

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING



CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

中国航油(新加坡)股份有限公司

Incorporated in the Republic of Singapore
Company Registration No.: 199303293Z

LETTER TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS;**
- (2) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (3) THE PROPOSED ADOPTION OF THE NEW CONSTITUTION.**

Independent Financial Adviser in relation to the Proposed Renewal of, and Amendments to, the General Mandate for Interested Person Transactions



CIMB BANK BERHAD (13491-P)

Singapore Branch

(Incorporated In Malaysia)

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DEFINITIONS

In this Letter, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:

Entities

“Bluesky”	:	China National Aviation Fuel South China Bluesky Corporation (华南蓝天航空油料有限公司), a subsidiary of CNAFCL
“BP”	:	BP p.l.c., an indirect Controlling Shareholder of the Company
“BP Group”	:	BP and its associates
“BPIA”	:	BP Investments Asia Limited, an indirect subsidiary of BP and a Controlling Shareholder of the Company
“BPS”	:	BP Singapore Pte. Limited, an indirect subsidiary of BP
“CAO” or “Company”	:	China Aviation Oil (Singapore) Corporation Ltd
“CAO Group”	:	The Company and its unlisted subsidiaries (i.e. which are not listed on the SGX-ST or an approved exchange), and the unlisted (as defined herein) associated companies of the Company over which the Company and its subsidiaries, or the Company and its subsidiaries and its interested persons, have Control
“CAO HK”	:	China Aviation Oil (Hong Kong) Company Limited, a wholly-owned subsidiary of the Company
“CIMB Bank”	:	CIMB Bank Berhad, Singapore Branch
“CNAF”	:	China National Aviation Fuel Group Limited (中国航空油料集团有限公司), formerly known as China National Aviation Fuel Group Corporation (中国航空油料集团公司), the holding company of the Company
“CNAF Finance”	:	China National Aviation Fuel Finance Co., Ltd (中国航油集团财务有限公司), a subsidiary of CNAF
“CNAF Group”	:	CNAF and its associates
“CNAF HKR”	:	CNAF Hong Kong Refuelling Limited (中国航油香港供油有限公司), an associate of CNAF
“CNAF Logistics”	:	China National Aviation Fuel Logistics Co., Ltd (中国航油集团物流有限公司), a subsidiary of CNAF
“CNAFCL”	:	China National Aviation Fuel Corporation Ltd (中国航空油料有限责任公司), a subsidiary of CNAF
“Group”	:	The Company and its subsidiaries
“LandOil”	:	China National Aviation Fuel Petroleum Co., Ltd (中国航油集团石油有限公司), a subsidiary of CNAF

“TSN-PEKCL” : China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd (中国航油集团津京管道运输有限责任公司), a 49%-owned associated company of the Company and an associate of CNAF

General

“2014 Amendment Act” : The Companies (Amendment) Act 2014

“2017 Amendment Act” : The Companies (Amendment) Act 2017

“2017 AGM” : The annual general meeting of the Company held on 18 April 2017

“2017 Annual Report” : Annual Report of the Company for FY2017

“AGM” : The forthcoming 24th annual general meeting of the Company, notice of which is set out on pages 191 to 196 of the 2017 Annual Report

“Applicable Threshold” : Has the meaning ascribed to it in paragraph 7.1 of **Annex II** to this Letter

“Approved Entities” : Has the meaning ascribed to it in paragraph 3.1.3 of **Annex II** to this Letter

“Audit Committee” : The audit committee of the Company, comprising Independent Directors, Mr Ang Swee Tian, Dr Wang Kai Yuen and Mr Li Runsheng, and Non-Independent, Non-Executive Directors, Mr Li Yongji and Mr David Windle as at the date of this Letter

“Average Barrel Price” : The yearly average market price per barrel of KERO, which shall be the arithmetic average of the mean of the daily high and low quotations for KERO under the heading “FOB SINGAPORE — MARKET LOCATION” as published in Platts Asia-Pacific/Arab Gulf Marketscan, effective for the calendar month prior to the date of the relevant transaction

“Beijing Airport” : Beijing Capital International Airport

“Bluesky Supply Agreement” : The supply agreement entered into by the Company and Bluesky dated 1 April 2010 relating to the terms of the supply arrangements between the Company and Bluesky, which was previously renewed and extended to 1 April 2014, then further renewed and extended to 1 April 2016, and which has been extended by way of a new agreement dated 2 February 2016, which will expire on 1 April 2018

“Board” : The board of Directors of the Company

“BPIA Directors” : Mr David Windle and Ms Bella Young, both of whom are Non-Independent, Non-Executive Directors of the Company

“CDP” : The Central Depository (Pte) Limited

“CFR”	:	The acronym for the Incoterm “Cost and Freight” which indicates that the seller/exporter/manufacturer clears the goods for export and is responsible for the costs for transport of the goods to the port of destination. The buyer bears the risk of loss of the goods once the goods pass the ship’s rail at the port of shipment (and not destination)
“CNAF Directors”	:	Dr Xi Zhengping (Chairman and Non-Independent, Non-Executive Director of the Company), Mr Meng Fanqiu (Chief Executive Officer/Executive Director of the Company), Mr Li Yongji (Non-Independent, Non-Executive Director of the Company) and Mr Wang Yanjun (Executive Director/Vice President of the Company)
“CNAFCL Supply Agreement”	:	The supply agreement entered into by the Company and CNAFCL dated 23 March 2010 relating to the terms of the supply arrangements between the Company and CNAFCL, the term of which was previously renewed and extended to 6 August 2014, then renewed and extended to 6 August 2016, and which was extended to 6 August 2018 by mutual agreement between the parties thereto on substantially similar terms
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act” or “Act”	:	The Companies Act (Chapter 50 of Singapore)
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	In relation to a listed company, a person who: <ul style="list-style-type: none"> (a) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued shares in the company excluding treasury shares and subsidiary holdings. The SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder; or (b) in fact exercises Control over the company
“Deposit Banks”	:	Has the meaning ascribed to it in paragraph 3.1.3 of Annex II to this Letter
“Derivative Financial Instruments”	:	Derivative financial instruments including but not limited to all futures and swaps products available in the energy and freight markets
“Director”	:	A director of the Company as at the date of this Letter
“Entrust Loan Arrangement Services”	:	Has the meaning ascribed to it in paragraph 3.1.3 of Annex II to this Letter
“EPS”	:	Earnings per Share
“Executive Director”	:	A Director who is an employee of and performs an executive function for the Company
“Existing Constitution”	:	The Constitution of the Company currently in force

“ FOB ”	:	The acronym for the Incoterm “Free on Board”, which indicates that delivery is effected by the seller when the goods pass the ship’s rail at the named port of shipment. Accordingly, the seller clears the goods for export, and all costs and risks of loss of or damage to the goods from that port are borne by the buyer
“ FY ”	:	Financial year ended or ending on 31 December
“ HKIA ”	:	The Hong Kong International Airport at Chek Lap Kok
“ Incoterms ”	:	The International Commercial Terms as developed and issued by the International Chamber of Commerce, and “ Incoterm ” means any one of such terms
“ Independent Directors ”	:	The Directors who are considered independent for the purpose of making a recommendation to Shareholders on the renewal of the IPT Mandate, namely, Dr Wang Kai Yuen, Mr Li Runsheng and Mr Ang Swee Tian, and “ Independent Director ” means any one of them
“ Interested Person Transactions ”	:	Transactions proposed to be entered into between the CAO Group and the Interested Persons
“ Interested Persons ”	:	For the purposes of the IPT Mandate, the CNAF Group and the BP Group, and “ Interested Person ” means any one of them
“ Into-Plane Fuelling Services Framework Agreement ”	:	Has the meaning ascribed to it in paragraph 3.1.2 of Annex II to this Letter
“ Investee Companies ”	:	Interested Persons in which the CAO Group has an equity investment
“ IPT Mandate ”	:	<p>(a) For the purposes of this Letter, excluding Annexes II and III to this Letter, the Shareholders’ general mandate pursuant to Chapter 9 of the Listing Manual permitting the Company, its subsidiaries and associated companies which are considered to be “entities at risk” under Chapter 9 of the Listing Manual or any of them, to enter into Interested Person Transactions with the Interested Persons, which was last renewed at the 2017 AGM; and</p> <p>(b) for the purposes of Annexes II and III to this Letter, the Shareholders’ general mandate pursuant to Chapter 9 of the Listing Manual permitting the Company, its subsidiaries and associated companies which are considered to be “entities at risk” under Chapter 9 of the Listing Manual or any of them, to enter into Interested Person Transactions with the Interested Persons, proposed to be renewed at the AGM</p>
“ KERO ”	:	The abbreviation of “kerosene” as published in Platts Asia-Pacific/ Arab Gulf Marketscan under “ FOB SINGAPORE — MARKET LOCATION ”
“ Latest Practicable Date ”	:	The latest practicable date prior to the printing of this Letter, being 8 March 2018

“Letter”	:	This letter to Shareholders dated 27 March 2018
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Listing Rules”	:	The listing rules of the SGX-ST set out in the Listing Manual
“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 3.3.4 of this Letter
“MOPS”	:	Has the meaning ascribed to it in paragraph 3.1.1 of Annex II to this Letter
“New Constitution”	:	The new constitution proposed to be adopted by the Company
“Non-Executive Director”	:	A Director (including an Independent Director) of the Company, as the case may be, who is not an Executive Director
“NTA”	:	Net tangible assets
“Off-Market Purchases”	:	Has the meaning ascribed to it in paragraph 3.3.3 of this Letter
“On-Market Purchases”	:	Has the meaning ascribed to it in paragraph 3.3.3 of this Letter
“OTC”	:	Has the meaning ascribed to it in paragraph 3.2.2 of Annex II to this Letter
“Petroleum Products”	:	Petroleum products including but not limited to aviation fuel, gas oil, fuel oil, crude oil and other petrochemicals
“Pipeline Services Contract”	:	The jet fuel transportation services framework agreement entered into between TSN-PEKCL and CNAFCL relating to the provision of pipeline transportation services by TSN-PEKCL to CNAFCL, which entry was approved at the 2017 AGM
“PRC”	:	The People’s Republic of China
“Relevant Period”	:	The period commencing from the date of the AGM being the date on which the Share Purchase Mandate is passed, if approved by the Shareholders, and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Purchase Mandate is passed
“Risk Management Committee”	:	The risk management committee of the Company, comprising the Non-Executive Directors, namely Mr David Windle (Non-Independent BPIA Director), Mr Li Yongji (Non-Independent CNAF Director) and Mr Ang Swee Tian (Independent Director) as at the date of this Letter, set up for the purposes of assisting the Board in fulfilling its oversight and approval responsibilities relating to its risk management framework and policies, as well as market, credit, operational, compliance and all other risk concerns
“ROE”	:	Return on equity

“Securities Account”	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
“Senior Executives”	:	The senior executives of the CAO Group who, for the purposes of undertaking the review procedures described in paragraph 6 of Annex II to this Letter (Review Procedures for Interested Person Transactions), are the chief executive officer, chief financial officer, deputy chief financial officer, chief operating officer, head of finance, deputy head of finance, head of trading, deputy head of trading, head of risk management, deputy head of risk management, head of operations, deputy head of operations, any head of department, function or business unit, assistant to the chief executive officer, or any position of equivalent rank or seniority as the foregoing, of any of the members of the CAO Group, and/or such other senior management personnel tasked to undertake the functions of the foregoing senior executives’ positions from time to time
“Services”	:	Services that the member(s) of the BP Group may provide to the CAO Group from time to time, whereby the member(s) of the BP Group share(s) the benefit of its contacts, expertise or knowledge with the CAO Group or where efficiencies and economies of scale can be achieved by the member(s) of the BP Group and the CAO Group through the provision of services by the former to the latter, including, without limitation, services relating to risk management, information-sharing, marketing, training, secondment of staff and other corporate functions
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Mandate”	:	Shareholders’ mandate to authorise the Directors to make purchases of Shares in accordance with the terms set out in this Letter as well as the rules and regulations set forth in the Companies Act and the Listing Manual
“Shareholders”	:	The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to those Shares, mean the depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Substantial Shareholder”	:	A substantial shareholder of the Company as defined under Section 2(6) of the Securities and Futures Act (Chapter 289 of Singapore)
“Supply Agreements”	:	Collectively, the CNAFCL Supply Agreement and Bluesky Supply Agreement
“Term Charter Party Agreement”	:	The term charter party agreement entered into by the Company and CNAF Logistics dated 10 February 2014 relating to the provision of freight services by CNAF Logistics in respect of the transportation of Petroleum Products. The Term Charter Party Agreement, which was due to expire on 30 April 2015, was extended on the same terms (save for the delivery schedule, duration and pricing) by way of a new agreement dated 10 February 2015 and expired on 30 April 2017. It has been further extended for two (2) years on the same terms

“Tianjin Airport”	:	Tianjin Binhai International Airport
“Tianjin Nanjiang Port”	:	Tianjin Nanjiang Terminal, Tanggu Station
“Treasury Services”	:	Transactions relating to: <ul style="list-style-type: none"> (a) interest-bearing placement of funds by the CAO Group with CNAF Finance; (b) the borrowing of funds by the CAO Group from CNAF Finance; (c) the provision of loans by the CAO Group to Approved Entities; (d) the grant of guarantees by the CAO Group in favour of third parties for the purposes of the Investee Companies; and (e) the provision of Entrust Loan Arrangement Services by CNAF Finance to the CAO Group required for the purpose of the provision of loans by the CAO Group to Approved Entities based in the PRC
“%” or “per cent.”	:	Per centum or percentage
“S\$”	:	Singapore dollars, the lawful currency of the Republic of Singapore
“US\$” and “US cents”	:	U.S. dollars and cents, respectively, the lawful currency of the United States of America

The terms “**depositor**” and “**depository agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289 of Singapore) in force as at the Latest Practicable Date.

The terms “**associate**”, “**associated company**”, “**entity at risk**”, “**interested person**”, “**interested person transaction**”, “**chief executive officer**” and “**approved exchange**” shall have the meanings ascribed to them respectively in the Listing Manual.

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

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing any one gender shall, where applicable, include the other genders. References to persons shall, where applicable, include corporations.

Any reference to a time of day in this Letter shall be a reference to Singapore time unless otherwise stated.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual and used in this Letter shall, where applicable, have the meaning ascribed to it under the Companies Act or the Listing Manual, as the case may be, unless otherwise provided. Save as otherwise stated, summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Letter are of such laws and regulations (including the Listing Manual) in force as at the Latest Practicable Date.

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

Unless otherwise stated, the following closing exchange rates as at the Latest Practicable Date have been used in this Letter:

S\$1: US\$0.761

The exchange rates as set out above are used for illustration purposes only and should not be construed as a representation that the relevant amounts have been or could be converted at the rates above or at any other rates.

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

Incorporated in the Republic of Singapore
Company Registration No.: 199303293Z

Board of Directors:

Xi Zhengping	(Chairman – Non-Executive, Non-Independent)
Wang Kai Yuen	(Deputy Chairman/Lead Independent Director – Non-Executive, Independent)
Meng Fanqiu	(Chief Executive Officer/Executive Director – Executive, Non-Independent)
Li Yongji	(Director – Non-Executive, Non-Independent)
Wang Yanjun	(Vice President – Executive, Non-Independent)
David Windle	(Director – Non-Executive, Non-Independent)
Bella Young	(Director – Non-Executive, Non-Independent)
Ang Swee Tian	(Director – Non-Executive, Independent)
Li Runsheng	(Director – Non-Executive, Independent)

Registered Office:

8 Temasek Boulevard
#31-02
Suntec Tower Three
Singapore 038988

27 March 2018

To: The Shareholders of China Aviation Oil (Singapore) Corporation Ltd

Dear Sir/Madam,

LETTER TO SHAREHOLDERS

- (1) **THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS;**
- (2) **THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (3) **THE PROPOSED ADOPTION OF THE NEW CONSTITUTION.**

1. INTRODUCTION

1.1 AGM

We refer to the notice of annual general meeting of the Company (“**AGM**”) dated 27 March 2018 convening the AGM to be held on 25 April 2018, and in particular:

- (a) the ordinary resolution number 11 under the heading “Special Business”, in relation to the proposed renewal of, and amendments to, the IPT Mandate;
- (b) the ordinary resolution number 12 under the heading “Special Business”, in relation to the proposed renewal of the Share Purchase Mandate; and
- (c) the special resolution number 13, in relation to the proposed adoption of the New Constitution,

as further explained in paragraphs 2, 3, and 4 respectively below.

1.2 Letter

The purpose of this Letter is to provide Shareholders with the relevant information relating to, and to seek Shareholders’ approval at the AGM for, the proposals referred to in paragraph 1.1 above.

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

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward this Letter to the purchaser or the transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Letter.

2. THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE IPT MANDATE

2.1 The Proposed Renewal of the IPT Mandate

Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. The IPT Mandate was last renewed at the 2017 AGM and will continue to be in force until the conclusion of the AGM. Accordingly, it is proposed that the IPT Mandate be renewed at the AGM, to take effect until the conclusion of the next annual general meeting of the Company or the date on which the next annual general meeting of the Company is required to be held, whichever is the earlier.

General information relating to Chapter 9 of the Listing Manual is set out in **Annex I** to this Letter.

The proposed renewal of the IPT Mandate will authorise the Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual, to enter, in the ordinary course of business, into any of the mandated transactions with specified classes of the Company’s interested persons, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, and are entered into in accordance with the review procedures for such transactions. As BPIA and CNAF are Controlling Shareholders, members of the BP Group and members of the CNAF Group constitute interested persons of the Company. Information on the shareholdings of BPIA and CNAF in the Company can be found in paragraph 7.2 of this Letter.

2.2 The Proposed Amendments to the IPT Mandate

2.2.1 Supply Agreements

On 6 February 2018, the CNAFCL Supply Agreement, which was previously renewed and due to expire on 6 August 2018, has been extended to 6 August 2020 by mutual agreement of the parties thereto on substantially similar terms.

Under the renewed and extended CNAFCL Supply Agreement, the Company is to purchase aviation fuel on a proprietary basis (and not as agent of CNAFCL), and then sell the aviation fuel to CNAFCL (or its designated import agents) on a proprietary basis.

The Audit Committee had reviewed the terms of the proposed extension of the CNAFCL Supply Agreement prior to entry into the agreement.

The Bluesky Supply Agreement, which was previously renewed and due to expire on 1 April 2018, has also been extended to 1 April 2020 on substantially similar terms by way of a new agreement dated 6 February 2018, and unless otherwise mutually agreed upon by the parties, will be further extended for another term of two (2) years to 1 April 2022.

Under the renewed and extended Bluesky Supply Agreement, the Company is to purchase aviation fuel on a proprietary basis (and not as agent of Bluesky), and then sell the aviation fuel to Bluesky (or its designated import agents) on a proprietary basis.

The Audit Committee had reviewed the terms of the proposed extension of the Bluesky Supply Agreement prior to entry into the agreement.

The Company proposes to amend paragraph 3.1.1 of the IPT Mandate (as reflected in **Annex V**) to reflect the renewal and extension of both the CNAFCL Supply Agreement and the Bluesky Supply Agreement.

2.3 Independent Financial Adviser's Opinion

CIMB Bank has been appointed as the independent financial adviser to advise the Independent Directors on the IPT Mandate, as proposed to be renewed and amended and set out in **Annex II** to this Letter.

CIMB Bank is of the opinion that the methods and procedures under the IPT Mandate, with the proposed amendments as set out in **Annex II** to this Letter, if adhered to, are sufficient to ensure that the Interested Person Transactions carried out thereunder will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The letter dated 27 March 2018 from CIMB Bank to the Independent Directors is reproduced in **Annex IV** to this Letter.

2.4 Statement of the Audit Committee

Having considered, *inter alia*, the terms, the rationale and benefits of the IPT Mandate, as proposed to be renewed and amended and set out in **Annex II** to this Letter, the Audit Committee is satisfied that the review procedures proposed by the Company, as set out in paragraph 6 of **Annex II** to this Letter, for determining the transaction prices and terms of the Interested Person Transactions: (a) have not changed since Shareholders' approval for the IPT Mandate, which was last proposed at the 2017 AGM to be amended, was obtained at the 2017 AGM; and (b) if adhered to, are sufficient to ensure that the Interested Person Transactions carried out thereunder will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Non-Independent, Non-Executive Directors of the Audit Committee, Mr David Windle and Mr Li Yongji, being a BPIA Director and a CNAF Director respectively, have abstained from the Audit Committee's review and determination in relation to the above.

2.5 Validity Period of the IPT Mandate

If approved by Shareholders at the AGM, the IPT Mandate, with the proposed amendments, will take effect from the date of the passing of the resolution for the renewal of, and amendments to, the IPT Mandate, to be proposed at the AGM, and shall apply in respect of Interested Person Transactions entered or to be entered into from the date of the AGM until the conclusion of the next annual general meeting of the Company or the date on which the next annual general meeting of the Company is required to be held, whichever is the earlier, unless revoked or varied by the Company in a general meeting.

2.6 Disclosure

Pursuant to Chapter 9 of the Listing Manual, the Company will disclose in its annual report the aggregate value of the Interested Person Transactions entered into under the IPT Mandate, as renewed and amended, during the financial year under review, and in the annual reports of subsequent financial years during which the IPT Mandate, as renewed and amended, is in force. In addition, the Company will announce the aggregate value of the Interested Person Transactions entered into pursuant to the IPT Mandate, as renewed and amended, for the financial periods which it is required to report pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report¹. These disclosures will be in the form set out in Rule 907 of the Listing Manual.

¹ In the case of Treasury Services involving interest-bearing placement of funds by the CAO Group with CNAF Finance, the Company will disclose the highest amount of funds of the CAO Group on placement with CNAF Finance (including both principal and any interest which has been compounded) in aggregate at any one time during the relevant financial period covered by the announcement or annual report, as well as separate disclosure of the aggregate interest earned during the said financial period

3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 Background

It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. In this regard, the Share Purchase Mandate was approved by Shareholders at the extraordinary general meeting of the Company held on 18 September 2009, and last renewed at the 2017 AGM, to authorise the Directors to make purchases of Shares on the terms of the Share Purchase Mandate. Such Share Purchase Mandate will, unless renewed again, expire on the date of the AGM.

The Company proposes to renew the mandate for the Company to make on-market and off-market purchases of Shares from time to time of up to ten per cent. (10%) of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings as at the date of the AGM in accordance with the terms set out below.

3.2 Rationale for the Share Purchase Mandate

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

- (a) in managing its business, the Group always strives to increase Shareholder value by improving, *inter alia*, the ROE of the Group and a Share purchase is one way by which ROE may be enhanced;
- (b) the Share Purchase Mandate will give the Company an easy mechanism to facilitate the return of surplus cash in excess of its requirements taking into account its growth and expansion plans, in an expedient and cost-efficient manner;
- (c) the Share Purchase Mandate will provide the Company the flexibility to adjust the Company's share capital structure and may, subject to market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NTA per Share; and
- (d) the use of treasury shares for the purposes of the Company's share schemes for employees and others (if any) in lieu of issuing new Shares would mitigate the dilution impact (if any) on existing Shareholders which may arise from the operation of such schemes.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said ten per cent. (10%) limit during the period referred to in paragraph 3.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full ten per cent. (10%) limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

3.3 Details of the Share Purchase Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Purchase Mandate, if renewed at the AGM, are the same as previously approved by Shareholders at the 2017 AGM, and are summarised below:

3.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased by the Company. Rule 882 of the Listing Manual states that the total number of Shares that may be purchased is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of the AGM. If the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I confirming the reduction of share capital of the Company, the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of the Company or the order of the court, as the case may be. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the ten per cent. (10%) limit. As at the Latest Practicable Date, the Company had no subsidiary holdings.

