or nominee company may, at the absolute discretion of the Directors, be allowed to make an election to participate in the Scrip Dividend Scheme in respect of part only of the Shares to which each Notice of Election received by it relates.

6. Permanent Election

Any permanent election to participate in the Scrip Dividend Scheme is personal to the Member.

A Member may make a permanent election in the manner set out below for participation in respect of all future Qualifying Dividends, and where a permanent election in respect to his holdings of Shares to which a Notice of Election relates has been made, unless and until a notice of cancellation in such form as the Directors may approve ("**Notice of Cancellation**") in relation to such Notice of Election is received by the Company or (as the case may be) CDP as provided below, the permanent election shall be effective for all future Qualifying Dividends in respect of such Notice of Election. A notice of cancellation of participation in the Scrip Dividend Scheme on any other form will not be accepted by the Company or (as the case may be) CDP unless they otherwise decide.

7. Notice of Election to Participate

The Company will, at its absolute discretion, send to each Member one or more notices of election (in such form as the Directors may approve) ("**Notices of Election**") unless a permanent election in respect of such Notice of Election has been made.

To be effective in respect of any Qualifying Dividend (unless a permanent election has already been made), a Notice of Election must be received by the Company or, in the case of a Notice of Election being submitted by a Member who is a depositor, by CDP, by the date to be specified by the Directors in respect of that Qualifying Dividend.

A Member receiving two or more Notices of Election and wishing to receive Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all his holding of Shares must complete all the Notices of Election received by him and return the completed Notices of Election to the Company and/or CDP, as the case may be. A notice of election to participate in the Scrip Dividend Scheme on any other form will not be accepted by the Company or (as the case may be) CDP.

If the personal representative(s) of a deceased Member wish(es) to participate in the Scrip Dividend Scheme in respect of any Qualifying Dividend or in respect of all future Qualifying Dividends in relation to the Shares forming part of the estate of the deceased Member, the relevant Notices of Election together with such evidence as may be reasonably required by the Company, or as the case may be, CDP to prove the authority of the personal representative(s) to execute such Notices of Election, must be submitted by such personal representative(s) in accordance with these Terms and Conditions.

If a Notice of Election in relation to a permanent election is received after the date specified by the Directors for any particular Qualifying Dividend, the Notice of Election will not, unless otherwise determined by the Directors, be effective for that Qualifying Dividend or for any future Qualifying Dividends in respect of such Notice of Election.

A Notice of Election (other than in relation to a permanent election) in respect of any Qualifying Dividend shall not, upon its receipt by the Company or (as the case may be) CDP, be withdrawn or cancelled. A permanent election made in the Notice of Election will remain in force until cancelled in the manner provided below or until it becomes ineffective as provided in these Terms and Conditions. A Member receiving more than one Notice of Election and wishing to make a permanent election in respect of all his holding of Shares must complete all the Notices of Election received by him and return the Notices of Election to the Company and/or CDP, as the case may be.

8. Extent of Application of Scrip Dividend Scheme to each Dividend

The Directors may, in their absolute discretion, in respect of any Dividend, determine whether the Scrip Dividend Scheme shall apply to such Dividend. If, in their absolute discretion, the Directors have not determined that the Scrip Dividend Scheme is to apply to a Dividend, such Dividend shall be paid in cash to Members in the usual way.

9. Share Entitlement

By electing to participate in the Scrip Dividend Scheme in respect of any Notice of Election received by him, a Member elects in respect of any Qualifying Dividend to which such Notice of Election relates to receive Shares in lieu of the cash amount of the Qualifying Dividend. In respect of any Qualifying Dividend, the number of new Shares to be allotted and issued to the Participating Member in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{S \times D}{V}$$

Where:

N is the number of new Shares to be allotted and issued as fully paid to the Participating Member in respect of such Notice of Election.

S is the number of Shares held by the Participating Member as at the Books Closure Date for which such Notice of Election relates.