Purely for illustrative purposes, on the basis of 860,183,628 Shares in issue as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings) and assuming that no further shares of the Company are issued or repurchased and held as treasury shares and/or subsidiary holdings on or prior to the date of the AGM, not more than 86,018,362 Shares (representing ten per cent. (10%) of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

3.3.2 Duration of Authority

The authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the AGM and expiring on:

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

The Share Purchase Mandate may be renewed at each annual general meeting or other general meeting of the Company. When seeking the approval of Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Purchase Mandate made during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

3.3.3 Manner of Purchase

Purchases of Shares may be made on the SGX-ST (“**On-Market Purchases**”) and/or otherwise than on the SGX-ST, in accordance with an equal access scheme (“**Off-Market Purchases**”).

On-Market Purchases refer to purchases of Shares by the Company transacted through the SGX-ST’s trading system through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders. The Directors may impose such terms and conditions, which are consistent with the Share Purchase Mandate, the Listing Rules and the Companies Act, as they consider fit in the interests of the Company in connection with, or in relation to, an equal access scheme or schemes. Under the Companies Act, an Off-Market Purchase must satisfy all the following conditions:

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

In addition, pursuant to the Listing Rules, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of purchases or acquisitions of Shares by the Company that will arise under the Code or other applicable take-over rules;
- (e) whether the purchases or acquisitions of Shares, if made, could affect the listing of the Shares on the SGX-ST;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (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 such purchases of Shares, where relevant, and the total consideration paid for such purchases; and
- (g) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

3.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Purchase Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of an On-Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the On-Market Purchase was made by the Company, which is deemed to be adjusted in accordance with the Listing Rules for any corporate action that occurs after the relevant period of five (5) Market Days; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, ten per cent. (10%) above the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded, before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme,

in either case, excluding related expenses of the purchase or acquisition (the “**Maximum Price**”).

For the purposes of the above:

“**day on which the Company makes an announcement of an offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from the Shareholders, 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.

3.3.5 Status of Purchased Shares

Any Share which is purchased or acquired by the Company is treated as cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as a treasury share. All cancelled Shares will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares. Prior Board approval will be sought if any Share to be purchased pursuant to the Share Purchase Mandate will be held in treasury. It is presently intended by the Company that Shares which are purchased or acquired by the Company will be held as treasury shares, up to the maximum number of treasury shares permitted by law to be held by the Company.

3.3.6 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the key provisions on treasury shares under the Companies Act are as follows:

- (a) Maximum holdings — The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares;
- (b) Voting and other rights — The Company shall be registered as a member in respect of the treasury shares but shall not have the right to attend or vote at meetings and/or to receive any dividends in respect of the treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before, as the case may be; and

- (c) Disposal and cancellation — The Company may dispose of treasury shares at any time in the following ways:
- (i) sell the treasury shares for cash;
 - (ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
 - (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 for Finance.

3.3.7 Source of Funds

The Company may only apply funds for the purchase or acquisition of Shares in accordance with the Constitution of the Company and the applicable laws and regulations in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company may purchase or acquire its own Shares out of capital, as well as from its distributable profits, provided that:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if it is intended to commence winding up of the Company within the period of twelve (12) months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up or if it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (c) 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).

The Company intends to use its internal sources of funds and/or obtain or incur external borrowings to finance purchases or acquisitions of its Shares. The Directors do not propose to exercise the Share Purchase Mandate or rely on external borrowings to finance purchases or acquisitions of its Shares to such an extent that it would materially affect the financial position, working capital requirements or investment ability of the Group.

3.3.8 Financial Effects

The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate would depend on factors such as, *inter alia*, whether the Shares are purchased or acquired out of capital and/or profits, the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

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

Where the Company chooses not to hold the purchased Shares in treasury, such Shares shall be cancelled. 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 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, including any expenses (including brokerage or commission) incurred in the purchase or acquisition of the Shares which are paid out of the Company's capital or profits. Where the purchased Shares are held in treasury, the total number of issued Shares will remain unchanged.

As at the Latest Practicable Date, the issued and paid-up share capital of the Company comprised 866,183,628 Shares (out of which 6,000,000 Shares were held in treasury). As the Company can only hold ten per cent. (10%) of its Shares being 86,618,362 Shares in treasury, the exercise in full of the Share Purchase Mandate would result in the purchase or acquisition of 80,618,362² Shares if all will be held in treasury, and 86,018,362 Shares if all will be cancelled. For the purposes of illustration and comparison only, the Company has assumed that pursuant to the Share Purchase Mandate, it will purchase or acquire the smaller number of Shares, i.e. 80,618,362 Shares, instead of the entire ten per cent. (10%) of the total number of issued Shares excluding treasury shares, i.e. 86,018,362 Shares.

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase price paid for such Shares and the amount borrowed (if any) by the Company to fund the purchase or acquisition of the Shares and whether the Shares purchased or acquired are cancelled or held as treasury shares.

For illustration purposes only and based on the assumptions set out below:

- (i) in the case of On-Market Purchases by the Company and assuming that the Company purchases or acquires 80,618,362 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$1.577 which is five per cent. (5%) above the average of the closing market prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$127,135,156;
- (ii) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 80,618,362 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$1.652 which is ten per cent. (10%) above the average closing market prices of the Shares for the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$133,181,534; and

² Section 761(1) of the Companies Act states that the aggregate number of shares held as treasury shares shall not at any time exceed ten per cent. (10%) of the total number of shares of the company at that time. As at the Latest Practicable Date, the Company has 6,000,000 Shares held in treasury. Hence, although the Share Purchase Mandate provides for up to 86,618,362 Shares to be purchased or acquired by the Company, the maximum number of Shares that the Company can purchase or acquire and hold in treasury is 80,618,362 Shares

- (iii) the consideration for the purchase or acquisition of the Shares is funded equally by internal funds and borrowings after allowing for working capital, and interest payable on additional borrowings is at the rate of 3.3% per annum before adjusting for tax, and based on the audited financial statements of the Group for FY2017,

the effects of:

- (a) the purchase or acquisition of 80,618,362 Shares by the Company in an On-Market Purchase or Off-Market Purchase and held as treasury shares; and
- (b) the purchase or acquisition of 80,618,362 Shares by the Company in an On-Market Purchase or Off-Market Purchase and cancelled (where the 6,000,000 Shares held in treasury as at the Latest Practicable Date are also cancelled),

on the financial position of the Company and the Group are as follows:

(1) On-Market Purchase or Off-Market Purchase of 80,618,362 Shares – held as treasury shares

	The Company			Group		
	Before Share Purchase US\$'000	After On-Market Purchase US\$'000	After Off-Market Purchase US\$'000	Before Share Purchase US\$'000	After On-Market Purchase US\$'000	After Off-Market Purchase US\$'000
As at 31 December 2017						
Share capital	215,573	215,573	215,573	215,573	215,573	215,573
Reserves	318,599	318,599	318,599	513,488	513,488	513,488
	534,172	534,172	534,172	729,061	729,061	729,061
Treasury shares	(5,482)	(102,232)	(106,834)	(5,482)	(102,232)	(106,834)
Shareholders' funds	528,690	431,940	427,338	723,579	626,829	622,227
NTA⁽¹⁾	528,346	431,596	426,994	722,054	625,249	620,647
Current Assets	1,491,825	1,443,450	1,441,149	1,578,767	1,530,392	1,528,091
Current Liabilities	1,136,003	1,184,378	1,186,679	1,181,163	1,229,538	1,231,839
Working Capital	355,822	259,072	254,470	397,604	300,854	296,252
Total Borrowings	120,000	168,375	170,676	120,000	168,375	170,676
Number of Shares ('000) ⁽²⁾	866,184	866,184	866,184	866,184	866,184	866,184
Number of Shares less treasury shares ('000)	860,184	779,565	779,565	860,184	779,565	779,565
Financial Ratios						
NTA per Share (US cents) ⁽³⁾	61.42	55.36	54.77	83.94	80.20	79.61
Annualised Return on equity (%)	12.00	14.69	14.85	11.79	13.61	13.71
Basic EPS (US cents) ⁽⁴⁾	7.38	8.14	8.14	9.92	10.95	10.95
Gearing ratio (times) ⁽⁵⁾	0.23	0.39	0.40	0.17	0.27	0.27
Current ratio (times) ⁽⁶⁾	1.31	1.22	1.21	1.34	1.24	1.24

As illustrated above, the purchase of Shares made out of the capital of the Company and held as treasury shares would have the effect of reducing the working capital and NTA of the Company and the Group. The consolidated NTA per Share of the Group as at 31 December 2017 would decrease from 83.94 US cents to 80.20 US cents in the case of an On-Market Purchase and from 83.94 US cents to 79.61 US cents in the case of an Off-Market Purchase. No adjustment was made to take into account the reduction in dividend paid out during the year from the purchase of Shares.

Notes:

- (1) NTA refers to net assets less goodwill on consolidation and intangible assets.
- (2) Includes 86,618,362 Shares held in treasury, computed based on ten per cent (10%) of the total number of Shares in issue as at the Latest Practicable Date.
- (3) NTA per Share is based on 779,565,266 Shares which has excluded 86,618,363 Shares held in treasury.
- (4) EPS is based on 779,565,266 Shares, the weighted average number of Shares, which has excluded 86,618,362 held in treasury.
- (5) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (6) Current ratio equals current assets divided by current liabilities.

(2) On-Market Purchase or Off-Market Purchase of 80,618,362 Shares – cancelled

As at 31 December 2017	The Company			Group		
	Before Share Purchase US\$'000	After On-Market Purchase US\$'000	After Off-Market Purchase US\$'000	Before Share Purchase US\$'000	After On-Market Purchase US\$'000	After Off-Market Purchase US\$'000
Share capital	215,573	113,341	108,739	215,573	113,341	108,739
Reserves	313,117	318,599	318,599	508,006	513,488	513,488
	528,690	431,940	427,338	723,579	626,829	622,227
Treasury shares	-	-	-	-	-	-
Shareholders' funds	528,690	431,940	427,338	723,579	626,829	622,227
NTA⁽¹⁾	528,346	431,541	426,939	722,054	625,304	621,002
Current Assets	1,491,825	1,443,450	1,441,149	1,578,767	1,530,392	1,528,091
Current Liabilities	1,136,003	1,184,378	1,186,679	1,181,163	1,229,538	1,231,839
Working Capital	355,822	259,072	254,470	397,604	300,854	296,252
Total Borrowings	120,000	168,375	170,676	120,000	168,375	170,676
Number of Shares less shares cancelled ('000)	860,184	779,565	779,565	860,184	779,565	779,565
Financial Ratios						
NTA per Share (US cents) ⁽²⁾	61.42	55.36	54.77	83.94	80.21	79.66
Annualised Return on equity (%)	12.00	14.69	14.85	11.79	13.61	13.71
Basic EPS (US cents) ⁽³⁾	7.38	8.14	8.14	9.92	10.95	10.95
Gearing ratio (times) ⁽⁴⁾	0.23	0.39	0.40	0.17	0.27	0.27
Current ratio (times) ⁽⁵⁾	1.31	1.22	1.21	1.34	1.24	1.24

As illustrated above, the purchase of Shares made out of the capital of the Company and the cancellation of such purchased Shares would have the effect of reducing the working capital and NTA of the Group. The consolidated NTA per Share of the Group as at 31 December 2017 would decrease from 83.94 US cents to 80.21 US cents in the case of an On-Market Purchase and from 83.94 US cents to 79.66 US cents in the case of an Off-Market Purchase. No adjustment was made to take into account the reduction in dividend paid out during the year from the purchase of Shares.

Notes:

- (1) NTA refers to net assets less goodwill on consolidation and intangible assets.
- (2) NTA per Share is based on 779,565,266 Shares which has excluded 86,618,362 Shares cancelled on the share buyback exercise.
- (3) EPS is based on 779,565,266 Shares, the weighted average number of Shares, which has excluded 86,618,362 cancelled on the share buyback exercise.
- (4) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (5) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the proposed Share Purchase Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of the total number of issued shares of the Company excluding treasury shares and subsidiary holdings.

3.3.9 Tax Implications

Where the Company uses its profits or contributed capital for the Share purchase:

For Shareholders, proceeds received by them will be treated for income tax purposes like any other disposal of shares. Generally, whether or not such proceeds are taxable in the hands of Shareholders will depend on whether or not such proceeds are receipts of an income or capital nature in the hands of the respective Shareholders.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

3.3.10 Reporting Requirements

Within thirty (30) days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar of Companies.

The Company shall notify the Registrar of Companies within thirty (30) days of a purchase of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchases including the date of the purchases, the total number of Shares purchased by the Company, the number of Shares cancelled and 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 purchases, and such other information as required by the Companies Act.

The Listing Rules also specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9:00 a.m. (a) in the case of an On-Market Purchase, on the Market Day following the day of purchase of any of its shares and (b) in the case of an Off-Market Purchase in accordance with an equal access scheme, by 9:00 a.m. on the second Market Day after the close of acceptances of the offer. Such notification shall include details of the maximum number of shares authorised for purchase, the date of purchase, the prices paid for the total number of shares purchased, the purchase price per share or the highest and lowest purchase price per share and the number of issued shares excluding treasury shares and subsidiary holdings after purchase, in the form prescribed under the Listing Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;

- (e) percentage of the number of treasury shares against the total number of shares outstanding before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

The Company, upon undertaking any sale, transfer, cancellation and/or use of subsidiary holdings, will comply with Rule 704(28A) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

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

3.3.11 Listing Rules

Under the Listing Rules, a listed company may purchase its own shares by way of On-Market Purchases at a price per share which is not more than five per cent. (5%) above the average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made, which is deemed to be adjusted for any corporate action that occurs after the relevant period of five (5) Market Days.

The Maximum Price for a Share in relation to On-Market Purchases by the Company conforms to this restriction.

While the Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time(s), 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 of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. In particular, in line with the best practices on dealing in securities reflected under Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through On-Market Purchases during the period of:

- (a) one (1) month immediately preceding the announcement of the Company’s annual (full-year) results; and
- (b) two (2) weeks immediately preceding the announcement of the Company’s results for each of the first three quarters of its financial year.

The Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent. (10%) of the total number of its Shares (excluding treasury shares) are in the hands of the public. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there are 245,373,774 Shares in the hands of the public (as defined above), representing 28.53% of the total number of Shares (excluding treasury shares), i.e. 860,183,628 Shares. Assuming that (i) the Company purchases its Shares through On-Market Purchases up to the full ten per cent. (10%) limit pursuant to the Share Purchase Mandate and all such Shares purchased are held by the public, and (ii) all Shares purchased by the Company are held as treasury shares, the number of Shares in the hands of the public would be reduced to 164,755,412 Shares, representing 21.13 % of the total number of Shares (excluding treasury shares), i.e. 779,565,266 Shares. 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 through On-Market Purchases up to the full ten per cent. (10%) pursuant to the proposed Share Purchase 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.

In undertaking any purchases of its Shares through On-Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient number of Shares shall remain in public hands so that the Share purchase(s) will not:

- (a) adversely affect the listing status of the Shares on the SGX-ST;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of the Shares.

3.3.12 Obligation to Make a Take-over Offer

Under Rule 14 of the Code, a person will be required to make a general offer for a public company if:

- (a) he acquires thirty per cent. (30%) or more of the voting rights of the company; or
- (b) he holds between thirty per cent. (30%) and fifty per cent. (50%) of the voting rights of the company and he increases his voting rights in the company by more than one per cent. (1%) in any six (6)-month period.

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

Under the 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 following persons, *inter alia*, will be presumed to be acting in concert with each other, namely:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (ii) a company with any of its directors (together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts);
- (iii) a company with any of its pension funds and employee share schemes;

- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client 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 shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of the foregoing, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the equity share capital of a company will be regarded as the test of associated company status.

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

In general terms, under Rule 14 and Appendix 2 of the Code, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Code if, as a result of the Company purchasing or acquiring its Shares, (A) the voting rights in the Company of such Directors and their concert parties would increase to thirty per cent. (30%) or more or (B) if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Code, a Shareholder not acting in concert with the Directors will not incur an obligation to make a take-over offer for the Company under Rule 14 of the Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company increases to thirty per cent. (30%) or more, or, if the voting rights of such Shareholder fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

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

Purely for illustrative purposes, on the basis of 860,183,628 Shares (excluding treasury shares) in issue as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the AGM, not more than 86,018,362 Shares (representing ten per cent. (10%) of the Shares in issue as at that date excluding treasury shares) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate, if so approved by Shareholders at the AGM.

Assuming that such granted Share Purchase Mandate is validly and fully exercised prior to the next annual general meeting for the Company to purchase the maximum allowed number of Shares being 80,618,362³ Shares (on the basis that there would have been no change to the number of Shares in issue at the time of such exercise) and that such purchased Shares are not acquired from the Substantial Shareholders, based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the percentage shareholdings of the Substantial Shareholders would be changed as follows:

Name of Substantial Shareholder	Shareholding Before Share Purchase			Shareholding After Share Purchase		
	Direct Interest %	Deemed Interest %	Total Interest %	Direct Interest %	Deemed Interest %	Total Interest %
CNAF ⁽¹⁾	-	51.31	51.31	-	56.61	56.61
BPIA	20.17	-	20.17	22.25	-	22.25

Notes:

(1) CNAF is deemed to have an interest in 441,332,912 Shares, representing 51.31% of the total share capital in the Company (excluding treasury shares and subsidiary holdings), held through DBS Vickers Securities (Singapore) Pte Ltd.

(2) Computation of the above percentage shareholdings excludes treasury shares and subsidiary holdings.

Based on the information set out above, assuming that there is no change to the shareholding interests of the Substantial Shareholders since the Latest Practicable Date, none of the Substantial Shareholders referred to above are expected to incur an obligation to make a general offer to other Shareholders under the Code solely by reason of the Share Purchase Mandate.

3.3.13 Previous Share Purchases

There were no Share purchases made by the Company in the twelve (12) months immediately preceding the Latest Practicable Date.

4. THE PROPOSED ADOPTION OF THE NEW CONSTITUTION

4.1 Background

Companies (Amendment) Act 2014 and 2017. The 2014 Amendment Act and the 2017 Amendment Act (collectively, the “**Amendment Acts**”) which were passed in Parliament on 8 October 2014 and 10 March 2017 respectively, introduced wide-ranging amendments to the Companies Act previously in force. The changes to the Companies Act pursuant to the Amendment Acts aim to improve corporate governance for companies in Singapore, reduce the regulatory burden on companies and provide for greater business flexibility. The key changes under the 2014 Amendment Act include the introduction of a multiple proxies regime to enfranchise indirect investors and CPF investors, as well as provisions to facilitate the electronic transmission of notices and documents. In addition, what had been previously the memorandum and articles of association of a company have now been merged into a single constitutive document called the “constitution”. The key changes under the 2017 Amendment Act include the removal of the requirement for a common seal.

New Constitution. The Company is accordingly proposing to adopt the New Constitution, which, *inter alia*, takes into account the changes to the Act introduced pursuant to the Amendment Acts. Amongst the changes proposed to be made, the existing objects clauses will be replaced with a general provision giving the Company full capacity to carry on or undertake any business or activity, do any act or enter into any transaction. The proposed New Constitution also contains updated provisions for consistency with the Listing Manual prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual, as well as to take into account certain provisions of other legislation such as the Personal Data Protection Act 2012 of Singapore. The Company is also taking this opportunity to rationalise and refine the language used and to amend certain other provisions.

³ Please refer to note (2) of the table above.

Summary of Principal Provisions. The following is a summary of the principal provisions of the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been introduced in the New Constitution, and should be read in conjunction with the proposed New Constitution which is set out in its entirety in **Annex VI** to this Letter.

4.2 SUMMARY OF KEY PROPOSED ALTERATIONS IN VIEW OF THE AMENDMENT ACTS

The following Regulations include provisions which are in line with the Act, as amended pursuant to the Amendment Acts. In line with the wording of Section 35 of the Act, all references to “Article” or “Articles” within the New Constitution have been amended to “Regulation” or “Regulations”.

4.2.1 Regulation 1 (Article 1 of the Existing Constitution). Article 1 of the Existing Constitution, which provided that the “regulations in Table A in the Fourth Schedule to the Companies Act ... shall not apply to the Company, except so far as the same are repeated or contained in these Articles”, has been amended to state that the Companies (Model Constitution) Regulations 2015 shall not apply to the Company except as repeated and contained in the Regulations of the New Constitution. This is in line with the repealing of Table A following the Amendment Acts, and the enactment of the Companies (Model Constitution) Regulations 2015.

4.2.2 Regulation 2 (Article 2 of the Existing Constitution). Regulation 2 is the interpretation section of the New Constitution and includes the following additional/revised provisions:

- (a) a revised definition of documents “in writing” to make it clear that these include any representation or reproduction of words, symbols, or other information which may be displayed in a visible form, whether physical or electronic. This would facilitate, for example, a proxy instrument being in either physical or electronic form;
- (b) a revised definition of “Depository”, “Depositor”, “Depository Agent” and “Depository Register” to make reference to the Securities and Futures Act. This follows the migration of the provisions in the Companies Act which relate to the Central Depository System to the Securities and Futures Act.
- (c) a new provision stating that the expressions “current address”, “electronic communication”, and “relevant intermediary” shall have the meanings ascribed to them respectively in the Companies Act. This follows the introduction of new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Amendment Acts and amendments made to Section 181 of the Companies Act; and
- (d) new definitions of “registered address” and “address” to make it clear that these expressions mean, in relation to any Shareholder, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided.

4.2.3 Memorandum of Association and Regulation 3. It is proposed that the Memorandum of Association (and the existing objects clauses therein) contained in the Existing Constitution be deleted and substituted with a general provision in Regulation 3 of the New Constitution to the effect that, subject to the provisions of the Act or any other written law and the New Constitution, the Company has:

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

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

By deleting the existing objects clauses (which sets out a list of the activities which the Company has capacity or power to engage in), the Company may take advantage of the flexibility afforded by Section 23 of the Act. The proposed change will also remove any uncertainty as to whether the Company has the power to act in a particular way or to engage in a particular transaction arising from unduly restrictive provisions in the specific objects clauses.

The Company may still be required to seek Shareholders' approval for a major acquisition which changes the Company's core business or otherwise requires Shareholders' approval, under Chapter 10 of the Listing Manual.

4.2.4 Regulation 5 (New Regulation). Regulation 5, which states that the liability of the Shareholders is limited, has been inserted into the New Constitution. This is in accordance with Section 22(1) (b) of the Act which provides that the constitution of every company has to state, *inter alia*, that the liability of the members is limited where the company is a company limited by shares.

4.2.5 Regulation 7 (New Regulation). Regulation 3(B) has been newly inserted to state that the Company may issue shares for which no consideration is payable to the Company. This provision is in line with the new section 68 of the Companies Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company. Consequential amendments have been made to the relevant Regulations.

4.2.6 Regulation 11 and 12 (Article 9 of the Existing Constitution). Regulation 11 which relates to the Company's power to alter its share capital, has new provisions which empower the Company by ordinary resolution to convert its share capital or any class of shares from one currency to another currency. This is in line with the new Section 73 of the Companies Act, which sets out the procedure for such re-denominations.

The new Regulation 12 empowers the Company, by special resolution, to convert one class of shares into another class of shares. This is in line with new Section 74A of the Companies Act, which sets out the procedure for such conversions.

4.2.7 Regulation 17 (Article 14 of the Existing Constitution). The existing Article 14 has been amended to empower the Board to pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. This is in line with Section 67 of the Companies Act.

4.2.8 Regulation 19 (Article 16 of the Existing Constitution). The requirement to disclose the amount paid on the shares in the share certificate relating to those shares has been removed in Regulation 16, which relates to share certificates. A share certificate need only state (*inter alia*) the number and class of the shares, whether the shares are fully or partly paid up, and the amount (if any) unpaid on the shares. This follows the amendments to Section 123(2) of the Companies Act.

4.2.9 Regulations 56, 122, 140 and 141 (Articles 53, 119, 135 and 136 of the Existing Constitution). Regulation 141, which relates to the sending of the Company's financial statements and related documents to Shareholders, has been amended to provide that such documents may, subject to the listing rules of the SGX-ST, be sent less than 14 days before the date of the general meeting with the agreement of all persons entitled to receive notices of general meetings. This is in line with the new Section 203(2) of the Companies Act, which provides that the requisite financial statements and other related documents may be sent less than 14 days before the date of the general meeting at which they are to be laid if all the persons entitled to receive notice of general meetings of the company so agree. Notwithstanding this proviso, the Company is currently required to comply with Rule 707(2) of the Listing Manual, which provides that an issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.

The references to "profit and loss accounts" and "balance sheets" have been updated/substituted in Regulations 56, 122 and 140 with references to "financial statements" for consistency with the updated terminology in the Companies Act

4.2.10 Regulation 56 (Article of 53 the Existing Constitution). Regulation 56, which relates to the routine business that is transacted at an annual general meeting, has been revised to:

- (a) substitute the reference to “accounts” with “financial statements”, and the reference to “the report of the Directors” with “Directors’ statement”, for consistency with the updated terminology in the Companies Act;
- (b) expand the routine business items to include, in addition to the re-appointment of the retiring Auditor, the appointment of a new Auditor; and
- (c) clarify the types of Directors’ remuneration which will be subject to Shareholders’ approval as routine business.

4.2.11 Regulation 64 (Article 61 of the Existing Constitution). Regulation 64(B), which relates to the method of voting at a general meeting where mandatory polling is not required, has been revised to reduce the threshold for eligibility to demand a poll from 10% to 5% of the total voting rights of the Shareholders having the right to vote at the meeting, or of the total sum paid up on all the shares conferring that right. This is in line with Section 178 of the Companies Act, as amended pursuant to the Amendment Acts. Notwithstanding the above, the Company will still be required to comply with Rule 730A(2) of the Listing Manual which requires all resolutions at general meetings to be voted by poll.

4.2.12 Regulations 68, 74 and 76 (Articles 65, 71 and 73 of the Existing Constitution). Regulations 68, 74, and 76, which relate to the voting rights of Shareholders and the appointment and deposit of proxies, have new provisions which cater to the multiple proxies regime introduced by the Amendment Acts. The multiple proxies regime allows “relevant intermediaries”, such as banks, capital markets services licence holders which provide custodial services for securities, to appoint more than two proxies to attend, speak and vote at general meetings. In particular:

- (a) Regulation 74(A)(b) provides that save as otherwise provided in the Companies Act, a member who is a “relevant intermediary” may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder, and where such Shareholder’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the form of proxy. This is in line with new section 181(1C) of the Companies Act;
- (b) Regulation 74(B) provides that the Company will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. Consequential changes have also been made in Regulation 68 to make it clear that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. This is in line with new section 81SJ(4) of the Securities and Futures Act;
- (c) Regulation 68(A)(b) provides that in the case of a Shareholder who is a “relevant intermediary” and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with new section 181(1D) of the Companies Act; and
- (d) the cut-off time for the deposit of proxies has been extended from 48 to 72 hours before the time appointed for holding the general meeting in Regulation 76(A). This is in line with section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Acts.

4.2.13 Regulation 96 (Article 93 of the Existing Constitution). Regulation 96 which relates to the filling of the office vacated by a retiring Director in default circumstances except in certain cases, has been revised to remove the event of a Director attaining any applicable retiring age as an exception to a deemed re-election to office. This follows the repeal of section 153 of the Companies Act and removal of the 70-year age limit for directors of public companies and subsidiaries of public companies.

4.2.14 Regulation 113 (Article 110 of the Existing Constitution). Regulation 113, which relates to the general powers of the Directors to manage the business of the Company, has been amended to clarify that:

- (a) in line with Section 157A of the Companies Act, as amended pursuant to the 2014 Amendment Act, the business and affairs of the Company are to be managed by, or under the direction or supervision of, the Directors; and
- (b) in line with Section 160 of the Companies Act, any sale or disposal by the Directors of the whole or substantially the whole of the Company's undertaking or property shall be subject to the approval by Shareholders in general meeting.

4.2.15 Regulation 119 (Article 116 of the Existing Constitution). This Regulation which relates to the custody and use of the common seal has been amended to clarify that the use of the common seal shall be determined at the sole and absolute discretion of the Directors. The foregoing change is in line with the new Sections 41A, 41B and 41C of the Companies Act, which provides that a company need not have a common seal and that where any written law or rule of law requires any document to be under or executed under the common seal, such a document satisfies such requirements if it is signed in the manner set out in Sections 41B(1) and 41B(3) of the Companies Act. Accordingly, consequential amendments have also been made to Regulation 119.

4.2.16 Regulation 123 (New Regulation). Regulation 123 which relates to the keeping of the Company's records, has been inserted into the new Constitution to provide that such records may be kept either in hard copy or electronic form. This is in line with the new Section 395 of the Companies Act.

4.2.17 Regulations 144(B) to (F) (New Regulations). The Amendment Acts introduced, *inter alia*, the option of sending notices and documents to Shareholders electronically.

Under the new Section 387C of the Act, notices and documents may be given, sent or served using electronic communications with the express, implied or deemed consent of the member in accordance with the constitution of the company. This is also permitted under Rules 1208 to 1212 of the Listing Manual.

In this regard:

- (a) there is express consent if a shareholder expressly agrees with the Company that notices and documents may be given, sent or served on him using electronic communications;
- (b) there is deemed consent if the constitution:
 - (i) provides for the use of electronic communications and specifies the manner in which electronic communications is to be used; and
 - (ii) specifies that shareholders will be given an opportunity to elect, within a specified period of time, whether to receive electronic or physical copies of such notices and documents, and the shareholder fails to make an election within the specified period of time; and
- (c) there is implied consent if the constitution:
 - (i) provides for the use of electronic communications and specifies the manner in which electronic communications is to be used; and

- (ii) provides that shareholders shall agree to receive such notices or documents by way of such electronic communications and shall not have a right to elect to receive physical copies of such notices and documents.

Regulation 144 was amended with the objective of facilitating the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to the new Section 387C of the Act and Rules 1208 to 1212 of the Listing Manual. Companies may, subject to certain statutory safeguards, make use of these simplified procedures so long as the specified modes of electronic transmission are set out in their constitutions.

In particular, Regulation 144 provides that notices and documents may be sent to Shareholders using electronic communications either to the current address of that person or by making them available on a website. In this connection, Rule 1212 of the Listing Manual provides that if an issuer uses website publication as the form of electronic communications, the issuer shall separately provide a physical notification to shareholders notifying of the following:

- (a) the publication of the document on the website;
- (b) if the document is not available on the website on the date of notification, the date on which it will be available;
- (c) the address of the website;
- (d) the place on the website where the document may be accessed; and
- (e) how to access the document.

Rule 1212 of the Listing Manual will apply to the Company in the event that it serves notices and documents to Shareholders by making them available on a website.

Regulation 144(B) further provides that a Shareholder has given his implied consent, and shall agree to receive such notice or document by way of electronic communications and shall not have a right to elect to receive a physical copy of such notice or document. Regulation 144(D) further states that notwithstanding the aforesaid, the Directors may decide to give Shareholders an opportunity to elect to opt out of receiving such notice or document by way of electronic communications, and a Shareholder is deemed to have consented to receive such notice or document by way of electronic communications, if he was given such an opportunity but failed to make an election within the specified time.

Regulation 144(F) provides for when service is deemed to have been effected in the case of notices or documents sent by electronic communications. In particular, where a notice or document is made available on a website, it shall be treated as given or sent to, or served on, a person on the date on which the notice or document is first made available on the website unless otherwise provided under the Act and/or the listing rules of the SGX-ST.

It should be noted, however, that under the new regulation 89D of the Companies Regulations, notices or documents relating to take-over offers and rights issues cannot be transmitted by electronic means. Similarly, Rule 1210 of the Listing Manual provides that an issuer shall send the following documents to its shareholders by way of physical copies: (i) forms or acceptance letters that shareholders may be required to complete; (ii) notice of meetings, excluding circulars or letters referred in that notice; (iii) notices and documents relating to takeover offers and rights issues; and (iv) notices under Rules 1211 and 1212 of the Listing Manual. Notwithstanding that the Company is permitted by the Act and the Listing Manual to send notices and documents to Shareholders by electronic communications, Rule 1211 of the Listing Manual provides that when an issuer uses electronic communications to send a document to a shareholder, the issuer shall inform the shareholder as soon as practicable of how to request for a physical copy of that document from the issuer and the issuer shall provide a physical copy of that document upon such request. Therefore, Regulation 144(E) has been inserted to provide that the Company shall send to Members physical copies of such notices or documents as may be specified by law or the listing rules of the SGX-ST.

4.2.18 Regulation 150 (Article 146 of the Existing Constitution). Regulation 146, which relates to Directors' indemnification, has been expanded to permit the Company, subject to the provisions of and so far as may be permitted by statutes, to indemnify a Director against losses "to be incurred" by him in the execution of his duties. This is in line with new sections 163A and 163B of the Companies Act, which permit a company to lend, on specified terms, funds to a director for meeting expenditure incurred "or to be incurred" by him in defending court proceedings or regulatory investigations.

4.3 KEY PROPOSED ALTERATIONS RESULTING FROM AMENDMENTS TO THE LISTING MANUAL

Rule 730(2) of the Listing Manual provides that if an issuer amends its articles or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of amendment. The following Regulations have been amended / included in the New Constitution, or have been updated, to ensure consistency with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual:

4.3.1 Regulation 8(A) (Article 5 of the Existing Constitution). Article 5 of the Existing Constitution has been amended to provide that (i) preference shares may be issued subject to such limitation as may be prescribed by SGX-ST; and (ii) that the total number of issued preference shares shall not exceed the total number of the issued ordinary shares at any time. This is in compliance with paragraphs 1(a) and 1(d) of Appendix 2.2 of the Listing Manual.

4.3.2 Regulation 35 (Article 32 of the Existing Constitution). In line with paragraph 3(a) of Appendix 2.2 of the Listing Manual, Regulation 35 which relates to the Company's lien on shares, clarifies that such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, in addition to such amount, as the Company may be called upon by law to pay in respect of those shares.

4.3.3 Regulation 54 (Article 51 of the Existing Constitution). Regulation 51, which sets out the timelines by which the Company has to send out notices of General Meeting to Shareholders, has been amended to:

- (a) clarify that the requirement to send out such notices fourteen days before the General Meeting excludes the date of notice and the date of meeting;
- (b) state that where such notices contain special resolutions, they must be given to Shareholders at least twenty-one days before the meeting (excluding the date of notice and the date of meeting); and

These clarifications are in line with paragraph 7 of Appendix 2.2 of the Listing Manual which, *inter alia*, sets out the above requirements.

4.3.4 Regulations 64, 65, 66 and 67 (Articles 61, 62, 63 and 64 of the Existing Constitution). Regulation 64, which relates to the method of voting at general meetings, has new provisions at Regulation 64(A) to make it clear that, if required by the listing rules of the SGX-ST, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the SGX-ST). For the avoidance of doubt, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the SGX-ST) pursuant to Rule 730A(2) of the Listing Manual.

Consequential changes have been made to Regulations 65, 66 and 67. Regulation 65 additionally provides that, if required by the listing rules of the SGX-ST, scrutineers will be appointed.

These changes are in line with Rule 730A of the Listing Manual.

4.3.5 Regulation 93 (Article 90 of the Existing Constitution). Regulation 93(g), which sets out the grounds on which the office of Director shall be vacant, has been amended to introduce an additional ground i.e. where the Director has been disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. This amendment is in line with paragraph 9(n) of Appendix 2.2 of the Listing Manual which provides that a director who is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds must immediately resign from the Board.

4.4 OTHER KEY PROPOSED ALTERATIONS

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

4.4.1 Regulation 52 (Article 49 of the Existing Constitution). Regulation 52, which relates to the time-frame for holding annual general meetings, has been revised to make it clear that an annual general meeting shall be held once in every year and not more than 15 months after the holding of the last annual general meeting, but this is save as otherwise permitted under the Companies Act. This will provide the Company with the flexibility, if the need to do so should arise, to apply for an extension of the 15-month period between annual general meetings in accordance with the provisions of the Companies Act, notwithstanding that the period may extend beyond the calendar year. In any event, the Company is currently required to comply with Rule 707(1) of the Listing Manual, which provides that the time between the end of an issuer's financial year and the date of its annual general meeting (if any) must not exceed four months.

4.4.2 Regulation 59 (Article 56 of the Existing Constitution). Regulation 59, which relates to the quorum for general meetings, additionally provides that a proxy representing more than one member shall only count as one member, and that where a member is represented by more than one proxy such proxies shall count as only one member, for the purpose of determining the quorum.

4.4.3 Regulations 75 and 76 (Articles 72 and 73 of the Existing Constitution) Regulation 75 which relates to the execution of proxies, has new provisions to facilitate the appointment of a proxy through electronic means online. In particular, Regulation 75(A) provides that a member can elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate Shareholder's common seal.

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

4.4.4 Regulations 78 and 93 (Articles 75 and 90 of the Existing Constitution). These Regulations have been updated to substitute the references to insanity and a person of unsound mind with references to mental disorder and a person who is incapable of managing himself or his affairs, following the enactment of the Mental Health (Care and Treatment) Act, Chapter 178A, which repealed and replaced the Mental Disorders and Treatment Act.

4.4.5 Regulation 130 (Article 126 of the Existing Constitution). Regulation 130, which sets out the power of Directors to invest or otherwise make use of dividends that have been unclaimed for one year after being declared, has been amended to further provide, *inter alia*, that subject to applicable laws, any dividend unclaimed six years after being declared shall be forfeited and shall revert to the Company.

4.4.6 Regulation 138 (New Regulation). Regulation 138, which relates to the Directors' power to issue free shares and/or to capitalise reserves for share-based incentive plans, has been expanded to empower the Directors to do the same for the benefit of non-executive Directors as part of their Directors' remuneration. This will enable the Company, if it so desires, to remunerate its non-executive Directors by way of Directors' fees in the form of shares, or in a combination of cash and shares, using these methods.

4.4.7 Regulation 152 (New Regulation). Regulation 152 has been inserted into the New Constitution of the Company in line with the Personal Data Protection Act 2012 which generally provides that an organization can only collect, use or disclose the personal data of an individual with the individual's consent, and for a reasonable purpose which the organization has made known to the individual. The new Regulation 152:

- (a) specifies, among other things, the purposes for which the Company and/or its agents and service providers would collect, use and disclose personal data of Shareholders and their appointed proxies or representatives; and
- (b) provides that a Shareholder who appoints a proxy and/or representative for any meeting of the Company is deemed to have:
 - (i) warranted that, where such Shareholders discloses the personal data of such proxy or representative to the Company, such Shareholder has obtained the necessary consents of such proxy or representative for the purposes specified in the new Regulation 152; and
 - (ii) agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such Shareholder's breach of warranty.

4.5 Annex VI. The text of the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, or which have been removed in the New Constitution, is set out in the **Annex VI** to this Letter and the main differences are blacklined. The New Constitution in its entirety is also set out in the **Annex VI** to this Letter.

The proposed adoption of the New Constitution is subject to Shareholders' approval.

5. SHAREHOLDERS WHO WILL ABSTAIN FROM VOTING

The Proposed Renewal of, and Amendments to, the IPT Mandate

By virtue of their interests in the IPT Mandate, as proposed to be renewed and amended, each of CNAF and BPIA will abstain and have undertaken to ensure that their associates will abstain from voting on the ordinary resolution 11 relating to the proposed renewal of, and amendments to, the IPT Mandate at the AGM.

Further, each of CNAF and BPIA has agreed to decline to accept appointment as proxy to vote and attend at the AGM in respect of the ordinary resolution 11 relating to the proposed renewal of, and amendments to, the IPT Mandate, unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast.

6. DIRECTORS WHO WILL ABSTAIN FROM VOTING

The Proposed Renewal of, and Amendments to, the IPT Mandate

The BPIA Directors and the CNAF Directors do not hold any Shares as at the Latest Practicable Date. If they subsequently become Shareholders and are entitled to vote at the AGM, they will abstain from voting on the ordinary resolution 11 relating to the proposed renewal of, and amendments to, the IPT Mandate at the AGM.

They will also decline to accept appointment as proxy to vote and attend at the AGM in respect of the ordinary resolution 11 relating to the proposed renewal of, and amendments to, the IPT Mandate, unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

7.1 The interests of the Directors in the Shares, as extracted from the Register of Directors' Shareholding, as at the Latest Practicable Date, are set out below:

Name of Director	Direct Interest (No. of Shares ⁽¹⁾)	%	Deemed Interest (No. of Shares ⁽¹⁾)	%
Ang Swee Tian	110,000	0.0128	-	-
Wang Kai Yuen	57,600	0.0067	120,000 ⁽²⁾	-

Notes:

(1) There are 860,183,628 issued Shares as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings).

(2) Held through spouse.

7.2 The interests of the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

Name of Substantial Shareholder	Direct Interest (No. of Shares ⁽¹⁾)	%	Deemed Interest (No. of Shares ⁽¹⁾)	%
CNAF	-	-	441,332,912 ⁽²⁾	51.31
BPIA	173,476,942	20.17	-	-

Notes:

(1) There are 860,183,628 issued Shares as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings).

(2) Held through DBS Vickers Securities (Singapore) Pte Ltd.

8. DIRECTORS' RECOMMENDATIONS

8.1 The Proposed Renewal of, and Amendments to, the IPT Mandate

The Independent Directors are of the opinion that the proposed renewal of, and amendments to, the IPT Mandate are in the best interests of the Company and are not prejudicial to the interests of minority Shareholders. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the ordinary resolution 11 relating to the proposed renewal of, and amendments to, the IPT Mandate at the forthcoming AGM.

8.2 The Proposed Renewal of the Share Purchase Mandate

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution 12 relating to the proposed renewal of the Share Purchase Mandate at the forthcoming AGM.

8.3 The Proposed Adoption of the New Constitution

The Directors are of the opinion that the proposed adoption of New Constitution is in the interests of the Company and recommend that Shareholders vote in favour of Resolution 13, being the special resolution relating to the adoption of the New Constitution at the forthcoming AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Letter) collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of, and amendments to, the IPT Mandate, the proposed renewal of the Share Purchase Mandate, and the proposed adoption of the New Constitution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading.

Where information contained in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Letter in its proper form and context.

10. CONSENT

CIMB Bank has given and has not withdrawn its written consent to the issue of this Letter with the inclusion of its name and the letter dated 27 March 2018 from CIMB Bank to the Independent Directors (reproduced in **Annex IV** to this Letter) and all references thereto, in the form and context in which they appear in this Letter.

Yours faithfully
For and on behalf of the Board of Directors of
China Aviation Oil (Singapore) Corporation Ltd

Xi Zhengping
Chairman

ANNEX I

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

SCOPE

Chapter 9 of the Listing Manual applies to transactions which an entity at risk proposes to enter into with a counterparty who is an interested person of the entity at risk.

DEFINITIONS

A “**controlling shareholder**” means a person who (a) holds (directly or indirectly) fifteen per cent. (15%) or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the listed company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a controlling shareholder); or (b) in fact exercises control over the listed company.

A “**transaction**” includes (a) the provision or receipt of financial assistance, (b) the acquisition, disposal or leasing of assets, (c) the provision or receipt of services, (d) the issuance or subscription of securities, (e) the granting of or being granted options, and (f) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

An “**associate**” includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of a director, chief executive officer, substantial shareholder or controlling shareholder, the trustees of any trust of which such director, chief executive officer, substantial shareholder or controlling shareholder or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which such director, chief executive officer, substantial shareholder or controlling shareholder and his immediate family together have an aggregate interest (directly or indirectly) of thirty per cent. (30%) or more, and, where a substantial shareholder or controlling shareholder is a corporation, “associate” 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 thirty per cent. (30%) or more.

An “**associated company**” means a company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the listed company and/or the listed company’s subsidiaries.

An “**entity at risk**” means the issuer, its subsidiary that is not listed on the SGX-ST or an approved exchange, or its associated company that is not listed on the SGX-ST or an approved exchange (provided that the listed group, or the listed group and its interested person(s), has control over the associated company).

An “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

“**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

GENERAL REQUIREMENTS

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement, or immediate announcement and shareholders' approval will be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction with interested persons as compared with the listed company's latest audited consolidated net tangible assets), are reached or exceeded. In particular, shareholders' approval is required where:

- (a) the value of such a transaction when aggregated with the values of all other transactions previously entered into with the same interested person (as defined in Chapter 9 of the Listing Manual) during the same financial year of the listed company is equal to or exceeds five per cent. (5%) of the latest audited consolidated net tangible assets of the listed company; or
- (b) the value of such a transaction is equal to or exceeds five per cent. (5%) of the latest audited consolidated net tangible assets of the listed company.

GENERAL MANDATE

A listed company may seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

ANNEX II

GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. RATIONALE FOR THE IPT MANDATE

The IPT Mandate is intended to facilitate transactions in the ordinary course of business of the CAO Group as described in paragraph 3 of this **Annex II** which are recurrent in nature and may be transacted from time to time with the Interested Persons provided that they are carried out on normal commercial (or, in the absence of other similar comparable transactions, commercially reasonable) terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT Mandate is intended to enhance the CAO Group's ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' approval for the entry by the CAO Group into such transactions. This will substantially reduce administrative time and expenses associated with the making of such announcements or the announcement and convening of general meetings from time to time, and allow manpower resources to be focused towards other corporate and business opportunities.