D is the amount of the Qualifying Dividend to which such Notice of Election relates expressed in Singapore Dollars and fractions thereof per Share.

V is the issue price of a Share, which shall for the purpose of calculating the number of new Shares to be allotted and issued as fully paid to a Participating Member, pursuant to the Scrip Dividend Scheme, be an amount in Singapore Dollars determined by the Directors ("**Relevant Amount**"), which Relevant Amount shall not be set at more than 10% discount (or such other discount as may be permitted by the Listing Manual) to, nor shall it exceed the average of the last dealt prices of the Share on the SGX-ST for each of the last five (5) Market Days prior to the announcement of the application of the Scrip Dividend Scheme to such Dividend ("**Price Determination Period**"). In the event that there is no trading in the Shares during the Price Determination Period, the Relevant Amount shall not exceed the average of the last dealt prices of the Share on the SGX-ST for a period of five (5) Market Days on which there were trades of the Shares on the SGX-ST.

The Directors shall have full power to make such provisions as they think fit where the number of Shares calculated in accordance with the above formula becomes attributable in fractions, including provisions as to rounding, or whereby fractional entitlements are otherwise dealt with in such manner as they may deem fit in the interests of the Company and which is/are acceptable to the SGX-ST.

10. Terms of Allotment

All Shares allotted under the Scrip Dividend Scheme will be allotted as fully paid.

All such Shares shall rank *pari passu* in all respects with all existing Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to, or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors or the Company in general meeting shall otherwise specify.

Participating Members who are depositors will have the Shares credited to their CDP accounts. In other cases, certificates for the Shares will be despatched to Members, to their registered addresses in Singapore by ordinary post, at their own risk.

11. Cost to Participants

Under present law in Singapore, brokerage or other transaction costs and Singapore stamp duty will not be payable by Participating Members on Shares allotted under the Scrip Dividend Scheme.

12. Termination of Permanent Election

A Participating Member or an Authorised Representative (as defined below) may cancel the Participating Member's permanent election to participate in the Scrip Dividend Scheme in relation to any Notice of Election by completing and returning to the Company or (as the case may be) CDP, a Notice of Cancellation in such form as the Directors may approve (a notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by the Company) in relation to such Notice of Election.

To be effective in respect of any Qualifying Dividend, the Notice of Cancellation must be received by the Company or (as the case may be) CDP, by the date to be specified by the Directors for that Qualifying Dividend, failing which the Notice of Cancellation will not, unless otherwise determined by the Directors, be effective for that Qualifying Dividend in respect of such Notice of Election. The Notice of Cancellation will however be effective from the next Qualifying Dividend.

Where a Participating Member or an Authorised Representative gives notice to the Company or, if the Participating Member is a depositor, to CDP, of a change of his registered address for the service of notices and documents from an address within Singapore to an address outside Singapore, he shall thereupon be considered an Overseas Member. Any permanent election to participate in the Scrip Dividend Scheme by such Participating Member shall be deemed to have been cancelled by him, if his registered address as at Books Closure Date is outside Singapore.

An "**Authorised Representative**" would include any guardian of an infant who is a Participating Member, and any committee or other legal curator of a lunatic person who is a Participating Member, and any person becoming entitled to the legal title in a Share in consequence of the death or bankruptcy of Participating Member (who is an individual), or the winding-up of a Participating Member (which is an entity) upon producing such evidence of legal title to the Share as the Company or, as the case may be, CDP may require.