2. CLASSES OF INTERESTED PERSONS

Under the IPT Mandate, the Interested Persons comprise:

- (a) members of the CNAF Group; and
- (b) members of the BP Group,

each of which is deemed to be an Interested Person that the Group will be transacting with.

The list of members of the CNAF Group and the BP Group and the types of transactions which the CAO Group intends to undertake pursuant to the IPT Mandate, are set out in **Annex III** to this Letter. Members of the BP Group and the CNAF Group which are nominated by the Interested Persons expressly named/listed in **Annex III** to enter into transactions with the CAO Group, are also deemed to be Interested Persons listed in **Annex III** with which the CAO Group may transact under the IPT Mandate. It is also to be noted that as the CNAF Group and the BP Group undertake internal restructuring exercises from time to time, the list of members from the respective groups as well as the types of transactions to be transacted with each member will be subject to change.

Paragraph 3 of this **Annex II** sets out the background to, and describes the nature of, the Interested Person Transactions with the CNAF Group and the BP Group respectively which are covered under the IPT Mandate.

3. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

3.1 Interested Person Transactions with the CNAF Group

Transactions between the CAO Group and the CNAF Group covered by the IPT Mandate include:

- (a) the sales and purchases of Petroleum Products to the CNAF Group, whether pursuant to the terms of the Supply Agreements or otherwise;
- (b) the provision and receipt of supply chain services including, but not limited to:
 - (i) the procurement of shipping and logistics services from CNAF Logistics for the transport of Petroleum Products by sea (including the chartering of ships, whether on a time charter or fixed voyage basis, and the rental of tankages);

- (ii) the provision of import agency services for Petroleum Products to LandOil and other members of the CNAF Group; and
- (iii) the provision of into-plane fuelling services by CNAF HKR and other members of the CNAF Group; and
- (c) the provision of Treasury Services by CNAF Finance to the CAO Group, and the provision of Treasury Services by the CAO Group to Approved Entities which are members of the CNAF Group.

Presently, the CAO Group does not intend to engage in the trading of Derivative Financial Instruments with the CNAF Group. As such, the IPT Mandate does not cover transactions involving the trading of Derivative Financial Instruments with the CNAF Group.

3.1.1 Sales and Purchases of Petroleum Products

Supply Agreements

On 6 February 2018, the CNAFCL Supply Agreement, which was previously renewed and extended to 6 August 2018, was further renewed and extended to 6 August 2020, on substantially similar terms. The Audit Committee had reviewed the terms of the proposed extension of the CNAFCL Supply Agreement prior to entry into the agreement.

Under the renewed and extended CNAFCL Supply Agreement, the Company is to purchase aviation fuel on a proprietary basis (and not as agent of CNAFCL), and then sell the aviation fuel to CNAFCL (or its designated import agents) on a proprietary basis.

The pricing at which the Company is to sell aviation fuel to CNAFCL under the CNAFCL Supply Agreement is either: (a) through a competitive tender exercise whereby the price charged to CNAFCL is the tender price, plus a fixed margin component, or (b) at an agreed price based on a market pricing benchmark for the aviation fuel to be supplied, plus a pre-agreed fixed premium and a fixed margin component. In this context, the term “fixed margin” refers to an agreed fixed amount that the Company receives over and above its costs of procuring the aviation fuel; and the term “pre-agreed fixed premium” refers to the additional fixed amount pre-agreed between the Company on the one hand and CNAFCL on the other, which is over and above the agreed price/market pricing benchmark (such as from Platts Singapore or any other global provider of energy pricing information) of the aviation fuel to be supplied. In procuring aviation fuel from the suppliers, the Company also pays its suppliers a premium over and above the cost of the aviation fuel in line with prevailing market practice in the industry. The Company will not proceed with a sale under the method described in (b) above (i.e. at an agreed price based on a market pricing benchmark for the aviation fuel to be supplied, plus a pre-agreed fixed premium and a fixed margin component), if the overall sale price chargeable to CNAFCL is less than the Company’s breakeven price for the aviation fuel. Any subsequent substantive amendments to, or renewal or extension of, the CNAFCL Supply Agreement shall also be reviewed and approved by the Audit Committee.

On 6 February 2018, the Bluesky Supply Agreement, which was previously renewed and extended to 1 April 2018, was also further renewed and extended to 1 April 2020, on substantially similar terms. Unless otherwise mutually agreed upon by the parties to the Bluesky Supply Agreement, the Bluesky Supply Agreement will be further extended for another term of two (2) years to 1 April 2022. The Audit Committee had reviewed the terms of the proposed extension of the Bluesky Supply Agreement prior to entry into the agreement.

Under the renewed and extended Bluesky Supply Agreement, the Company is to purchase aviation fuel on a proprietary basis (and not as agent of Bluesky), and then sell the aviation fuel to Bluesky (or its designated import agents) on a proprietary basis.

The pricing at which the Company is to sell aviation fuel to Bluesky under the Bluesky Supply Agreement is either: (i) through a competitive tender exercise whereby the price charged to Bluesky is the tender price, plus a fixed margin component, or (ii) at an agreed price based on a market pricing benchmark for the aviation fuel to be supplied, plus a fixed margin component. In

this context, the term “fixed margin” refers to an agreed fixed amount that the Company receives over and above its costs of procuring the aviation fuel. In procuring aviation fuel from the suppliers, the Company also pays its suppliers a premium over and above the cost of the aviation fuel in line with prevailing market practice in the industry. The Company will not proceed with a sale under the method described in (ii) above (i.e. at an agreed price based on a market pricing benchmark for the aviation fuel to be supplied, plus a fixed margin component), if the overall sale price chargeable to Bluesky is less than the Company’s breakeven price for the aviation fuel. Any subsequent substantive amendments to, or renewal or extension of, the Bluesky Supply Agreement shall also be reviewed and approved by the Audit Committee.

The Supply Agreements further set out other details regarding the procurement process, such as the periodic requirements for aviation fuel of CNAFCL and Bluesky, tender preparations by the Company, qualifications of suppliers, tender methods and notification of tender results.

Bluesky is a subsidiary of CNAFCL. As CNAFCL is a subsidiary of CNAF, CNAFCL and Bluesky are therefore interested persons of the Company for the purposes of Chapter 9 of the Listing Manual.

Ad Hoc Supplies of Aviation Fuel

In addition to the supply of aviation fuel to CNAFCL and Bluesky under the Supply Agreements, the CAO Group intends to undertake the supply of aviation fuel to, *inter alia*, members of the CNAF Group on an *ad hoc* basis. Where the CAO Group undertakes such supplies of aviation fuel to the CNAF Group, such supplies will be made on terms similar to the Supply Agreements, that is, the relevant products will be procured by the CAO Group on a proprietary basis and sold onward to the CNAF Group at the same premium as computed in line with the methodology described for the respective Supply Agreements above.

Physical Trading in Petroleum Products

The CAO Group may engage in the physical trading of Petroleum Products with any member of the CNAF Group if that member meets the Company’s eligibility requirements.

The bases for the pricing of Petroleum Products in physical trades to be sold or purchased by the CAO Group are in line with current market practices and involve two (2) pricing components namely, Mean of Platts Singapore (“**MOPS**”) plus a fixed premium or less a fixed discount. MOPS refers to the mean of the high and low components of a Platts assessment for cargoes of oil products (including Petroleum Products) loading from Singapore. Platts is a leading global provider of energy and metals information. The amount of premium for a particular transaction is determined by negotiations between the trading parties which will *inter alia* depend on the quality of the Petroleum Products and other relevant market factors and conditions. The Risk Management Committee holds the overall responsibility of ensuring that risk management controls and processes have been duly followed. This responsibility is delegated to the chief executive officer of the Company and subsequently to the head of risk management of the Company for daily operational activities.

3.1.2 Supply Chain Services

Background

As part of the Company’s continuing development of its capabilities, the Company is seeking to optimise its supply chain capabilities through enhancing its current business model. To this end, it seeks to be able to improve its supply chain optimisation capabilities beyond merely ensuring the quality and timely delivery of oil product shipments, to working with traders to ensure the most cost-effective ways to ship oil products in light of the Company’s supply and trading portfolio as a whole. For example, rather than chartering ships on an individual voyage basis, the Company believes that it may be more efficient operationally and financially to enter into a time charter agreement in respect of a number of physical movements of oil products, or to enter into shipping arrangements with other suppliers on a collaborative basis.

Purchase of Shipping and Logistics Services

To this end, the Company works with several ship owners and logistics services providers. The key attributes by which these potential suppliers are selected include their competitiveness, their respective track records in handling the quality of oil products which the Company supplies, as well as their presence in the North Asian aviation fuel shipment market. In the course of sourcing for such suppliers, the Company anticipates that it may enter into shipping and logistics services arrangements, such as multiple voyages or time charter contracts, rental of tankages and other aviation fuel transportation arrangements with CNAF Logistics, if it is of the view that CNAF Logistics is able to offer competitive terms for their shipping and logistics services or if CNAF Logistics is the only shipping service provider which is able to meet the technical and delivery specifications stipulated by CAO's end customers. Further, the Company purchases Petroleum Products from various members of the BP Group and in turn sells the same to the receivers in PRC or other buyers. In the course of its supply to such buyers, the Company will in some cases need to purchase shipping and logistics services. As an example, CAO may buy Petroleum Products on FOB basis and sell the same on CFR basis, for which CAO will require freight services and it may engage CNAF Logistics to provide the freight services. In certain cases, CNAF Logistics may be the only shipping service provider which will be able to meet the technical and delivery specifications stipulated by CAO's end customers. If CAO buys on FOB basis and sells on FOB basis, CAO will not need freight services as CAO's buyer will be responsible for the freight arrangements. If CAO buys on CFR basis and sells on CFR basis, CAO will not need freight services.

For Petroleum Products which the CAO Group buys on FOB basis and sells to CNAFCL and Bluesky on CFR basis, the CAO Group will be required to obtain freight services from CNAF Logistics for the transportation of the said Petroleum Products to CNAFCL and Bluesky, as CNAF Logistics is the only shipping service provider which will be able to meet the technical and delivery specifications stipulated by CNAFCL and Bluesky. To this end, CAO and CNAF Logistics have entered into the Term Charter Party Agreement pursuant to which freight services will be provided to the CAO Group at certain pre-agreed rates for the transportation of Petroleum Products. It is intended that the freight charges incurred by the CAO Group under this arrangement will be correspondingly reflected in the increased pricing at which the CAO Group is to sell the Petroleum Products to CNAFCL and Bluesky.

The Term Charter Party Agreement, which took effect on 1 May 2014 and was due to expire on 30 April 2015, was extended on the same terms (save for the delivery schedule, duration and pricing) by way of a new agreement dated 10 February 2015 and expired on 30 April 2017. The Term Charter Party Agreement has been further extended by two (2) years on the same terms. The extension of the Term Charter Party Agreement was reviewed by the Audit Committee in accordance with the IPT Mandate. Under the Term Charter Party Agreement, the Company has agreed to charter ships operated by CNAF Logistics for the physical deliveries of the Petroleum Products to the following delivery routes: (1) Gaoqiao-Yangshan; (2) Jinling-Yangshan; (3) Dalian-Tianjin; (4) Yangshan-Puhang; (5) Maoming-Guangzhou; (6) Jinling-Chongqing; (7) Yangshan-Xiamen; (8) Dalian-Qinhuangdao; (9) Gaolan-Guangzhou; (10) Jinshan-Yangshan; (11) Yangshan-Tianjin; (12) Zhenhai-Puhang/Gaoqiao; (13) Jinshan-Puhang/Gaoqiao; (14) Jinling-Puhang/Gaoqiao; (15) Zhenhai-Yangshan; and (16) Qingdao-Puhang.

As CNAF Logistics is a subsidiary of CNAF, CNAF Logistics is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

Supply of Import Agency Services

As the Group builds up its supply chain optimisation capabilities, there may be other supply-chain and logistics-related services provided or to be provided by the Group to the CNAF Group, such as import agency arrangements that the Group intends to provide to LandOil. Under the import agency arrangements, the Company will be paid a fixed commission that is in line with the margins quoted in the markets for similar supply of import agency services and is determined by a bilateral negotiation between the Company and the relevant member of the CNAF Group (which in cases of import agency services, is LandOil).

As LandOil is a subsidiary of CNAF, LandOil is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

Procurement of Into-Plane Fuelling Services

Part of the CAO Group's business involves the supply of jet fuel to airline companies at various airports around the world. In order to deliver jet fuel directly into the aircrafts of the customers, the CAO Group is required to engage the services of an into-plane fuelling services provider. The number of such service providers who are authorised to provide into-plane fuelling services at any airport is generally very limited. For example, there are currently only three (3) authorised into-plane fuelling services providers at HKIA, one of which is CNAF HKR, a member of the CNAF Group. From time to time, the other two (2) service providers at HKIA may be unable or unwilling to provide fee quotations, due to commercial or other reasons, or may not be available or have the capacity to accommodate CAO HK's service requests. If so, unless CAO HK engages the services of CNAF HKR, it will not be able to deliver jet fuel to its customers' aircrafts at HKIA, which would in turn adversely impact the business or operations of CAO HK. It is therefore not administratively practicable or desirable for CNAF HKR to be excluded as an option for into-plane fuelling services solely on the basis that CNAF HKR is an Interested Person. Thus, in order for CAO HK to be able to supply jet fuel to its customers at HKIA, CAO HK may from time to time obtain into-plane fuelling services from CNAF HKR.

To address the said situation at HKIA, CAO HK and CNAF HKR have entered into an agreement on 15 February 2016 ("**Into-Plane Fuelling Services Framework Agreement**") and pursuant to which, into-plane fuelling services will be provided to CAO HK on a non-exclusive basis (at CAO HK's request) in connection with the supply of jet fuel by CAO HK to airline companies at HKIA, based on certain pre-agreed maximum rates and terms for a term of ten (10) years. The rates and terms of the Into-Plane Fuelling Services Framework Agreement were reviewed by the Audit Committee (instead of two (2) Senior Executives) in accordance with the IPT Mandate, and any subsequent substantive amendments to, or renewal or extension of, the Into-Plane Fuelling Services Framework Agreement shall also be reviewed and approved by the Audit Committee.

As CNAF HKR is an associate of CNAF, CNAF HKR is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

3.1.3 Provision of Treasury Services by and to Member(s) of the CNAF Group

Treasury Services provided by CNAF Finance

CNAF Finance has an arrangement with members of the CNAF Group pursuant to which such members may place their excess funds with CNAF Finance from time to time, in respect of which CNAF Finance will pay interest at rates which are agreed between parties. In turn, CNAF Finance, which holds primary accounts with banks ("**Deposit Banks**") such as Agricultural Bank of China Co, Ltd and PingAn Bank Co., Ltd, will from time to time place such consolidated funds with the Deposit Banks. CNAF Finance is typically able to obtain relatively preferential terms from the Deposit Banks than what would have been generally available to the individual members, given the relatively larger size of the placements, which benefit CNAF Finance will be able to pass on to such members.

CNAF Finance has extended this arrangement to the CAO Group, and from time to time, the CAO Group may also place funds with CNAF Finance for which the CAO Group will receive interest from CNAF Finance on such amounts. The CAO Group may be able to obtain more competitive rates and quotes in an expeditious manner from CNAF Finance for such placement of funds, than what would have been generally available to the CAO Group in the market.

Additionally, the CAO Group may from time to time borrow funds from CNAF Finance. The CAO Group may be able to obtain more competitive rates and quotes for such borrowing of funds provided in an expeditious manner by CNAF Finance, than what would have been generally available to the CAO Group in the market.

All funds placed with CNAF Finance by the CAO Group will be guaranteed by a corporate guarantee provided by CNAF.

The CAO Group is required under PRC law to engage the services of a duly licensed financial institution in the PRC (referred to as “**Entrust Loan Arrangement Services**”) in order to provide loans to Approved Entities based in the PRC. CNAF Finance is duly licensed to provide such Entrust Loan Arrangement Services in the PRC. The CAO Group may engage CNAF Finance for the provision of such Entrust Loan Arrangement Services in connection with such loans if CNAF Finance’s charges are no higher than what the CAO Group would otherwise have been able to secure in the market.

Treasury Services provided by the CAO Group to Investee Companies and other members of the CNAF Group

The CAO Group may also from time to time provide loans to the Investee Companies and other members of the CNAF Group (together with the Investee Companies, the “**Approved Entities**”) and grant guarantees in favour of third parties for the purposes of the Investee Companies. Such Investee Companies may also be Interested Persons, such as CNAF HKR. From time to time, the CAO Group may be required to provide loans to CNAF HKR or grant guarantees in favour of third parties for the purposes of CNAF HKR, which may or may not be in proportion to the CAO Group’s equity interest in CNAF HKR. The CAO Group will look to charge interest for the provision of such loans to the Approved Entities, at rates which are higher than what is offered in the market, and will also charge fees as appropriate for the grant of such guarantees in favour of third parties for the purposes of the Investee Companies.

A loan shall only be provided by the CAO Group to an Approved Entity which is not also an Investee Company in the form of a “cashflow or credit support” facility, and shall be subject to the following requirements: (a) the terms of the said facility shall expressly restrict the said Approved Entity to use the funds solely for the acquisition of additional goods and services from the CAO Group; and (b) the CAO Group will undertake a credit assessment process to ascertain the creditworthiness of the said Approved Entity before accepting it as a counterparty. The credit assessment process must be undertaken by a person who shall have no interest (whether direct or indirect) in said facility or the acquisition by the said Approved Entity of goods and services from the CAO Group.

All loans to the Approved Entities will be guaranteed by a corporate guarantee provided by CNAF.

As CNAF is a Controlling Shareholder, each member of the CNAF Group, including CNAF Finance and CNAF HKR, is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

3.2 Interested Person Transactions with the BP Group

The CAO Group enters into transactions with the BP Group from time to time in the ordinary course of its business. Transactions with the BP Group that are covered by the IPT Mandate include purchases and/or sales of Petroleum Products and Derivative Financial Instruments to and/or from the BP Group such as:

- (a) sales of Petroleum Products to members of the BP Group;
- (b) purchases of Petroleum Products from members of the BP Group for onward sale to customers;
- (c) trading of Derivative Financial Instruments with members of the BP Group;
- (d) the procurement of supply chain services from members of the BP Group; and
- (e) provision of Services by member(s) of the BP Group.

3.2.1 Physical Trading of Petroleum Products

Given the BP Group's significant presence in the Petroleum Products trading markets, the CAO Group's trading counterparties, amongst others, include members of the BP Group if each such member meets the CAO Group's trading counterparty eligibility requirements.

The CAO Group undertakes the following types of trading transactions with the BP Group:

- (a) sales of Petroleum Products to members of the BP Group, predominantly on a proprietary basis;
- (b) purchases of aviation fuel from members of the BP Group for onward sale to customers outside of the PRC; and
- (c) purchases of Petroleum Products (other than aviation fuel) from the BP Group whether for onward sales to customers of the CAO Group in the PRC or elsewhere.

As disclosed in paragraph 3.1.1 of this **Annex II**, the bases for the pricing of Petroleum Products in physical trades to be sold or purchased by the CAO Group are in line with current market practices and involve two (2) pricing components namely, MOPS, which is information available to the market by Platts plus a fixed premium or less a fixed discount. The amount of premium for a particular transaction is determined by negotiations between the trading parties which will, *inter alia*, depend on the quality of the Petroleum Products and other relevant market factors and conditions.

As BPIA is a Controlling Shareholder, each member of the BP Group is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

3.2.2 Trading of Derivative Financial Instruments

A wide range of participants trade in the oil products derivatives markets, ranging from banks (such as Morgan Stanley and Goldman Sachs), oil majors (such as the BP Group, Royal Dutch Shell plc and Chevron Corporation), national oil companies (such as Petroliaam Nasional Berhad (Petronas), PetroChina Company Limited and Singapore Petroleum Company Ltd) and trading houses (such as Vitol BV and Glencore International AG). Each market participant has different reasons for its involvement in derivatives trading, such as for hedging purposes or proprietary trading. As the BP Group is one of the major players in the market, members of the BP Group are the CAO Group's trading counterparties from time to time.

The Derivative Financial Instrument transactions that the CAO Group enters into, whether with the BP Group or any other counterparties, are conducted on a basis commonly used by the Derivative Financial Instruments markets for oil products around the world. Transactions range from those highly regulated by exchanges such as the New York Mercantile Exchange to over-the-counter ("**OTC**") contracts negotiated bilaterally between counterparties. Exchange traded contracts are highly standardised and transparent with commodities exchanges publishing daily volumes traded and closing prices. While OTC contracts are negotiated bilaterally, they are generally standardised in nature with slight variations in contractual terms as agreed between counterparties. The high degree of standardisation in OTC contracts enables such contracts to have increased transparency and hence, liquidity in the derivatives market. In the Singapore market, the most common oil Derivative Financial Instruments are swaps which are commonly traded on an OTC basis. Market participants could either trade directly with each other, or more commonly, through brokers. Depending on the nature of the commodity, there could be one or more brokers operating in the market. Brokers obtain their quotes independently of other market participants, and as such brokers' quotations are accepted by the Derivative Financial Instruments industry as indications of the market value of a Derivative Financial Instrument. As such, Platts (an independent source of oil prices) also uses brokers' quotations in their price considerations.

As BPIA is a Controlling Shareholder, each member of the BP Group is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

3.2.3 Procurement of Shipping and Logistics Services

In line with the Company's plans to optimise its supply chain capabilities and for so long as the BP Group is in the view of the Company able to provide shipping and logistics services on competitive terms, the CAO Group may from time to time procure such services from the BP Group. The services procured from the BP Group include the chartering of vessels from the BP Group on time charter agreement in respect of a number of physical movements of oil products, the rental of tankages from the BP Group, or the entry into of shipping arrangements together with the BP Group on a collaborative basis.

As BPIA is a Controlling Shareholder, each member of the BP Group is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

3.2.4 *[This paragraph has been deleted.]*

3.2.5 Provision of Services by Member(s) of the BP Group

In line with the Company's continuing plans to build on and strengthen its position in the relevant markets, the CAO Group may from time to time opt to tap on the relevant expertise, industry know-how (such as information-sharing, marketing, training and risk management, secondment of staff and other related services) and business networks of member(s) of the BP Group by entering into agreements for the provision of Services with member(s) of the BP Group.

As BPIA is a Controlling Shareholder, each member of the BP Group is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

4. BENEFITS OF THE INTERESTED PERSON TRANSACTIONS TO THE GROUP

4.1 Benefits of Transacting with the CNAF Group

The transactions with the CNAF Group contribute a substantial portion of the revenue of the Company, and in fact as at the Latest Practicable Date, the transactions under the Supply Agreements contribute significantly to the revenue of the Company. Under the Supply Agreements, the Company is assured of a fixed margin over its costs of supply of aviation fuel to the Interested Persons for its procurement services.

Through the Supply Agreements, the Company was appointed the exclusive supplier of all imported aviation fuel requirements of CNAFCL and Bluesky sourced from outside of the PRC (in respect of the airports in Beijing Airport and Guangzhou Baiyun International Airport respectively), on a proprietary basis. Since 6 August 2008, being the date the IPT Mandate was first adopted and approved, and to the extent that the relevant Interested Persons have requirements for imported aviation fuel during the term of the Supply Agreements, the Company has been their exclusive procurement supplier. Each of the Supply Agreements will be extended or renewed for a further term upon the mutual agreement of the parties.

A key benefit of obtaining a mandate for interested person transactions with the CNAF Group in relation to the trading of Petroleum Products is that it provides the CAO Group with an increased number of potential trading partners, thereby giving the CAO Group additional options and flexibility in managing its business and trading strategy in relation to the Petroleum Products.

In relation to the procurement of supply chain services from the CNAF Group, CNAF Logistics possesses logistics facilities for the transportation of aviation fuel, including tanker, jetty, pipeline and shipping facilities. Cooperation between the Company and CNAF Logistics will afford the Company an opportunity to extend its supply chain capabilities, for example, by being able to offer integrated supply chain services for petrochemical products and to arrange for international shipping to domestic transportation. As explained above, there are typically a very limited number of into-plane fuelling services providers at any airport, and not all of them may be available to take on assignments or to even provide fee quotations, due to commercial or other reasons, at the request of the CAO Group. Thus, there would be situations where it would be very difficult for the CAO Group to secure the requisite into-plane fuelling services in order to deliver jet fuel

to its customers at the affected airport. By enabling the CAO Group to engage the services of a service provider which happens to be a member of the CNAF Group under the IPT Mandate, the CAO Group's range of alternatives in this restricted and specialised market would be significantly expanded. Further, the CAO Group will be able to continue delivering jet fuel to its customers at the affected airport through the relevant member of the CNAF Group, even if the other third party service providers are unable or unwilling to meet the CAO Group's service requests. Such flexibility will therefore be of commercial benefit to the CAO Group.

The provision of import agency services to members of the CNAF Group (including LandOil) will provide the CAO Group with an opportunity to develop its capabilities and expand the range of products offered to its customers.

4.2 Benefits of Transacting with the BP Group

The Company continues to seek to increase the scope of its ordinary trading operations with suitable players in the market both in terms of increasing the variety of products it can trade in, as well as enlarging its customer base to reach markets beyond the PRC, in order to increase the sources of income for the Company. As the BP Group is one of the major players in the oil products derivatives markets, one of the key benefits of obtaining the IPT Mandate is that it provides the CAO Group with an increased number of potential trading partners, thereby giving the CAO Group additional options and flexibility in managing its business and trading strategy in relation to Petroleum Products and Derivative Financial Instruments. Also, this is in line with CAO's aim to trade with all the major players in the oil products derivative markets such that the Company can obtain the most competitive prices for its transactions. Further, the CAO Group expects to benefit from the synergies arising from the collaboration with the BP Group on supply chain services.

While the CAO Group is a key supplier of imported aviation fuel in the PRC market, it has a minor presence in other markets and has found it difficult to penetrate into them on its own in order to grow geographically. Obtaining competitive pricing for a small player in these markets is often difficult. The BP Group, on the other hand, is one of the dominant players in the Australian, Middle Eastern, Singaporean and European markets. Accepting Services from the member(s) of the BP Group will also provide the CAO Group with an invaluable resource as the CAO Group will be able to tap on the relevant expertise, industry know-how (such as information-sharing, marketing, training, risk management, secondment of staff and other related services) and business networks of such member(s) of the BP Group or to reap the benefits of efficiencies and economies of scale through the provision of Services by the member(s) of the BP Group for the CAO Group's and the BP Group's mutual benefits. In this way, the Company can continue to build on and strengthen its position in the relevant markets.

5. TRANSACTIONS NOT COVERED BY IPT MANDATE

5.1 Transactions under the Pipeline Services Contract

As prior Shareholders' approval has been obtained for the provision of pipeline transportation services by TSN-PEKCL to CNAFCL under the Pipeline Services Contract, the IPT Mandate does not cover such transactions pursuant to the Pipeline Services Contract. However, any variation of the terms of the Pipeline Services Contract which have been outlined in the Company's Letter to Shareholders dated 31 March 2017 and any variations in the prices charged for pipeline transportation services, will be subject to Chapter 9 of the Listing Manual.

5.2 Transactions outside the Scope of the IPT Mandate

Transactions with the Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual. Shareholders are also to note that the IPT Mandate does not extend to include the trading of Derivative Financial Instruments between the CAO Group and the CNAF Group.

The IPT Mandate does not cover any transaction by a company in the CAO Group with Interested Persons that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. In addition, the IPT Mandate does not include transactions for the purchase or sale of assets, undertakings or businesses with the Interested Persons.

6. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

To ensure that the Interested Person Transactions are conducted on normal commercial (or, in the absence of other similar comparable transactions, fair and reasonable) terms and will not be prejudicial to the interests of the Company and its minority Shareholders, as a general rule the CAO Group will only enter into transactions with the Interested Persons if the terms offered by or extended to the Interested Persons are respectively no less favourable or more favourable than the terms that may be obtainable from or extended to unrelated third parties.

6.1 Review procedures for determination of premium or amendment of premium or margin under the Supply Agreements and for extension or renewal of the Supply Agreements

To ensure that any determination of the premium payable under the Supply Agreements, any amendment to the premium or margin under the Supply Agreements, and any future extension or renewal of the Supply Agreements will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Audit Committee has adopted the following review procedures:

- a) If, as of the date on which the CAO Group proposes to determine the premium payable under the Supply Agreements, or amend the premium or margin under the Supply Agreements, or extend or renew any Supply Agreement, the CAO Group does not supply or purchase aviation fuel, the product being supplied under the relevant contract, of the same or similar specifications as specified under the relevant contract, in any significant amount to or from other unrelated third parties (as the case may be), so that it is not possible to compare the proposed premium or margin or proposed terms of the extended or renewed Supply Agreement against the premium, margin and/or terms of other transactions with unrelated third parties, the premium or margin or the CAO Group's pricing for its supply or purchase of aviation fuel of the relevant specifications to or from Interested Persons (as the case may be) as set out in the extended or renewed Supply Agreement will be verified by any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the Interested Person Transactions concerned and shall not be involved in the negotiations of the premium or margin or the negotiations of the extension or renewal of the relevant Supply Agreement.

In undertaking such verification, the two (2) Senior Executives or other appointed persons will, on a best efforts basis, obtain reference prices and/or quotations from the external markets via the CAO Group's existing aviation fuel suppliers (for example, by obtaining from such suppliers indicative margins and premiums that they are charging for their sales and estimates of freight charges for delivering the aviation fuel of the relevant specifications to the relevant destination). They will then verify that the proposed margin and/or premium is/are consistent with or better than such indicative market rates as a rough benchmark or gauge of the then applicable pricing of aviation fuel.

It is to be noted that there are limitations on making meaningful and fair comparisons of reference prices and quotations for aviation fuel imports into the PRC, as CAO currently only supplies aviation fuel (sourced from outside the PRC) in substantial amounts to

CNAFCL and Bluesky for imports into the PRC and does not supply aviation fuel in any significant amount to other unrelated third parties, and it is difficult to obtain comparable reference prices and quotations on a like-for-like basis due to differences in sizes, delivery dates, quantity loads and locations of cargoes. It may not be possible to obtain meaningful comparable reference prices and/or quotations from the external markets via the CAO Group's existing aviation fuel suppliers, such that verification by the two (2) Senior Executives (or other appointed persons) would not be meaningfully conducted. In such circumstances, any subsequent substantive amendments to the terms of the Supply Agreements, and any extension or renewal of the Supply Agreements, will be reviewed and approved by the Audit Committee.

- (b) If, as of the date on which the CAO Group proposes to determine the premium payable under the Supply Agreements, or amend the premium or margin under the Supply Agreements, or extend or renew any Supply Agreement, the CAO Group does supply or purchase aviation fuel, the product being supplied or purchased under the relevant contract, of the same or similar specifications as specified under the relevant contract, in a significant amount to or from other unrelated third parties (as the case may be), the price and terms of at least two (2) other successful sales or purchases of aviation fuel of the relevant specifications to or from unrelated third parties (as the case may be) will be used as a basis for comparison, whenever possible, to determine whether the premium or margin or the prices and terms proposed to be included in the extended or renewed Supply Agreement are comparable to those offered by unrelated third parties for such successful sales or purchases (as the case may be) of aviation fuel of the relevant specifications, taking into account all pertinent factors including, but not limited to, price, quality, delivery time and track record, to ensure that the interests of its minority Shareholders are not disadvantaged.

6.2 Review procedures for transactions with the Interested Persons involving purchases and/or sales of Petroleum Products (other than under the Supply Agreements)

In respect of transactions comprising purchases and/or sales of Petroleum Products by the CAO Group from or to any Interested Person, in addition to the credit assessment process undertaken by the CAO Group on all potential parties for Petroleum Products before accepting that Interested Person as a counterparty:

- (a) When selling and purchasing Petroleum Products to and from an Interested Person, any two (2) Senior Executives who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract shall, where practicable or possible, compare the terms offered by or to the Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties of similar quantities and/or quality of the relevant Petroleum Products, prior to the entering into of the contract or transaction with the Interested Person, as a basis for comparison, and such comparisons, if any, are to be documented. In determining the competitiveness of the quotations (including those by and to the Interested Person), all pertinent factors, including but not limited to pricing, quality, delivery time and track record, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases will be taken into consideration. Each submission to the two (2) Senior Executives will be copied to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the review procedures have been complied with.

For the purposes of this review procedure in determining whether it is practicable or possible to compare the terms offered by or to the Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties, any two (2) Senior Executives who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract, shall follow the existing control guidelines approved by the Audit Committee. Amendments to the control guidelines shall be made in accordance with any subsequent changes to the IPT Mandate, and will be subject to review by the internal auditors from time to time.

- (b) Where such quotations are not obtainable, the transactions with the Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or as published on a recognised commodities exchange. In determining the competitiveness of these published terms, the two (2) Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.
- (c) Due to the nature of the markets in which the CAO Group operates, involving purchases and/or sales of Petroleum Products, situations will commonly occur wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or as on recognised commodities exchanges are not available, applicable or comparable. For all such situations the transaction will be reviewed and approved by any two (2) Senior Executives who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract, after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity, credit terms, the margin that CAO Group will receive if CAO is acting as reseller of the Petroleum Products that are purchased, and the restrictive business or regulatory environment in which the CAO Group operates and the transaction is undertaken. Each submission to the two (2) Senior Executives will be copied to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the review procedures have been complied with.
- (d) Due to the nature of the markets in which the CAO Group operates, involving purchases and sales of Petroleum Products, situations will also commonly occur where a trader acting for the CAO Group may conduct purchases and/or sales of Petroleum Products via a voice-based, online or electronic telecommunication-based trading platform where transactions are fast-paced and undertaken in a series of buy or sell prices offered by traders or brokers which are accepted by other traders or brokers participating in the trading platform. In the case of the voice-based trading platform, the CAO Group appoints broker(s) to source for quotes from the market which are then provided to the CAO Group's traders for confirmation. In all these cases, the CAO Group's trader in practice may be required to enter into an almost instantaneous transaction based on his assessment of the best available price then quoted on the trading platform. The counterparty may or may not be identified at the time of commitment to the transaction, and accordingly, it may not be possible for the CAO Group to determine whether the counterparty is or is not an Interested Person until the transaction is completed. In the cases where broker(s) are appointed by the CAO Group to source for quotes, the broker will be an independent party with no interest (whether direct or indirect) in the transaction save for the receipt of commission. At the time of commitment to the transaction, the transaction shall only be entered into: (i) in the case of a purchase of Petroleum Products by the CAO Group, at the trader's assessment of the lowest available price quoted on the trading platform for the CAO Group's order at the material time, and (ii) in the case of a sale of Petroleum Products by the CAO Group, at the trader's assessment of the highest available price quoted on the trading platform for volume of Petroleum Products intended to be sold by the CAO Group at the material time. Each trade confirmation will be forwarded to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the procedures set out in this paragraph 6.2(d) have been complied with.

In respect of any term contract entered into between the Company and BPS which provides for trading collaboration arrangements in respect of the supply of aviation fuel, which has been reviewed by the Audit Committee (instead of two (2) Senior Executives in accordance with paragraph 6.2(a) above) prior to entry, and for which the agreed premiums applicable thereunder were also reviewed by the Audit Committee, the review procedures under this paragraph 6.2 shall not separately apply in respect of any individual transactions conducted subject to and in accordance with the agreed premiums / pricing formulae and other terms under such term contract; and the review procedures under paragraph 6.1 above shall

apply in respect of any determination of the premium payable under such term contract, any amendment of the premium or margin under such term contract, and any future extension or renewal of such term contract, to ensure that the same will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Ad hoc supplies of Petroleum Products (other than supply of aviation fuel to the CNAF Group which is covered under paragraph 6.8 of this **Annex II**) will be reviewed in accordance with this paragraph 6.2 of this **Annex II**.

6.3 Review procedures for transactions with the Interested Persons involving the trading of Derivative Financial Instruments

In addition to the credit assessment process undertaken by the CAO Group on all potential parties in relation to Derivative Financial Instruments before accepting that Interested Person as a counterparty, the following review procedures will be applied in respect of the trading of Derivative Financial Instruments between the CAO Group and an Interested Person:

- (a) Prior to entering into any contract or transaction in connection to the trades of Derivative Financial Instruments with any Interested Person, any two (2) Senior Executives who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction shall compare the price and other associated costs (such as brokerage fees, foreign currency and bank commissions) offered by the Interested Persons against the price and associated costs (such as brokerage fees, foreign currency and bank commissions) of at least one (1) other quotation obtained from unrelated third parties for a Derivative Financial Instrument with similar terms. The CAO Group shall use such comparison as a basis when entering into the contract or transaction with the Interested Person, and such comparisons are to be documented. Each submission to the two (2) Senior Executives will be copied to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the review procedures have been complied with.
- (b) Due to the nature of the markets in which the CAO Group operates, involving trading of Derivative Financial Instruments, situations will also commonly occur where a trader acting for the CAO Group may conduct such trades via a voice-based, online or electronic telecommunication-based trading platform where transactions are fast-paced and undertaken in a series of buy or sell prices offered by traders or brokers which are accepted by other traders or brokers participating in the trading platform. In the case of the voice-based trading platform, the CAO Group appoints broker(s) to source for quotes from the market which are then provided to the CAO Group's traders for confirmation. In all these cases, the CAO Group's trader in practice may be required to enter into an almost instantaneous transaction based on his assessment of the best available price then quoted on the trading platform. The counterparty may or may not be identified at the time of commitment to the transaction, and accordingly, it may not be possible for the CAO Group to determine whether the counterparty is or is not an Interested Person until the transaction is completed. In the cases where broker(s) are appointed by the CAO Group to source for quotes, the broker will be an independent party with no interest (whether direct or indirect) in the transaction save for the receipt of commission. At the time of commitment to the transaction, the transaction shall only be entered into at the trader's assessment of the price quoted on the trading platform for the CAO Group's order which is the most favourable available price to the CAO Group at the material time. Each trade confirmation will be forwarded to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the procedures set out in this paragraph 6.3(b) have been complied with.

6.4 Review procedures for the procurement of into-plane fuelling services from the CNAF Group

When procuring into-plane fuelling services at any airport from any member of the CNAF Group:

- (a) At least one (1) quotation from an unrelated third party into-plane fuelling services provider at the same airport will be obtained for comparison. Any fees to be paid by member(s) of the CAO Group to such member of the CNAF Group for such into-plane fuelling services shall not be higher than the fee in the quotation from the unrelated third party. In determining the more competitive fee, all pertinent factors, including but not limited to quality, reliability in the provision of such services and track record will be taken into consideration.
- (b) Due to the limited number of into-plane fuelling agents which are authorised to provide into-plane fuelling services at an airport, it is possible for situations to occur where the CAO Group is unable to obtain quotations from unrelated third party service providers, due to commercial or other reasons, or where no unrelated third party service providers are able to meet the CAO Group's service request due to unavailability or lack of capacity. In such a situation, the transaction will be reviewed and approved by any two (2) Senior Executives who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract. Each submission to the two (2) Senior Executives will be copied to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the review procedures have been complied with.
- (c) In the event that no uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

For the avoidance of doubt, as the terms of the Into-Plane Fuelling Services Framework Agreement were reviewed by the Audit Committee (instead of two (2) Senior Executives) in accordance with paragraph 6.7(b) of the IPT Mandate which was renewed at the 2017 AGM, the review procedures under this paragraph 6.4 shall not separately apply in respect of any individual transactions conducted subject to and in accordance with the pre-agreed rates and terms of the Into-Plane Fuelling Services Framework Agreement. Any subsequent substantive amendments to, or renewal or extension of, the Into-Plane Fuelling Services Framework Agreement, must be subject to prior review and approval by the Audit Committee.

6.5 Review procedures for the provision of Services by the BP Group

When procuring Services to be provided by member(s) of the BP Group, two (2) other quotations from unrelated third party providers of similar services will be obtained for comparison to ensure that such Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Any fee to be paid by member(s) of the CAO Group for the Services shall not be higher than the most competitive fee of the two (2) other quotations from unrelated third parties. In determining the most competitive fee, all pertinent factors, including but not limited to quality, reliability in delivery and track record will be taken into consideration. In addition, the credit terms obtained from the member(s) of the BP Group shall not be less favourable than those obtained from unrelated third parties.

Where such quotations are not obtainable (for instance, if there are no unrelated third party providers of such similar services), any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the contract or transaction for the provision of Services with member(s) of the BP Group and shall not be involved in the negotiations of the relevant contract or transaction, will determine whether the fees and terms offered by the member(s) of the BP Group are fair and reasonable. In determining whether the fees and terms offered by the member(s) of the BP Group are fair and reasonable, the two (2) Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.

The entry into any agreement by the Company and/or by any other member(s) of the CAO Group for the provision of Services by member(s) of the BP Group, and any review or amendment of the terms of the provision of Services, will be approved by the Board. As required under Regulation 106 of the Constitution of the Company, Directors with a direct or indirect personal material interest in the agreement will abstain from voting on the resolution.

6.6 Review procedures for Treasury Services

The following review procedures will be applied in respect of the receipt and provision of Treasury Services between the CAO Group and an Interested Person:

- (a) Prior to entering into any contract or transaction with CNAF Finance in respect of any placement of funds by the CAO Group with CNAF Finance, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee, who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction, shall compare the interest rates for such placements offered by CNAF Finance with the interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for deposits of an equivalent amount and for an equivalent period. The request made to the principal bankers of the Company or the relevant member of the CAO Group (as the case may be) shall also be made by a person who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction. The CAO Group will only place funds with CNAF Finance, if the interest rate quoted by CNAF Finance is higher than the highest of the interest rates quoted by such principal bankers.
- (b) Prior to entering into any contract or transaction with CNAF Finance in respect of any borrowing of funds by the CAO Group from CNAF Finance, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee, who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction, shall compare the interest rates for such borrowings offered by CNAF Finance with the interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for borrowings of an equivalent amount and for an equivalent period. The request made to the principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for the quote shall also be made by a person who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction. The CAO Group will only borrow funds from CNAF Finance if the interest rate quoted by CNAF Finance is lower than the lowest of the interest rates quoted by such principal bankers.
- (c) Prior to entering into any contract or transaction with any Approved Entity in respect of any provision of loans to the Approved Entity, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction shall compare the interest rates for such loans charged by the CAO Group with the equivalent lending interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be). The CAO Group will only provide loans in favour of Approved Entities if the interest rate charged by the CAO Group is higher than the highest rate quoted by such principal bankers. A loan shall only be provided to an Approved Entity which is not also an Investee Company in the form of a “cashflow or credit support” facility, and shall be subject to the following requirements: (i) the terms of the said facility shall expressly restrict the said Approved Entity to use the funds solely for the acquisition of additional goods and services from the CAO Group; and (ii) a credit assessment process has been undertaken to ascertain the creditworthiness of the said Approved Entity before accepting it as a counterparty. The credit assessment process must be undertaken by a person who shall have no interest (whether direct or indirect) in said facility or the acquisition by the said Approved Entity of goods and services from the CAO Group.

- (d) Prior to entering into any contract or transaction with any Investee Company in respect of any grant of guarantees in favour of third parties for the purposes of the Investee Companies, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction shall compare the fees for the grant of such guarantees charged by the CAO Group with the equivalent fees quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be). The CAO Group will only provide guarantees in favour of third parties for the purposes of the Investee Companies if the fees charged by the CAO Group are higher than the highest rate quoted by such principal bankers.
- (e) Prior to entering into any contract or transaction with CNAF Finance in respect of any provision of Entrust Loan Arrangement Services for the purpose of the provision of loans by the CAO Group to Approved Entities based in the PRC, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction shall compare the charges for such Entrust Loan Arrangement Services with the equivalent charges quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be). The CAO Group will only engage CNAF Finance for such Entrust Loan Arrangement Services if CNAF Finance's charges are no higher than the lowest rate quoted by such principal bankers.

In each case above, each submission to the two (2) Senior Executives will be copied to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the review procedures have been complied with.

6.7 Review procedures for other categories of transactions with Interested Persons

In respect of any goods and/or services obtained from or provided to any Interested Person (other than the sale of aviation fuel pursuant to the Supply Agreements, any amendment to, extension or renewal of the Supply Agreements, the provisions of Services by the BP Group, the provision of into-plane fuelling services under the Into-Plane Fuelling Services Framework Agreement, any amendment to, extension or renewal of the Into-Plane Fuelling Services Framework Agreement, the purchase and sale of Petroleum Products and Derivative Financial Instruments, the Treasury Services and the provision of supply chain services pursuant to the Term Charter Party Agreement):

- (a) All contracts entered into or transactions with an Interested Person are to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for similar quality services, prior to entry into the transaction with the Interested Person, as a basis for comparison to determine whether the price and terms offered by or to the Interested Person is comparable to those offered by unrelated third parties for the same or substantially similar type of services.
- (b) Where such quotations are not possible, available or commercially feasible to obtain given that there are no unrelated third party suppliers of similar services (for instance, where there is no unrelated third party service provider which will be able to meet the technical and delivery specifications stipulated by CAO's customers) or the commercial sensitivity of the subject matter, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction, will determine whether the price and terms offered by or to the Interested Person are fair and reasonable. In determining whether the price and terms offered by or to the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, quality of advice or training and track record will be taken into account.

As the terms of the Term Charter Party Agreement were reviewed by the Audit Committee (instead of two (2) Senior Executives) in accordance with paragraph 6.7(b) of the IPT Mandate which was renewed at the 2017 AGM, the review procedures under this paragraph 6.7 shall not separately apply in respect of any individual transactions conducted subject to and in accordance with the terms of the Term Charter Party Agreement.

- 6.8** For the avoidance of doubt, as supply of aviation fuel under the Supply Agreements and *ad hoc* supplies of aviation fuel to the CNAF Group are conducted at the predetermined terms and pricing set out in the Supply Agreements and the premium and margin as determined in accordance with paragraph 6.1 of this **Annex II**, and purchase and supply of aviation fuel under any term contract is conducted at such predetermined terms and pricing and in line with the terms of the said term contract which has been reviewed by the Audit Committee in accordance with paragraph 6.2 of this **Annex II**, such individual supply and purchase transactions are not separately subject to transactional review procedures nor are they taken into account and aggregated together with prior Interested Person Transactions entered into with members of the CNAF Group or the BP Group for a given month for the purposes of determining if the relevant thresholds as set out in the table in paragraph 7 of this **Annex II** have been crossed (and hence not be subject to further review and approval by the Audit Committee prior to the entry into such transactions).