	<p>13. Cancellation of Application of the Scrip Dividend Scheme</p> <p>Notwithstanding any provision in these Terms and Conditions, if at any time after the Directors have determined that the Scrip Dividend Scheme shall apply to any particular Dividend and before the allotment and issue of Shares in respect of the Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of the Dividend, the Directors may, at their absolute discretion and as they may deem fit in the interest of the Company, cancel the application of the Scrip Dividend Scheme to the Dividend. In such event, the Dividend shall be paid in cash to Members in the usual way.</p> <p>14. Modification and Termination of the Scrip Dividend Scheme</p> <p>The Scrip Dividend Scheme may be modified or terminated at any time by the Directors as they deem fit on giving notice in writing to all Members.</p> <p>In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Member who has made a permanent election under the Scrip Dividend Scheme unless and until the Company or, if the Member is a depositor, CDP receives a Notice of Cancellation in accordance with these Terms and Conditions.</p> <p>15. Governing Law</p> <p>This Statement, the Scrip Dividend Scheme and these Terms and Conditions shall be governed by, and construed in accordance with, the laws of Singapore.</p>
SGX-ST Listing	<p>The Shares allotted under the Scrip Dividend Scheme have in-principle been accepted for listing by the SGX-ST and will be quoted upon completion of allotment procedures. However, the SGX-ST accepts no responsibility for any statements made in this Statement.</p>
Taxation	<p>The Company takes no responsibility for the taxation liabilities of Participating Members or the tax consequences of any election made by Members. As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Members if required.</p> <p>The Company accepts no responsibility for the correctness or accuracy of any information as to taxation liability set out in this Statement.</p> <p>As a general indication, however, it is understood that as at the date of this Statement, under tax legislation in Singapore, a Member's tax liability will not alter, nor is there any tax advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.</p>
Other Terms	<p>The Shares are offered on the terms and conditions set out in this Statement and in the applicable provisions of the Articles of Association of the Company.</p>
Enquiries	<p>Enquiries about any aspect of the Scrip Dividend Scheme should be directed to the Company:</p> <p>51 Penjuru Road, #04-00, Freight Links Express Logisticcentre, Singapore 609143</p>
Responsibility Statement	<p>This Statement has been seen and approved by all the Directors and they collectively and individually accept responsibility for the accuracy of the information given and confirm that they have taken reasonable care to ensure that there are no material facts the omission of which would make any statement in this Statement misleading.</p>

FREIGHT LINKS EXPRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 198600061G)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of **FREIGHT LINKS EXPRESS HOLDINGS LIMITED** (the “**Company**”) will be held on 31 August 2010 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place) at 51 Penjuru Road, #04-00, Freight Links Express Logisticcentre, Singapore 609143 for the purpose of considering, and if thought fit, passing with or without modifications, the following Ordinary Resolutions and Special Resolution:

(1) ORDINARY RESOLUTION (1) - THE PROPOSED SHARE BUYBACK MANDATE

(1) THAT:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) an on-market purchase (“**On-Market Purchase**”) transacted through the SGX-ST’s Central Limit Order Book trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or
- (ii) an off-market purchase (“**Off-Market Purchase**”) pursuant to an equal access scheme(s) (as defined in Section 76C of the Act) as may be determined or formulated by the Directors as they consider fit, of which such scheme(s) shall satisfy all the conditions pursuant to the proposed Share Buyback Mandate,

and otherwise in accordance with all other laws and regulations and rules of SGX-ST as may for the time being applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next Annual General Meeting of the Company is held;
- (ii) the date by which the next Annual General Meeting of the Company is required by law to be held;
- (iii) the date on which the authority conferred by the proposed Share Buyback Mandate is revoked or varied by the Company in general meeting; or
- (iv) the date on which the share purchases pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Resolution:

“**Maximum Limit**” means that number of Shares representing 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution; and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage fees, stamp duties payable, applicable goods and services tax and other related expenses) to be paid per Share for any Share buy-backs shall be determined by the Directors, subject always to a maximum price (**“Maximum Price”**) which:-

- (i) in the case of an On-Market Purchase, shall mean the price per Share based on not more than 5% above the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, shall mean the price per Share based on not more than 10% above the Average Closing Price.