7. THRESHOLD LIMITS

- 7.1** The Audit Committee will review all of the CAO Group's Interested Person Transactions, including transactions covered under the IPT Mandate, on a quarterly basis. Where the value of an Interested Person Transaction with the same group of Interested Persons, namely, BP Group or CNAF Group (when aggregated together with prior Interested Person Transactions entered into for a given month (apart from the last threshold which is computed on a prevailing value basis in a given month as elaborated on in Paragraph 7.2(c)(ii) of this **Annex II**)) exceeds the relevant threshold as set out in the table below, the Interested Person Transaction will be reviewed and approved by the Audit Committee prior to the entry into such transaction.

Transaction Type	Applicable Threshold*
Purchase and Sale of Petroleum Products	US\$560 million if the Average Barrel Price for the immediately preceding month is US\$70 or less
Purchase and Sale of Petroleum Products	US\$680 million if the Average Barrel Price for the immediately preceding month exceeds US\$70
Trading of Derivative Financial Instruments	US\$30 million
Supply Chain Services	US\$7 million for all Supply Chain Services provided other than pursuant to the Term Charter Party Agreement and the Into-Plane Fuelling Services Framework Agreement
Supply Chain Services	US\$48 million for all Supply Chain Services provided pursuant to the Term Charter Party Agreement
Into-plane fuelling services provided by members of the CNAF Group	US\$500,000 for all into-plane fuelling services provided pursuant to the Into-Plane Fuelling Services Framework Agreement
Services provided by members of the BP Group	US\$1 million
Treasury Services	US\$500 million

- * Threshold based on aggregate value of the relevant type of transaction, calculated over a given month (apart from the last threshold which (in relation to Treasury Services involving interest-bearing placement of funds by the CAO Group with CNAF Finance) is computed on a prevailing value basis in a given month as elaborated on in Paragraph 7.2(c)(ii) of this **Annex II**).

7.2 For the purpose of determining whether the above thresholds have been exceeded, the value of a transaction relating to:

- (a) a purchase or sale of Petroleum Products, shall be the aggregate value of the Petroleum Products payable or receivable from the Interested Person, determined as set out in paragraph 7.3 of this **Annex II**;
- (b) a trade in Derivative Financial Instruments, shall be the mark-to-market value of the Derivative Financial Instruments calculated by using the market quoted forward curves published daily by Platts, and/or independent brokers' quotations; and
- (c) Treasury Services:
 - (i) in the case of Treasury Services other than interest-bearing placement of funds by the CAO Group with CNAF Finance, shall be the gross aggregate value of the Treasury Services received or provided by the CAO Group for each month of the Company's financial year. In line with Rule 909 of the Listing Manual, the value of Treasury Services involving (A) the borrowing of funds from an Interested Person is the interest payable on the borrowing; (B) the lending of funds to an Interested Person is the aggregate of the interest payable and the value of the funds lent or placed; and (C) the provision of guarantees is the aggregate of the value of the obligations guaranteed and the fees payable for such guarantees; and
 - (ii) in the case of Treasury Services involving interest-bearing placement of funds by the CAO Group with CNAF Finance, shall be based on the principal amount of funds to be placed with CNAF Finance in that transaction, when added to the prevailing aggregate amount of funds of the CAO Group then on placement with CNAF Finance, taking into account amounts placed with CNAF Finance in the relevant month of the Company's financial year (including both principal and any interest which has been compounded); if the sum of those two amounts exceeds the relevant threshold in paragraph 7.1 of this **Annex II**, that transaction will be subject to review and approval by the Audit Committee prior to the entry into such transaction.

7.3 For the purposes of paragraph 7.2(a) of this **Annex II**, the aggregate value of the Petroleum Products payable or receivable from the Interested Persons under a transaction is determined by taking the aggregate estimated total price payable under the transaction, based on the volume to be delivered as estimated at the time of entry into the transaction and set out in the contract. The price in turn may be pegged to (a) the forward price quotations obtained from two (2) or more brokers or dealers for the relevant Petroleum Product traded on an OTC basis; (b) the forward price quotation for the relevant Petroleum Product obtained from Platts; or (c) the forward price quotation for the relevant Petroleum Product as published by relevant commodities exchange(s) such as the New York Mercantile Exchange, as at the time of entry into the contract, for delivery in the month of the contracted delivery date or in the preceding month or specified number of months prior to the contracted delivery date, as agreed in the contract, and incorporating any agreed premium or margin as set out in the contract.

8. GENERAL REVIEW PROCEDURES

Apart from the review procedures specific to the relevant transactions above, the following general review procedures will apply to all Interested Person Transactions under the IPT Mandate:

- (a) The finance department of the Company will maintain a register of transactions carried out with the Interested Persons pursuant to the IPT Mandate and the Company's internal audit plan will incorporate a review of all Interested Person Transactions transacted in the relevant FY pursuant to the IPT Mandate. Further, to ensure that all Interested Person Transactions

are duly recorded, the finance department shall maintain another list of all Interested Persons to enable it to check the Interested Person Transactions concluded against this list of Interested Persons;

- (b) The Audit Committee shall have overall responsibility for monitoring and approving the Interested Person Transactions and for determining the review procedures, with the authority to delegate such responsibility to individuals within the Company as it deems appropriate; and
- (c) If any member of the Audit Committee has an interest in any of the Interested Person Transactions to be reviewed, such member shall abstain from any decision-making in respect of those transactions. The review and approval of those transactions will be undertaken by the remaining members of the Audit Committee.

If, during any reviews by the Audit Committee, it is of the view that the established review procedures are no longer appropriate or are inadequate to ensure that the Interested Person Transactions will not be prejudicial to the interests of the Company and its minority Shareholders or any change of circumstances results in the assumptions underlying its opinion being no longer true, the Company will seek a fresh mandate from Shareholders based on new review procedures. All Interested Person Transactions shall be reviewed and approved by at least one (1) member of the Audit Committee prior to entry pending a fresh mandate to be sought from Shareholders. In the event that a member of the Audit Committee is interested in any such Interested Person Transaction, that member will abstain from reviewing that particular transaction.

ANNEX III

LIST OF INTERESTED PERSONS

The list of Interested Persons, with which the CAO Group intends to undertake transactions, as well as the type of transactions to be undertaken pursuant to the IPT Mandate, are as follows:

A. BP Group Members

	Entity Name		Nature of Transactions
1	BP Singapore Pte. Limited	—	Trading of Petroleum Products and Derivative Financial Instruments
		—	Procurement of Shipping and Logistics Services
		—	Provision of Services
2	BP Middle East LLC	—	Trading of Petroleum Products
3	BP Oil International Limited	—	Trading of Petroleum Products and Derivative Financial Instruments
4	BP Products North America Inc.	—	Trading of Petroleum Products and Derivative Financial Instruments
5	BP Sinopec Marine Fuels Pte Ltd	—	Trading of Petroleum Products and Derivative Financial Instruments
6	BP West Coast Products Inc.	—	Trading of Petroleum Products and Derivative Financial Instruments
7	BP West Coast Products LLC	—	Trading of Petroleum Products and Derivative Financial Instruments
8	Britannic Energy Trading Limited	—	Trading of Petroleum Products and Derivative Financial Instruments
9	BP Shipping Limited	—	Procurement of Shipping and Logistics Services
10	BP Asia Ltd	—	Trading of Petroleum Products
11	Air BP Limited	—	Trading of Petroleum Products
12	Shanghai SECCO Petrochemical Company Limited	—	Trading of Petroleum Products
13	BP (China) Holdings Limited	—	Trading of Petroleum Products and Derivative Financial Instruments

B. CNAF Group Members

	Entity Name		Nature of Transactions
1	China National Aviation Fuel Group Limited (中国航空油料集团有限公司)	—	Trading of Petroleum Products
2	China National Aviation Fuel Corporation Ltd (中国航空油料有限责任公司)	—	Trading of Petroleum Products
3	China National Aviation Fuel South China Bluesky Corporation (华南蓝天航空油料有限公司)	—	Trading of Petroleum Products
4	China National Aviation Fuel Yantai Corporation (中航油烟台有限公司)	—	Trading of Petroleum Products
5	China National Aviation Fuel Nanjing Corporation (南京空港油料有限公司)	—	Trading of Petroleum Products
6	China Aviation Oil Import & Export Guangzhou Company Ltd (中航油进出口广州有限责任公司)	—	Trading of Petroleum Products
7	China National Aviation Fuel Petroleum Co., Ltd (中国航油集团石油有限公司)	—	Trading of Petroleum Products Provision of Logistics Services
8	China National Aviation Fuel Logistics Co., Ltd (中国航油集团物流有限公司)	—	Procurement of Shipping and Logistics Services
9	China National Aviation Fuel Haixin Shipping Corporation (中国航油集团海鑫航运有限公司)	—	Procurement of Shipping Services
10	China National Aviation Fuel TSN-PEK Pipeline Transportation Corporation Ltd (中国航油集团津京管道运输有限责任公司)	—	Procurement of Logistics Services
11	China Aviation Oil Import & Export Company Limited (中航油进出口有限责任公司)	—	Trading of Petroleum Products
12	Shenzhen Cheng Yuan Aviation Oil Company Limited (深圳承远航空油料有限公司)	—	Trading of Petroleum Products
13	Shanghai Puhang Oil Co.,Ltd (上海浦航石油有限公司)	—	Procurement of Logistics Services
14	Tianjin International Petroleum Storage & Transportation Co., Ltd (天津国际石油储运有限公司)	—	Procurement of Logistics Services
15	CNAF Hong Kong Refuelling Limited (中国航油香港供油有限公司)	—	Receipt of Treasury Services Provision of Into-Plane Fuelling Services
16	China National Aviation Fuel Finance Co., Ltd (中国航油集团财务有限公司)	—	Provision of Treasury Services
17	China National Aviation Fuel Fujian Petroleum Company (中国航油集团福建石油有限公司)	—	Trading of Petroleum Products
18	China National Aviation Fuel Xinjiang Co., Ltd (中航油新疆航空油料有限公司)	—	Trading of Petroleum Products

In addition to the Interested Persons listed above, members of the BP Group and the CNAF Group which are nominated by the Interested Persons named above to enter into transactions with the CAO Group, are also deemed to be Interested Persons listed in this **Annex III** with which the CAO Group may transact under the IPT Mandate. Shareholders are also to note that the list of Interested Persons, as well as the type of transactions to be undertaken, may change from time to time as a result of any internal restructurings that the CNAF Group or the BP Group may undertake.

For avoidance of doubt, Shareholders should note that the Company will not seek any separate approval from Shareholders in relation to any such nominated entities or any such addition of new entities to the list of Interested Persons set out in this **Annex III**.

ANNEX IV

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS

CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

50 Raffles Place #09-01
Singapore Land Tower
Singapore 048623

27 March 2018

To: **The Independent Directors**
China Aviation Oil (Singapore) Corporation Ltd
8 Temasek Boulevard
#31-02 Suntec Tower Three
Singapore 038988

Dear Sirs,

INDEPENDENT FINANCIAL ADVISER OPINION IN RELATION TO THE PROPOSED RENEWAL OF, AND AMENDMENTS TO, THE EXISTING MANDATE FOR INTERESTED PERSON TRANSACTIONS

*For the purpose of this letter, terms not otherwise defined herein shall have the same meaning given in the letter dated 27 March 2018 to the Shareholders of China Aviation Oil (Singapore) Corporation Ltd (the “**Letter**”).*

1. INTRODUCTION

This letter has been prepared for the use by the Independent Directors of China Aviation Oil (Singapore) Corporation Ltd (the “**Company**”) to be incorporated into the Letter in connection with the proposed renewal of, and amendments to, the existing mandate for Interested Person Transactions (“**IPT Mandate**”).

2. TERMS OF REFERENCE

CIMB Bank Berhad, Singapore Branch (“**CIMB Bank**”) has been appointed as the independent financial adviser to provide an opinion on whether the methods and procedures for the Interested Person Transactions, if adhered to, are sufficient to ensure that the Interested Person Transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

For the purpose of arriving at our opinion, we have confined our evaluation to the bases set out herein. Our terms of engagement do not require us to conduct, and we have not conducted, any review of the business plan, operations, financial performance and/or financial condition of the Company and its subsidiaries (the “**Group**”). We are not required to and have not obtained any quotations or transaction prices from any third parties in respect of the products and/or services relating to the Interested Person Transactions under the IPT Mandate. We have not conducted any review or audit of any of the Interested Person Transactions and we do not warrant or make any representation as to the actual implementation of the methods and procedures under the IPT Mandate by the Group.

We do not express any opinion on the commercial risks or merits of the Interested Person Transactions or on the future prospects of the Group. Such evaluation is the responsibility of the Directors although we may draw upon their views (to the extent we deem necessary or appropriate) in arriving at our opinion. We were not involved in the Company’s decision-making

process for the Interested Person Transactions or its deliberations leading up to the decision by the Company to adopt the IPT Mandate. We do not express any opinion on the merits of the Interested Person Transactions relative to any alternative transaction.

We have held discussions with the management of the Company and have examined information, both written and verbal, provided to us by the management of the Company. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information. However, we have made such reasonable enquiries and exercised our judgment as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information.

We have relied upon the assurances of the Directors (including those who may have delegated supervision of the Letter) that they have taken all reasonable care to ensure that the facts stated and opinions expressed in the Letter (except this letter) are fair and accurate in all material respects and that no material facts have been omitted which would make any statement in the Letter misleading in any respect, and that they collectively and individually accept responsibility accordingly.

Our opinion in this letter is based upon market, economic, industry, monetary and other conditions prevailing on, and the information made available to us as at 8 March 2018 (the “**Latest Practicable Date**”). Such conditions may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date.

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Our opinion is delivered to the Independent Directors for their deliberation on the IPT Mandate, and the recommendations made by the Independent Directors shall remain solely their responsibility. Our opinion should not be regarded as a recommendation to any Shareholder as to how such Shareholder should vote on the resolutions to be tabled at the AGM or any matter related thereto.

The Company has been separately advised by its own advisers in the preparation of the Letter (other than this letter). We are not involved in and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Letter (other than this letter). Accordingly, we take no responsibility for and express no views, express or implied, on the content of the Letter (other than this letter).

While a copy of this letter may be reproduced in the Letter, neither the Company, the Directors nor the Audit Committee may reproduce, disseminate or refer to this letter or any part thereof for any other purposes (except in relation to the IPT Mandate) at any time and in any manner without the prior written consent of CIMB Bank in each specific case.

3. EVALUATION OF THE METHODS AND PROCEDURES FOR THE IPT MANDATE

3.1. Rationale for the IPT Mandate

Information on the rationale for the IPT Mandate is set out in paragraph 1 of **Annex II** to the Letter. Shareholders are advised to read paragraph 1 of **Annex II** to the Letter carefully.

3.2. Benefits of the IPT Mandate

Information on the benefits of the IPT Mandate to the Group is set out in paragraph 4 of **Annex II** to the Letter. Shareholders are advised to read paragraph 4 of **Annex II** to the Letter carefully.

3.3. Interested Person Transactions

The classes of Interested Persons and categories of Interested Person Transactions which will be covered by the IPT Mandate are set out below.

3.3.1 Classes of Interested Persons

The IPT Mandate will apply to transactions between the Group and the following:-

- (i) members of the CNAF Group; and
- (ii) members of the BP Group,

each of which is deemed to be an Interested Person that the Group will be transacting with.

The list of members of the CNAF Group and the BP Group and the types of transactions which the CAO Group intends to undertake pursuant to the IPT Mandate, is set out in **Annex III** to the Letter. Members of the CNAF Group and the BP Group which are nominated by the Interested Persons expressly named/listed in **Annex III** to enter into transactions with the CAO Group, are also deemed to be Interested Persons listed in **Annex III** with which the CAO Group may transact under the IPT Mandate. It is also to be noted that as the CNAF Group and the BP Group undertake internal restructuring exercises from time to time, the list of members from the respective groups as well as the types of transactions to be transacted with each member will be subject to change.

3.3.2 Categories of Interested Person Transactions

The IPT Mandate will cover the following transactions:-

Interested Person Transactions with the CNAF Group

- (i) the sales and purchases of Petroleum Products to the CNAF Group, whether pursuant to the terms of the Supply Agreements or otherwise;
- (ii) the provision and receipt of supply chain services including, but not limited to:
 - (a) the procurement of shipping and logistics services from CNAF Logistics for the transport of Petroleum Products by sea (including the chartering of ships, whether on a time charter or fixed voyage basis, and the rental of tankages);
 - (b) the provision of import agency services for Petroleum Products to LandOil and other members of the CNAF Group; and
 - (c) the provision of into-plane fueling services by CNAF HKR and other members of the CNAF Group; and
- (iii) the provision of Treasury Services by CNAF Finance to the CAO Group, and the provision of Treasury Services by the CAO Group to Approved Entities which are members of the CNAF Group.

Presently, the CAO Group does not intend to engage in the trading of Derivative Financial Instruments with the CNAF Group. As such, the IPT Mandate does not cover transactions involving the trading of Derivative Financial Instruments with the CNAF Group.

Interested Person Transactions with the BP Group

- (i) sales of Petroleum Products to members of the BP Group;
- (ii) purchases of Petroleum Products from members of the BP Group for onward sale to customers;

- (iii) trading of Derivative Financial Instruments with members of the BP Group;
- (iv) the procurement of supply chain services from members of the BP Group; and
- (v) provision of Services by member(s) of the BP Group.

The details of the above Interested Person Transactions are set out in paragraph 3 of **Annex II** to the Letter.

3.4. Proposed amendments to the IPT Mandate

We note the following regarding the proposed amendments to the IPT Mandate:-

- (a) The Company proposes to amend the IPT Mandate to reflect the further renewal and extension of the CNAFCL Supply Agreement (which is currently due to expire on 6 August 2018) to 6 August 2020. Accordingly, the Company proposes to amend paragraph 3.1.1 of the IPT Mandate (as reflected in **Annex V**), to reflect the renewal and extension of the CNAFCL Supply Agreement; and
- (b) The Company proposes to amend the IPT Mandate to reflect the further renewal and extension of the Bluesky Supply Agreement (which is currently due to expire on 1 April 2018) to 1 April 2020, and unless otherwise mutually agreed upon by the parties, the Bluesky Supply Agreement will be further extended for another term of two (2) years to 1 April 2022. Accordingly, the Company proposes to amend paragraph 3.1.1 of the IPT Mandate (as reflected in **Annex V**), to reflect the renewal and extension of the Bluesky Supply Agreement.

The full text of the IPT Mandate, as proposed to be renewed and amended, is set out in **Annex II** to the Letter.

3.5. Review Procedures For Interested Person Transactions

The review procedures for the Interested Person Transactions are set out in paragraph 6 of **Annex II** to the Letter. Shareholders are advised to read paragraph 6 of **Annex II** to the Letter carefully.

3.6. Disclosure

Disclosure will be made in the Company's annual report the aggregate value of the Interested Person Transactions entered into under the IPT Mandate, as renewed and amended, during the financial year under review, and in the annual reports of subsequent financial years during which the IPT Mandate, as renewed and amended, is in force. In addition, the Company will announce the aggregate value of the Interested Person Transactions entered into pursuant to the IPT Mandate, as renewed and amended, for the financial periods which it is required to report pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.

3.7. Validity period of the IPT Mandate

If approved by Shareholders at the AGM, the IPT Mandate, with the proposed amendments, will take effect from the date of the passing of the resolution for the renewal of, and amendments to, the IPT Mandate, to be proposed at the AGM, and shall apply in respect of Interested Person Transactions entered or to be entered into from the date of the AGM until the conclusion of the next annual general meeting of the Company or the date on which the next annual general meeting of the Company is required to be held, whichever is the earlier, unless revoked or varied by the Company in a general meeting.

4. CONCLUSION

In arriving at our opinion on whether the guidelines and review procedures under the amended IPT Mandate are sufficient to ensure that the Interested Person Transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, we have considered the following:-

- (i) the rationale for the IPT Mandate;
- (ii) the benefits of the IPT Mandate;
- (iii) the classes of Interested Persons and the categories of Interested Person Transactions;
- (iv) the review procedures in relation to the amended IPT Mandate; and
- (v) the role of the Audit Committee in reviewing the Interested Person Transactions and in enforcing the amended IPT Mandate.

Accordingly, we are of the view that the methods and procedures under the amended IPT Mandate, if adhered to, are sufficient to ensure that the Interested Person Transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders.

In rendering the above opinion, we have not taken into consideration the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. Accordingly, any individual Shareholder who may require specific advice in relation to his investment portfolio including his investment in the Shares should consult his stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

The opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
**CIMB BANK BERHAD,
SINGAPORE BRANCH**

JASON CHIAN SIET HENG
MANAGING DIRECTOR
INVESTMENT BANKING, SINGAPORE

ERIC WONG
DIRECTOR
INVESTMENT BANKING, SINGAPORE

ANNEX V

PROPOSED AMENDMENTS TO THE IPT MANDATE

The amendments proposed to be made to the IPT Mandate which was renewed at the annual general meeting of the Company held on 18 April 2017 are set out below to show insertions in underline and deletions in strikethrough.

GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. RATIONALE FOR THE IPT MANDATE

The IPT Mandate is intended to facilitate transactions in the ordinary course of business of the CAO Group as described in paragraph 3 of this **Annex II** which are recurrent in nature and may be transacted from time to time with the Interested Persons provided that they are carried out on normal commercial (or, in the absence of other similar comparable transactions, commercially reasonable) terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT Mandate is intended to enhance the CAO Group's ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' approval for the entry by the CAO Group into such transactions. This will substantially reduce administrative time and expenses associated with the making of such announcements or the announcement and convening of general meetings from time to time, and allow manpower resources to be focused towards other corporate and business opportunities.

2. CLASSES OF INTERESTED PERSONS

Under the IPT Mandate, the Interested Persons comprise:

- (a) members of the CNAF Group; and
- (b) members of the BP Group,

each of which is deemed to be an Interested Person that the Group will be transacting with.

The list of members of the CNAF Group and the BP Group and the types of transactions which the CAO Group intends to undertake pursuant to the IPT Mandate, are set out in **Annex III** to this Letter. Members of the BP Group and the CNAF Group which are nominated by the Interested Persons expressly named/listed in **Annex III** to enter into transactions with the CAO Group, are also deemed to be Interested Persons listed in **Annex III** with which the CAO Group may transact under the IPT Mandate. It is also to be noted that as the CNAF Group and the BP Group undertake internal restructuring exercises from time to time, the list of members from the respective groups as well as the types of transactions to be transacted with each member will be subject to change.

Paragraph 3 of this **Annex II** sets out the background to, and describes the nature of, the Interested Person Transactions with the CNAF Group and the BP Group respectively which are covered under the IPT Mandate.

3. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

3.1 Interested Person Transactions with the CNAF Group

Transactions between the CAO Group and the CNAF Group covered by the IPT Mandate include:

- (a) the sales and purchases of Petroleum Products to the CNAF Group, whether pursuant to the terms of the Supply Agreements or otherwise;

- (b) the provision and receipt of supply chain services including, but not limited to:
 - (i) the procurement of shipping and logistics services from CNAF Logistics for the transport of Petroleum Products by sea (including the chartering of ships, whether on a time charter or fixed voyage basis, and the rental of tankages);
 - (ii) the provision of import agency services for Petroleum Products to LandOil and other members of the CNAF Group; and
 - (iii) the provision of into-plane fuelling services by CNAF HKR and other members of the CNAF Group; and
- (c) the provision of Treasury Services by CNAF Finance to the CAO Group, and the provision of Treasury Services by the CAO Group to Approved Entities which are members of the CNAF Group.

Presently, the CAO Group does not intend to engage in the trading of Derivative Financial Instruments with the CNAF Group. As such, the IPT Mandate does not cover transactions involving the trading of Derivative Financial Instruments with the CNAF Group.

3.1.1 Sales and Purchases of Petroleum Products

Supply Agreements

On ~~2 February 2016~~, 6 February 2018, the CNAFCL Supply Agreement, which was previously renewed and extended to 6 August ~~2016~~2018, was further renewed and extended to 6 August ~~2018~~2020, on substantially similar terms. The Audit Committee had reviewed the terms of the proposed extension of the CNAFCL Supply Agreement prior to entry into the agreement.

Under the renewed and extended CNAFCL Supply Agreement, the Company is to purchase aviation fuel on a proprietary basis (and not as agent of CNAFCL), and then sell the aviation fuel to CNAFCL (or its designated import agents) on a proprietary basis.

The pricing at which the Company is to sell aviation fuel to CNAFCL under the CNAFCL Supply Agreement is either: (a) through a competitive tender exercise whereby the price charged to CNAFCL is the tender price, plus a fixed margin component, or (b) at an agreed price based on a market pricing benchmark for the aviation fuel to be supplied, plus a pre-agreed fixed premium and a fixed margin component. In this context, the term “fixed margin” refers to an agreed fixed amount that the Company receives over and above its costs of procuring the aviation fuel; and the term “pre-agreed fixed premium” refers to the additional fixed amount pre-agreed between the Company on the one hand and CNAFCL on the other, which is over and above the agreed price/market pricing benchmark (such as from Platts Singapore or any other global provider of energy pricing information) of the aviation fuel to be supplied. In procuring aviation fuel from the suppliers, the Company also pays its suppliers a premium over and above the cost of the aviation fuel in line with prevailing market practice in the industry. The Company will not proceed with a sale under the method described in (b) above (i.e. at an agreed price based on a market pricing benchmark for the aviation fuel to be supplied, plus a pre-agreed fixed premium and a fixed margin component), if the overall sale price chargeable to CNAFCL is less than the Company’s breakeven price for the aviation fuel. Any subsequent substantive amendments to, or renewal or extension of, the CNAFCL Supply Agreement shall also be reviewed and approved by the Audit Committee.

On ~~2 February 2016~~, 6 February 2018, the Bluesky Supply Agreement, which was previously renewed and extended to 1 April ~~2016~~2018, was also further renewed and extended to 1 April ~~2018~~2020, on substantially similar terms (save for pricing). Unless otherwise mutually agreed upon by the parties to the Bluesky Supply Agreement, the Bluesky Supply Agreement will be further extended for another term of two (2) years to 1 April 2022. The Audit Committee had reviewed the terms of the proposed extension of the Bluesky Supply Agreement prior to entry into the agreement.

Under the renewed and extended Bluesky Supply Agreement, the Company is to purchase aviation fuel on a proprietary basis (and not as agent of Bluesky), and then sell the aviation fuel to Bluesky (or its designated import agents) on a proprietary basis.

The pricing at which the Company is to sell aviation fuel to Bluesky under the Bluesky Supply Agreement is either: (i) through a competitive tender exercise whereby the price charged to Bluesky is the tender price, plus a fixed margin component, or (ii) at an agreed price based on a market pricing benchmark for the aviation fuel to be supplied, plus a fixed margin component. In this context, the term “fixed margin” refers to an agreed fixed amount that the Company receives over and above its costs of procuring the aviation fuel. In procuring aviation fuel from the suppliers, the Company also pays its suppliers a premium over and above the cost of the aviation fuel in line with prevailing market practice in the industry. The Company will not proceed with a sale under the method described in (ii) above (i.e. at an agreed price based on a market pricing benchmark for the aviation fuel to be supplied, plus a fixed margin component), if the overall sale price chargeable to Bluesky is less than the Company’s breakeven price for the aviation fuel. Any subsequent substantive amendments to, or renewal or extension of, the Bluesky Supply Agreement shall also be reviewed and approved by the Audit Committee.

The Supply Agreements further set out other details regarding the procurement process, such as the periodic requirements for aviation fuel of CNAFCL and Bluesky, tender preparations by the Company, qualifications of suppliers, tender methods and notification of tender results.

Bluesky is a subsidiary of CNAFCL. As CNAFCL is a subsidiary of CNAF, CNAFCL and Bluesky are therefore interested persons of the Company for the purposes of Chapter 9 of the Listing Manual.

Ad Hoc Supplies of Aviation Fuel

In addition to the supply of aviation fuel to CNAFCL and Bluesky under the Supply Agreements, the CAO Group intends to undertake the supply of aviation fuel to, *inter alia*, members of the CNAF Group on an *ad hoc* basis. Where the CAO Group undertakes such supplies of aviation fuel to the CNAF Group, such supplies will be made on terms similar to the Supply Agreements, that is, the relevant products will be procured by the CAO Group on a proprietary basis and sold onward to the CNAF Group at the same premium as computed in line with the methodology described for the respective Supply Agreements above.

Physical Trading in Petroleum Products

The CAO Group may engage in the physical trading of Petroleum Products with any member of the CNAF Group if that member meets the Company’s eligibility requirements.

The bases for the pricing of Petroleum Products in physical trades to be sold or purchased by the CAO Group are in line with current market practices and involve two (2) pricing components namely, Mean of Platts Singapore (“**MOPS**”) plus a fixed premium or less a fixed discount. MOPS refers to the mean of the high and low components of a Platts assessment for cargoes of oil products (including Petroleum Products) loading from Singapore. Platts is a leading global provider of energy and metals information. The amount of premium for a particular transaction is determined by negotiations between the trading parties which will *inter alia* depend on the quality of the Petroleum Products and other relevant market factors and conditions. The Risk Management Committee holds the overall responsibility of ensuring that risk management controls and processes have been duly followed. This responsibility is delegated to the chief executive officer of the Company and subsequently to the head of risk management of the Company for daily operational activities.

3.1.2 Supply Chain Services

Background

As part of the Company's continuing development of its capabilities, the Company is seeking to optimise its supply chain capabilities through enhancing its current business model. To this end, it seeks to be able to improve its supply chain optimisation capabilities beyond merely ensuring the quality and timely delivery of oil product shipments, to working with traders to ensure the most cost-effective ways to ship oil products in light of the Company's supply and trading portfolio as a whole. For example, rather than chartering ships on an individual voyage basis, the Company believes that it may be more efficient operationally and financially to enter into a time charter agreement in respect of a number of physical movements of oil products, or to enter into shipping arrangements with other suppliers on a collaborative basis.

Purchase of Shipping and Logistics Services

To this end, the Company works with several ship owners and logistics services providers. The key attributes by which these potential suppliers are selected include their competitiveness, their respective track records in handling the quality of oil products which the Company supplies, as well as their presence in the North Asian aviation fuel shipment market. In the course of sourcing for such suppliers, the Company anticipates that it may enter into shipping and logistics services arrangements, such as multiple voyages or time charter contracts, rental of tankages and other aviation fuel transportation arrangements with CNAF Logistics, if it is of the view that CNAF Logistics is able to offer competitive terms for their shipping and logistics services or if CNAF Logistics is the only shipping service provider which is able to meet the technical and delivery specifications stipulated by CAO's end customers. Further, the Company purchases Petroleum Products from various members of the BP Group and in turn sells the same to the receivers in PRC or other buyers. In the course of its supply to such buyers, the Company will in some cases need to purchase shipping and logistics services. As an example, CAO may buy Petroleum Products on FOB basis and sell the same on CFR basis, for which CAO will require freight services and it may engage CNAF Logistics to provide the freight services. In certain cases, CNAF Logistics may be the only shipping service provider which will be able to meet the technical and delivery specifications stipulated by CAO's end customers. If CAO buys on FOB basis and sells on FOB basis, CAO will not need freight services as CAO's buyer will be responsible for the freight arrangements. If CAO buys on CFR basis and sells on CFR basis, CAO will not need freight services.

For Petroleum Products which the CAO Group buys on FOB basis and sells to CNAFCL and Bluesky on CFR basis, the CAO Group will be required to obtain freight services from CNAF Logistics for the transportation of the said Petroleum Products to CNAFCL and Bluesky, as CNAF Logistics is the only shipping service provider which will be able to meet the technical and delivery specifications stipulated by CNAFCL and Bluesky. To this end, CAO and CNAF Logistics have entered into the Term Charter Party Agreement pursuant to which freight services will be provided to the CAO Group at certain pre-agreed rates for the transportation of Petroleum Products. It is intended that the freight charges incurred by the CAO Group under this arrangement will be correspondingly reflected in the increased pricing at which the CAO Group is to sell the Petroleum Products to CNAFCL and Bluesky.

The Term Charter Party Agreement, which took effect on 1 May 2014 and was due to expire on 30 April 2015, was extended on the same terms (save for the delivery schedule, duration and pricing) by way of a new agreement dated 10 February 2015 and will expire on 30 April 2017. The Term Charter Party Agreement has been further extended by two (2) years on the same terms. The extension of the Term Charter Party Agreement was reviewed by the Audit Committee in accordance with the IPT Mandate. Under the Term Charter Party Agreement, the Company has agreed to charter ships operated by CNAF Logistics for the physical deliveries of the Petroleum Products to the following delivery routes: (1) Gaoqiao-Yangshan; (2) Jinling-Yangshan; (3) Dalian-Tianjin; (4) Yangshan-Puhang; (5) Maoming-Guangzhou; (6) Jinling-Chongqing; (7) Yangshan-Xiamen; (8) Dalian-Qinhuangdao; (9) Gaolan-Guangzhou; (10) Jinshan-Yangshan; (11) Yangshan-Tianjin; (12) Zhenhai-Puhang/Gaoqiao; (13) Jinshan-Puhang/Gaoqiao; (14) Jinling-Puhang/Gaoqiao; (15) Zhenhai-Yangshan; and (16) Qingdao-Puhang.

As CNAF Logistics is a subsidiary of CNAF, CNAF Logistics is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

Supply of Import Agency Services

As the Group builds up its supply chain optimisation capabilities, there may be other supply-chain and logistics-related services provided or to be provided by the Group to the CNAF Group, such as import agency arrangements that the Group intends to provide to LandOil. Under the import agency arrangements, the Company will be paid a fixed commission that is in line with the margins quoted in the markets for similar supply of import agency services and is determined by a bilateral negotiation between the Company and the relevant member of the CNAF Group (which in cases of import agency services, is LandOil).

As LandOil is a subsidiary of CNAF, LandOil is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

Procurement of Into-Plane Fuelling Services

Part of the CAO Group's business involves the supply of jet fuel to airline companies at various airports around the world. In order to deliver jet fuel directly into the aircrafts of the customers, the CAO Group is required to engage the services of an into-plane fuelling services provider. The number of such service providers who are authorised to provide into-plane fuelling services at any airport is generally very limited. For example, there are currently only three (3) authorised into-plane fuelling services providers at HKIA, one of which is CNAF HKR, a member of the CNAF Group. From time to time, the other two (2) service providers at HKIA may be unable or unwilling to provide fee quotations, due to commercial or other reasons, or may not be available or have the capacity to accommodate CAO HK's service requests. If so, unless CAO HK engages the services of CNAF HKR, it will not be able to deliver jet fuel to its customers' aircrafts at HKIA, which would in turn adversely impact the business or operations of CAO HK. It is therefore not administratively practicable or desirable for CNAF HKR to be excluded as an option for into-plane fuelling services solely on the basis that CNAF HKR is an Interested Person. Thus, in order for CAO HK to be able to supply jet fuel to its customers at HKIA, CAO HK may from time to time obtain into-plane fuelling services from CNAF HKR.

To address the said situation at HKIA, CAO HK and CNAF HKR have entered into an agreement on 15 February 2016 ("**Into-Plane Fuelling Services Framework Agreement**") and pursuant to which, into-plane fuelling services will be provided to CAO HK on a non-exclusive basis (at CAO HK's request) in connection with the supply of jet fuel by CAO HK to airline companies at HKIA, based on certain pre-agreed maximum rates and terms for a term of ten (10) years. The rates and terms of the Into-Plane Fuelling Services Framework Agreement were reviewed by the Audit Committee (instead of two (2) Senior Executives) in accordance with the IPT Mandate, and any subsequent substantive amendments to, or renewal or extension of, the Into-Plane Fuelling Services Framework Agreement shall also be reviewed and approved by the Audit Committee.

As CNAF HKR is an associate of CNAF, CNAF HKR is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

3.1.3 Provision of Treasury Services by and to Member(s) of the CNAF Group

Treasury Services provided by CNAF Finance

CNAF Finance has an arrangement with members of the CNAF Group pursuant to which such members may place their excess funds with CNAF Finance from time to time, in respect of which CNAF Finance will pay interest at rates which are agreed between parties. In turn, CNAF Finance, which holds primary accounts with banks ("**Deposit Banks**") such as Agricultural Bank of China Co, Ltd and PingAn Bank Co., Ltd, will from time to time place such consolidated funds with the Deposit Banks. CNAF Finance is typically able to obtain relatively preferential terms from the Deposit Banks than what would have been generally available to the individual members, given the relatively larger size of the placements, which benefit CNAF Finance will be able to pass on to such members.

CNAF Finance has extended this arrangement to the CAO Group, and from time to time, the CAO Group may also place funds with CNAF Finance for which the CAO Group will receive interest from CNAF Finance on such amounts. The CAO Group may be able to obtain more competitive rates and quotes in an expeditious manner from CNAF Finance for such placement of funds, than what would have been generally available to the CAO Group in the market.

Additionally, the CAO Group may from time to time borrow funds from CNAF Finance. The CAO Group may be able to obtain more competitive rates and quotes for such borrowing of funds provided in an expeditious manner by CNAF Finance, than what would have been generally available to the CAO Group in the market.

All funds placed with CNAF Finance by the CAO Group will be guaranteed by a corporate guarantee provided by CNAF.

The CAO Group is required under PRC law to engage the services of a duly licensed financial institution in the PRC (referred to as “**Entrust Loan Arrangement Services**”) in order to provide loans to Approved Entities based in the PRC. CNAF Finance is duly licensed to provide such Entrust Loan Arrangement Services in the PRC. The CAO Group may engage CNAF Finance for the provision of such Entrust Loan Arrangement Services in connection with such loans if CNAF Finance’s charges are no higher than what the CAO Group would otherwise have been able to secure in the market.

Treasury Services provided by the CAO Group to Investee Companies and other members of the CNAF Group

The CAO Group may also from time to time provide loans to the Investee Companies and other members of the CNAF Group (together with the Investee Companies, the “**Approved Entities**”) and grant guarantees in favour of third parties for the purposes of the Investee Companies. Such Investee Companies may also be Interested Persons, such as CNAF HKR. From time to time, the CAO Group may be required to provide loans to CNAF HKR or grant guarantees in favour of third parties for the purposes of CNAF HKR, which may or may not be in proportion to the CAO Group’s equity interest in CNAF HKR. The CAO Group will look to charge interest for the provision of such loans to the Approved Entities, at rates which are higher than what is offered in the market, and will also charge fees as appropriate for the grant of such guarantees in favour of third parties for the purposes of the Investee Companies.

A loan shall only be provided by the CAO Group to an Approved Entity which is not also an Investee Company in the form of a “cashflow or credit support” facility, and shall be subject to the following requirements: (a) the terms of the said facility shall expressly restrict the said Approved Entity to use the funds solely for the acquisition of additional goods and services from the CAO Group; and (b) the CAO Group will undertake a credit assessment process to ascertain the creditworthiness of the said Approved Entity before accepting it as a counterparty. The credit assessment process must be undertaken by a person who shall have no interest (whether direct or indirect) in said facility or the acquisition by the said Approved Entity of goods and services from the CAO Group.

All loans to the Approved Entities will be guaranteed by a corporate guarantee provided by CNAF.

As CNAF is a Controlling Shareholder, each member of the CNAF Group, including CNAF Finance and CNAF HKR, is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

3.2 Interested Person Transactions with the BP Group

The CAO Group enters into transactions with the BP Group from time to time in the ordinary course of its business. Transactions with the BP Group that are covered by the IPT Mandate include purchases and/or sales of Petroleum Products and Derivative Financial Instruments to and/or from the BP Group such as:

- (a) sales of Petroleum Products to members of the BP Group;
- (b) purchases of Petroleum Products from members of the BP Group for onward sale to customers;
- (c) trading of Derivative Financial Instruments with members of the BP Group;
- (d) the procurement of supply chain services from members of the BP Group; and
- (e) provision of Services by member(s) of the BP Group.

3.2.1 Physical Trading of Petroleum Products

Given the BP Group's significant presence in the Petroleum Products trading markets, the CAO Group's trading counterparties, amongst others, include members of the BP Group if each such member meets the CAO Group's trading counterparty eligibility requirements.

The CAO Group undertakes the following types of trading transactions with the BP Group:

- (a) sales of Petroleum Products to members of the BP Group, predominantly on a proprietary basis;
- (b) purchases of aviation fuel from members of the BP Group for onward sale to customers outside of the PRC; and
- (c) purchases of Petroleum Products (other than aviation fuel) from the BP Group whether for onward sales to customers of the CAO Group in the PRC or elsewhere.

As disclosed in paragraph 3.1.1 of this **Annex II**, the bases for the pricing of Petroleum Products in physical trades to be sold or purchased by the CAO Group are in line with current market practices and involve two (2) pricing components namely, MOPS, which is information available to the market by Platts plus a fixed premium or less a fixed discount. The amount of premium for a particular transaction is determined by negotiations between the trading parties which will, *inter alia*, depend on the quality of the Petroleum Products and other relevant market factors and conditions.

As BPIA is a Controlling Shareholder, each member of the BP Group is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

3.2.2 Trading of Derivative Financial Instruments

A wide range of participants trade in the oil products derivatives markets, ranging from banks (such as Morgan Stanley and Goldman Sachs), oil majors (such as the BP Group, Royal Dutch Shell plc and Chevron Corporation), national oil companies (such as Petroliaam Nasional Berhad (Petronas), PetroChina Company Limited and Singapore Petroleum Company Ltd) and trading houses (such as Vitol BV and Glencore International AG). Each market participant has different reasons for its involvement in derivatives trading, such as for hedging purposes or proprietary trading. As the BP Group is one of the major players in the market, members of the BP Group are the CAO Group's trading counterparties from time to time.

The Derivative Financial Instrument transactions that the CAO Group enters into, whether with the BP Group or any other counterparties, are conducted on a basis commonly used by the Derivative Financial Instruments markets for oil products around the world. Transactions range from those highly regulated by exchanges such as the New York Mercantile Exchange to over-the-counter

(“OTC”) contracts negotiated bilaterally between counterparties. Exchange traded contracts are highly standardised and transparent with commodities exchanges publishing daily volumes traded and closing prices. While OTC contracts are negotiated bilaterally, they are generally standardised in nature with slight variations in contractual terms as agreed between counterparties. The high degree of standardisation in OTC contracts enables such contracts to have increased transparency and hence, liquidity in the derivatives market. In the Singapore market, the most common oil Derivative Financial Instruments are swaps which are commonly traded on an OTC basis. Market participants could either trade directly with each other, or more commonly, through brokers. Depending on the nature of the commodity, there could be one or more brokers operating in the market. Brokers obtain their quotes independently of other market participants, and as such brokers’ quotations are accepted by the Derivative Financial Instruments industry as indications of the market value of a Derivative Financial Instrument. As such, Platts (an independent source of oil prices) also uses brokers’ quotations in their price considerations.

As BPIA is a Controlling Shareholder, each member of the BP Group is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

3.2.3 Procurement of Shipping and Logistics Services

In line with the Company’s plans to optimise its supply chain capabilities and for so long as the BP Group is in the view of the Company able to provide shipping and logistics services on competitive terms, the CAO Group may from time to time procure such services from the BP Group. The services procured from the BP Group include the chartering of vessels from the BP Group on time charter agreement in respect of a number of physical movements of oil products, the rental of tankages from the BP Group, or the entry into of shipping arrangements together with the BP Group on a collaborative basis.

As BPIA is a Controlling Shareholder, each member of the BP Group is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

3.2.4 *[This paragraph has been deleted.]*

3.2.5 Provision of Services by Member(s) of the BP Group

In line with the Company’s continuing plans to build on and strengthen its position in the relevant markets, the CAO Group may from time to time opt to tap on the relevant expertise, industry know-how (such as information-sharing, marketing, training and risk management, secondment of staff and other related services) and business networks of member(s) of the BP Group by entering into agreements for the provision of Services with member(s) of the BP Group.

As BPIA is a Controlling Shareholder, each member of the BP Group is therefore an interested person of the Company for the purposes of Chapter 9 of the Listing Manual.

4. BENEFITS OF THE INTERESTED PERSON TRANSACTIONS TO THE GROUP

4.1 Benefits of Transacting with the CNAF Group

The transactions with the CNAF Group contribute a substantial portion of the revenue of the Company, and in fact as at the Latest Practicable Date, the transactions under the Supply Agreements contribute significantly to the revenue of the Company. Under the Supply Agreements, the Company is assured of a fixed margin over its costs of supply of aviation fuel to the Interested Persons for its procurement services.

Through the Supply Agreements, the Company was appointed the exclusive supplier of all imported aviation fuel requirements of CNAFCL and Bluesky sourced from outside of the PRC (in respect of the airports in Beijing Airport and Guangzhou Baiyun International Airport respectively), on a proprietary basis. Since 6 August 2008, being the date the IPT Mandate was first adopted and approved, and to the extent that the relevant Interested Persons have requirements for imported

aviation fuel during the term of the Supply Agreements, the Company has been their exclusive procurement supplier. Each of the Supply Agreements will be extended or renewed for a further term upon the mutual agreement of the parties.

A key benefit of obtaining a mandate for interested person transactions with the CNAF Group in relation to the trading of Petroleum Products is that it provides the CAO Group with an increased number of potential trading partners, thereby giving the CAO Group additional options and flexibility in managing its business and trading strategy in relation to the Petroleum Products.