Where:

“Average Closing Price” means the average of the closing market prices of a Share over the 5 consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the on-market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST, for any corporate action which occurs after the relevant 5 day period; and

“date of the making of the offer” means the date on which the Company makes an offer for an off-market purchase, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

(2) SPECIAL RESOLUTION (2) – THE PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

(2) THAT:

- (a) the proposed amendments to the Memorandum and Articles of Association of the Company, as set out in **Appendix B (Amendments to the Memorandum and Articles of Association)** to the Circular to shareholders of the Company dated 6 August 2010, be approved and adopted and the reprinting of the Memorandum and Articles of Association of the Company to reflect the proposed amendments as described, be and are hereby approved; and
- (b) the Directors of the Company be and are hereby authorised to do all acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interest of the Company, in connection with the subject matter of, or to give effect to, this special resolution.

(3) ORDINARY RESOLUTION (3) – THE PROPOSED SCRIP DIVIDEND SCHEME

(3) THAT contingent upon the passing of Resolution 2 above:

- (a) the Scrip Dividend Scheme (as defined in the Circular) under which the Directors may, whenever the Directors of the Company in general meeting have resolved that a dividend (including an interim, final, special or other dividend) be paid or declared on the Shares of the Company, resolve that Shareholders entitled to such dividend may elect to receive an allotment of Shares credited as fully paid in lieu of cash in respect of the dividend (further particulars of which are set out in the Circular in respect of the proposed Scrip Dividend Scheme), be and is hereby approved; and

- (b) the Directors be and are hereby authorized:-
- (i) to establish and administer the Scrip Dividend Scheme;
 - (ii) to modify and/or alter the Scrip Dividend Scheme from time to time and to do all such acts and things and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Scrip Dividend Scheme; and
- (c) pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be allotted and issued pursuant to the Scrip Dividend Scheme.

BY ORDER OF THE BOARD

Dorothy Ho/Nancy Quek
Company Secretaries
FREIGHT LINKS EXPRESS HOLDINGS LIMITED
Singapore, 6 August 2010

IMPORTANT Please read notes below:

Notes:

1. A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be lodged at the registered office of the Company at 51 Penjuru Road, #04-00, Freight Links Express Logisticentre, Singapore 609143 not less than 48 hours before the time appointed for the Extraordinary General Meeting.
3. The source of funds, amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or retained profits, and the price at which such shares were purchased or acquired. The illustrative financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Buyback Mandate based on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 April 2010 are set out in paragraph 2.8 of the Circular.

FREIGHT LINKS EXPRESS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 198600061G)

PROXY FORM

Extraordinary General Meeting

IMPORTANT

1. For investors who have used their CPF moneys to buy shares in the capital of Freight Links Express Holdings Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name)

of _____ (Address)

being a member/members of Freight Links Express Holdings Limited (the “**Company**”) hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)
And/or (delete as appropriate)			

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held on 31 August 2010 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place) at 51 Penjuru Road, #04-00, Freight Links Express Logisticcentre, Singapore 609143 and at any adjournment thereof.

I/We have indicated with an “X” in the appropriate box against such item how I/we wish my/our proxy/proxies to vote. If no specific direction as to voting is given, or in the event of any item arising not summarised below, my/our proxy/proxies may vote or abstain at the discretion of my/our proxy/proxies.

		For	Against
(1)	Ordinary Resolution To approve the proposed Share Buyback Mandate		
(2)	Special Resolution To approve the proposed amendments to the Memorandum and Articles of Association of the Company		
(3)	Ordinary Resolution To approve the Scrip Dividend Scheme		

Dated this _____ 2010.

Total number of
Shares held

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

IMPORTANT: PLEASE READ NOTES ON THE REVERSE



NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 51 Penjuru Road, #04-00, Freight Links Express Logisticcentre, Singapore 609143 not less than 48 hours before the time appointed for the Extraordinary General Meeting, failing which the instrument may be treated as invalid.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. General: The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.