In relation to the procurement of supply chain services from the CNAF Group, CNAF Logistics possesses logistics facilities for the transportation of aviation fuel, including tanker, jetty, pipeline and shipping facilities. Cooperation between the Company and CNAF Logistics will afford the Company an opportunity to extend its supply chain capabilities, for example, by being able to offer integrated supply chain services for petrochemical products and to arrange for international shipping to domestic transportation. As explained above, there are typically a very limited number of into-plane fuelling services providers at any airport, and not all of them may be available to take on assignments or to even provide fee quotations, due to commercial or other reasons, at the request of the CAO Group. Thus, there would be situations where it would be very difficult for the CAO Group to secure the requisite into-plane fuelling services in order to deliver jet fuel to its customers at the affected airport. By enabling the CAO Group to engage the services of a service provider which happens to be a member of the CNAF Group under the IPT Mandate, the CAO Group's range of alternatives in this restricted and specialised market would be significantly expanded. Further, the CAO Group will be able to continue delivering jet fuel to its customers at the affected airport through the relevant member of the CNAF Group, even if the other third party service providers are unable or unwilling to meet the CAO Group's service requests. Such flexibility will therefore be of commercial benefit to the CAO Group.

The provision of import agency services to members of the CNAF Group (including LandOil) will provide the CAO Group with an opportunity to develop its capabilities and expand the range of products offered to its customers.

4.2 Benefits of Transacting with the BP Group

The Company continues to seek to increase the scope of its ordinary trading operations with suitable players in the market both in terms of increasing the variety of products it can trade in, as well as enlarging its customer base to reach markets beyond the PRC, in order to increase the sources of income for the Company. As the BP Group is one of the major players in the oil products derivatives markets, one of the key benefits of obtaining the IPT Mandate is that it provides the CAO Group with an increased number of potential trading partners, thereby giving the CAO Group additional options and flexibility in managing its business and trading strategy in relation to Petroleum Products and Derivative Financial Instruments. Also, this is in line with CAO's aim to trade with all the major players in the oil products derivatives markets such that the Company can obtain the most competitive prices for its transactions. Further, the CAO Group expects to benefit from the synergies arising from the collaboration with the BP Group on supply chain services.

While the CAO Group is a key supplier of imported aviation fuel in the PRC market, it has a minor presence in other markets and has found it difficult to penetrate into them on its own in order to grow geographically. Obtaining competitive pricing for a small player in these markets is often difficult. The BP Group, on the other hand, is one of the dominant players in the Australian, Middle Eastern, Singaporean and European markets. Accepting Services from the member(s) of the BP Group will also provide the CAO Group with an invaluable resource as the CAO Group will be able to tap on the relevant expertise, industry know-how (such as information-sharing, marketing, training, risk management, secondment of staff and other related services) and business networks of such member(s) of the BP Group or to reap the benefits of efficiencies and economies of scale through the provision of Services by the member(s) of the BP Group for the CAO Group's and the BP Group's mutual benefits. In this way, the Company can continue to build on and strengthen its position in the relevant markets.

5. TRANSACTIONS NOT COVERED BY IPT MANDATE

5.1 Transactions under the Existing Pipeline Services Contract⁴

As prior Shareholders' approval has been obtained for the provision of pipeline transportation services by TSN-PEKCL to CNAFCL under the Existing Pipeline Services Contract, the IPT Mandate does not cover such transactions pursuant to the Existing Pipeline Services Contract. However, any variation of the terms of the Existing Pipeline Services Contract which have been outlined in the Company's ~~Letter~~ Letter circular to Shareholders dated ~~15 December 2008~~ 31 March 2017 and any variations in the prices charged for pipeline transportation services, will be subject to Chapter 9 of the Listing Manual.

5.2 Transactions outside the Scope of the IPT Mandate

Transactions with the Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual. Shareholders are also to note that the IPT Mandate does not extend to include the trading of Derivative Financial Instruments between the CAO Group and the CNAF Group.

The IPT Mandate does not cover any transaction by a company in the CAO Group with Interested Persons that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. In addition, the IPT Mandate does not include transactions for the purchase or sale of assets, undertakings or businesses with the Interested Persons.

6. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

To ensure that the Interested Person Transactions are conducted on normal commercial (or, in the absence of other similar comparable transactions, fair and reasonable) terms and will not be prejudicial to the interests of the Company and its minority Shareholders, as a general rule the CAO Group will only enter into transactions with the Interested Persons if the terms offered by or extended to the Interested Persons are respectively no less favourable or more favourable than the terms that may be obtainable from or extended to unrelated third parties.

6.1 Review procedures for determination of premium or amendment of premium or margin under the Supply Agreements and for extension or renewal of the Supply Agreements

To ensure that any determination of the premium payable under the Supply Agreements, any amendment to the premium or margin under the Supply Agreements, and any future extension or renewal of the Supply Agreements will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Audit Committee has adopted the following review procedures:

- a) If, as of the date on which the CAO Group proposes to determine the premium payable under the Supply Agreements, or amend the premium or margin under the Supply Agreements, or extend or renew any Supply Agreement, the CAO Group does not supply or purchase aviation fuel, the product being supplied under the relevant contract, of the same or similar specifications as specified under the relevant contract, in any significant amount to or from other unrelated third parties (as the case may be), so that it is not possible to compare the proposed premium or margin or proposed terms of the extended or renewed Supply Agreement against the premium, margin and/or terms of other transactions with unrelated third parties, the premium or margin or the CAO Group's pricing for its supply or purchase of aviation fuel of the relevant specifications to or from Interested Persons (as the case may be) as set out in the extended or renewed Supply Agreement will be verified by any two (2) Senior Executives or such other persons as may be appointed by the Audit

⁴ ~~The Existing Pipeline Services Contract is due to expire on 1 January 2018. The Company proposes to seek Shareholders' approval for the Pipeline Services Contract to be entered into between CNAFCL and TSN-PEKCL. If the Pipeline Services Contract is approved and entered into, references to "Existing Pipeline Services Contract" in this Annex II will extend to include the Pipeline Services Contract when it is in effect, to the extent applicable.~~

Committee who shall have no interest (whether direct or indirect) in the Interested Person Transactions concerned and shall not be involved in the negotiations of the premium or margin or the negotiations of the extension or renewal of the relevant Supply Agreement.

In undertaking such verification, the two (2) Senior Executives or other appointed persons will, on a best efforts basis, obtain reference prices and/or quotations from the external markets via the CAO Group's existing aviation fuel suppliers (for example, by obtaining from such suppliers indicative margins and premiums that they are charging for their sales and estimates of freight charges for delivering the aviation fuel of the relevant specifications to the relevant destination). They will then verify that the proposed margin and/or premium is/are consistent with or better than such indicative market rates as a rough benchmark or gauge of the then applicable pricing of aviation fuel.

It is to be noted that there are limitations on making meaningful and fair comparisons of reference prices and quotations for aviation fuel imports into the PRC, as CAO currently only supplies aviation fuel (sourced from outside the PRC) in substantial amounts to CNAFCL and Bluesky for imports into the PRC and does not supply aviation fuel in any significant amount to other unrelated third parties, and it is difficult to obtain comparable reference prices and quotations on a like-for-like basis due to differences in sizes, delivery dates, quantity loads and locations of cargoes. It may not be possible to obtain meaningful comparable reference prices and/or quotations from the external markets via the CAO Group's existing aviation fuel suppliers, such that verification by the two (2) Senior Executives (or other appointed persons) would not be meaningfully conducted. In such circumstances, any subsequent substantive amendments to the terms of the Supply Agreements, and any extension or renewal of the Supply Agreements, will be reviewed and approved by the Audit Committee.

- (b) If, as of the date on which the CAO Group proposes to determine the premium payable under the Supply Agreements, or amend the premium or margin under the Supply Agreements, or extend or renew any Supply Agreement, the CAO Group does supply or purchase aviation fuel, the product being supplied or purchased under the relevant contract, of the same or similar specifications as specified under the relevant contract, in a significant amount to or from other unrelated third parties (as the case may be), the price and terms of at least two (2) other successful sales or purchases of aviation fuel of the relevant specifications to or from unrelated third parties (as the case may be) will be used as a basis for comparison, whenever possible, to determine whether the premium or margin or the prices and terms proposed to be included in the extended or renewed Supply Agreement are comparable to those offered by unrelated third parties for such successful sales or purchases (as the case may be) of aviation fuel of the relevant specifications, taking into account all pertinent factors including, but not limited to, price, quality, delivery time and track record, to ensure that the interests of its minority Shareholders are not disadvantaged.

6.2 Review procedures for transactions with the Interested Persons involving purchases and/or sales of Petroleum Products (other than under the Supply Agreements)

In respect of transactions comprising purchases and/or sales of Petroleum Products by the CAO Group from or to any Interested Person, in addition to the credit assessment process undertaken by the CAO Group on all potential parties for Petroleum Products before accepting that Interested Person as a counterparty:

- (a) When selling and purchasing Petroleum Products to and from an Interested Person, any two (2) Senior Executives who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract shall, where practicable or possible, compare the terms offered by or to the Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties of similar quantities and/or quality of the relevant Petroleum Products, prior to the entering into of the contract or transaction with the Interested Person, as a basis for comparison, and such comparisons, if any, are to be documented. In determining the competitiveness of the quotations (including those by and to the Interested Person), all pertinent factors, including but not limited to pricing, quality, delivery time and track record,

and where applicable, preferential rates, rebates or discounts accorded for bulk purchases will be taken into consideration. Each submission to the two (2) Senior Executives will be copied to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the review procedures have been complied with.

For the purposes of this review procedure in determining whether it is practicable or possible to compare the terms offered by or to the Interested Person against the terms of at least one (1) other quotation obtained from unrelated third parties, any two (2) Senior Executives who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract, shall follow the existing control guidelines approved by the Audit Committee. Amendments to the control guidelines shall be made in accordance with any subsequent changes to the IPT Mandate, and will be subject to review by the internal auditors from time to time.

- (b) Where such quotations are not obtainable, the transactions with the Interested Person will be reviewed against recent actual transactions of similar nature published in recognised industry publications or as published on a recognised commodities exchange. In determining the competitiveness of these published terms, the two (2) Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.
- (c) Due to the nature of the markets in which the CAO Group operates, involving purchases and/or sales of Petroleum Products, situations will commonly occur wherein there are no available quotations from unrelated third party suppliers or purchasers, and published rates of recent actual transactions of similar nature published in recognised industry publications or as on recognised commodities exchanges are not available, applicable or comparable. For all such situations the transaction will be reviewed and approved by any two (2) Senior Executives who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract, after taking into consideration factors such as, but not limited to, delivery schedules, market pricing, quantity, credit terms, the margin that CAO Group will receive if CAO is acting as reseller of the Petroleum Products that are purchased, and the restrictive business or regulatory environment in which the CAO Group operates and the transaction is undertaken. Each submission to the two (2) Senior Executives will be copied to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the review procedures have been complied with.
- (d) Due to the nature of the markets in which the CAO Group operates, involving purchases and sales of Petroleum Products, situations will also commonly occur where a trader acting for the CAO Group may conduct purchases and/or sales of Petroleum Products via a voice-based, online or electronic telecommunication-based trading platform where transactions are fast-paced and undertaken in a series of buy or sell prices offered by traders or brokers which are accepted by other traders or brokers participating in the trading platform. In the case of the voice-based trading platform, the CAO Group appoints broker(s) to source for quotes from the market which are then provided to the CAO Group's traders for confirmation. In all these cases, the CAO Group's trader in practice may be required to enter into an almost instantaneous transaction based on his assessment of the best available price then quoted on the trading platform. The counterparty may or may not be identified at the time of commitment to the transaction, and accordingly, it may not be possible for the CAO Group to determine whether the counterparty is or is not an Interested Person until the transaction is completed. In the cases where broker(s) are appointed by the CAO Group to source for quotes, the broker will be an independent party with no interest (whether direct or indirect) in the transaction save for the receipt of commission. At the time of commitment to the transaction, the transaction shall only be entered into: (i) in the case of a purchase of Petroleum Products by the CAO Group, at the trader's assessment of the lowest available price quoted on the trading platform for the CAO Group's order at the material time, and (ii) in the case of a sale of Petroleum Products by the CAO Group, at the trader's

assessment of the highest available price quoted on the trading platform for volume of Petroleum Products intended to be sold by the CAO Group at the material time. Each trade confirmation will be forwarded to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the procedures set out in this paragraph 6.2(d) have been complied with.

In respect of any term contract entered into between the Company and BPS which provides for trading collaboration arrangements in respect of the supply of aviation fuel, which has been reviewed by the Audit Committee (instead of two (2) Senior Executives in accordance with paragraph 6.2(a) above) prior to entry, and for which the agreed premiums applicable thereunder were also reviewed by the Audit Committee, the review procedures under this paragraph 6.2 shall not separately apply in respect of any individual transactions conducted subject to and in accordance with the agreed premiums / pricing formulae and other terms under such term contract; and the review procedures under paragraph 6.1 above shall apply in respect of any determination of the premium payable under such term contract, any amendment of the premium or margin under such term contract, and any future extension or renewal of such term contract, to ensure that the same will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Ad hoc supplies of Petroleum Products (other than supply of aviation fuel to the CNAF Group which is covered under paragraph 6.8 of this **Annex II**) will be reviewed in accordance with this paragraph 6.2 of this **Annex II**.

6.3 Review procedures for transactions with the Interested Persons involving the trading of Derivative Financial Instruments

In addition to the credit assessment process undertaken by the CAO Group on all potential parties in relation to Derivative Financial Instruments before accepting that Interested Person as a counterparty, the following review procedures will be applied in respect of the trading of Derivative Financial Instruments between the CAO Group and an Interested Person:

- (a) Prior to entering into any contract or transaction in connection to the trades of Derivative Financial Instruments with any Interested Person, any two (2) Senior Executives who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction shall compare the price and other associated costs (such as brokerage fees, foreign currency and bank commissions) offered by the Interested Persons against the price and associated costs (such as brokerage fees, foreign currency and bank commissions) of at least one (1) other quotation obtained from unrelated third parties for a Derivative Financial Instrument with similar terms. The CAO Group shall use such comparison as a basis when entering into the contract or transaction with the Interested Person, and such comparisons are to be documented. Each submission to the two (2) Senior Executives will be copied to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the review procedures have been complied with.
- (b) Due to the nature of the markets in which the CAO Group operates, involving trading of Derivative Financial Instruments, situations will also commonly occur where a trader acting for the CAO Group may conduct such trades via a voice-based, online or electronic telecommunication-based trading platform where transactions are fast-paced and undertaken in a series of buy or sell prices offered by traders or brokers which are accepted by other traders or brokers participating in the trading platform. In the case of the voice-based trading platform, the CAO Group appoints broker(s) to source for quotes from the market which are then provided to the CAO Group's traders for confirmation. In all these cases, the CAO Group's trader in practice may be required to enter into an almost instantaneous transaction based on his assessment of the best available price then quoted on the trading platform. The counterparty may or may not be identified at the time of

commitment to the transaction, and accordingly, it may not be possible for the CAO Group to determine whether the counterparty is or is not an Interested Person until the transaction is completed. In the cases where broker(s) are appointed by the CAO Group to source for quotes, the broker will be an independent party with no interest (whether direct or indirect) in the transaction save for the receipt of commission. At the time of commitment to the transaction, the transaction shall only be entered into at the trader's assessment of the price quoted on the trading platform for the CAO Group's order which is the most favourable available price to the CAO Group at the material time. Each trade confirmation will be forwarded to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the procedures set out in this paragraph 6.3(b) have been complied with.

6.4 Review procedures for the procurement of into-plane fuelling services from the CNAF Group

When procuring into-plane fuelling services at any airport from any member of the CNAF Group:

- (a) At least one (1) quotation from an unrelated third party into-plane fuelling services provider at the same airport will be obtained for comparison. Any fees to be paid by member(s) of the CAO Group to such member of the CNAF Group for such into-plane fuelling services shall not be higher than the fee in the quotation from the unrelated third party. In determining the more competitive fee, all pertinent factors, including but not limited to quality, reliability in the provision of such services and track record will be taken into consideration.
- (b) Due to the limited number of into-plane fuelling agents which are authorised to provide into-plane fuelling services at an airport, it is possible for situations to occur where the CAO Group is unable to obtain quotations from unrelated third party service providers, due to commercial or other reasons, or where no unrelated third party service providers are able to meet the CAO Group's service request due to unavailability or lack of capacity. In such a situation, the transaction will be reviewed and approved by any two (2) Senior Executives who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract. Each submission to the two (2) Senior Executives will be copied to the Company's head of finance, deputy head of finance, and head of legal, for the Company's finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company's legal team to ascertain that the review procedures have been complied with.
- (c) In the event that no uninterested Senior Executives of the relevant member of the CAO Group are available to review the transaction, the transaction will be reviewed and approved by the Audit Committee directly.

For the avoidance of doubt, as the terms of the Into-Plane Fuelling Services Framework Agreement were reviewed by the Audit Committee (instead of two (2) Senior Executives) in accordance with paragraph 6.7(b) of the IPT Mandate which was renewed at the ~~2016~~2017 AGM, the review procedures under this paragraph 6.4 shall not separately apply in respect of any individual transactions conducted subject to and in accordance with the pre-agreed rates and terms of the Into-Plane Fuelling Services Framework Agreement. Any subsequent substantive amendments to, or renewal or extension of, the Into-Plane Fuelling Services Framework Agreement, must be subject to prior review and approval by the Audit Committee.

6.5 Review procedures for the provision of Services by the BP Group

When procuring Services to be provided by member(s) of the BP Group, two (2) other quotations from unrelated third party providers of similar services will be obtained for comparison to ensure that such Interested Person Transactions are conducted on normal commercial terms and which are not prejudicial to the interests of the Company and its minority Shareholders. Any fee to be paid by member(s) of the CAO Group for the Services shall not be higher than the most

competitive fee of the two (2) other quotations from unrelated third parties. In determining the most competitive fee, all pertinent factors, including but not limited to quality, reliability in delivery and track record will be taken into consideration. In addition, the credit terms obtained from the member(s) of the BP Group shall not be less favourable than those obtained from unrelated third parties.

Where such quotations are not obtainable (for instance, if there are no unrelated third party providers of such similar services), any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the contract or transaction for the provision of Services with member(s) of the BP Group and shall not be involved in the negotiations of the relevant contract or transaction, will determine whether the fees and terms offered by the member(s) of the BP Group are fair and reasonable. In determining whether the fees and terms offered by the member(s) of the BP Group are fair and reasonable, the two (2) Senior Executives involved in the review will have to take into consideration the same pertinent factors as mentioned above.

The entry into any agreement by the Company and/or by any other member(s) of the CAO Group for the provision of Services by member(s) of the BP Group, and any review or amendment of the terms of the provision of Services, will be approved by the Board. As required under ~~Article 102~~Regulation 106 of the Constitution of the Company, Directors with a direct or indirect personal material interest in the agreement will abstain from voting on the resolution.

6.6 Review procedures for Treasury Services

The following review procedures will be applied in respect of the receipt and provision of Treasury Services between the CAO Group and an Interested Person:

- (a) Prior to entering into any contract or transaction with CNAF Finance in respect of any placement of funds by the CAO Group with CNAF Finance, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee, who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction, shall compare the interest rates for such placements offered by CNAF Finance with the interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for deposits of an equivalent amount and for an equivalent period. The request made to the principal bankers of the Company or the relevant member of the CAO Group (as the case may be) shall also be made by a person who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction. The CAO Group will only place funds with CNAF Finance, if the interest rate quoted by CNAF Finance is higher than the highest of the interest rates quoted by such principal bankers.
- (b) Prior to entering into any contract or transaction with CNAF Finance in respect of any borrowing of funds by the CAO Group from CNAF Finance, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee, who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction, shall compare the interest rates for such borrowings offered by CNAF Finance with the interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for borrowings of an equivalent amount and for an equivalent period. The request made to the principal bankers of the Company or the relevant member of the CAO Group (as the case may be) for the quote shall also be made by a person who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction. The CAO Group will only borrow funds from CNAF Finance if the interest rate quoted by CNAF Finance is lower than the lowest of the interest rates quoted by such principal bankers.
- (c) Prior to entering into any contract or transaction with any Approved Entity in respect of any provision of loans to the Approved Entity, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved

in the negotiations of the relevant contract or transaction shall compare the interest rates for such loans charged by the CAO Group with the equivalent lending interest rates quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be). The CAO Group will only provide loans in favour of Approved Entities if the interest rate charged by the CAO Group is higher than the highest rate quoted by such principal bankers. A loan shall only be provided to an Approved Entity which is not also an Investee Company in the form of a “cashflow or credit support” facility, and shall be subject to the following requirements: (i) the terms of the said facility shall expressly restrict the said Approved Entity to use the funds solely for the acquisition of additional goods and services from the CAO Group; and (ii) a credit assessment process has been undertaken to ascertain the creditworthiness of the said Approved Entity before accepting it as a counterparty. The credit assessment process must be undertaken by a person who shall have no interest (whether direct or indirect) in said facility or the acquisition by the said Approved Entity of goods and services from the CAO Group.

- (d) Prior to entering into any contract or transaction with any Investee Company in respect of any grant of guarantees in favour of third parties for the purposes of the Investee Companies, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction shall compare the fees for the grant of such guarantees charged by the CAO Group with the equivalent fees quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be). The CAO Group will only provide guarantees in favour of third parties for the purposes of the Investee Companies if the fees charged by the CAO Group are higher than the highest rate quoted by such principal bankers.
- (e) Prior to entering into any contract or transaction with CNAF Finance in respect of any provision of Entrust Loan Arrangement Services for the purpose of the provision of loans by the CAO Group to Approved Entities based in the PRC, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction shall compare the charges for such Entrust Loan Arrangement Services with the equivalent charges quoted by at least two (2) other principal bankers of the Company or the relevant member of the CAO Group (as the case may be). The CAO Group will only engage CNAF Finance for such Entrust Loan Arrangement Services if CNAF Finance’s charges are no higher than the lowest rate quoted by such principal bankers.

In each case above, each submission to the two (2) Senior Executives will be copied to the Company’s head of finance, deputy head of finance, and head of legal, for the Company’s finance team to record the transaction for the purposes of reporting and aggregation of the transaction as an Interested Person Transaction and for the Company’s legal team to ascertain that the review procedures have been complied with.

6.7 Review procedures for other categories of transactions with Interested Persons

In respect of any goods and/or services obtained from or provided to any Interested Person (other than the sale of aviation fuel pursuant to the Supply Agreements, any amendment to, extension or renewal of the Supply Agreements, the provisions of Services by the BP Group, the provision of into-plane fuelling services under the Into-Plane Fuelling Services Framework Agreement, any amendment to, extension or renewal of the Into-Plane Fuelling Services Framework Agreement, the purchase and sale of Petroleum Products and Derivative Financial Instruments, the Treasury Services and the provision of supply chain services pursuant to the Term Charter Party Agreement):

- (a) All contracts entered into or transactions with an Interested Person are to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for similar quality services, prior to entry into the transaction with the

Interested Person, as a basis for comparison to determine whether the price and terms offered by or to the Interested Person is comparable to those offered by unrelated third parties for the same or substantially similar type of services.

- (b) Where such quotations are not possible, available or commercially feasible to obtain given that there are no unrelated third party suppliers of similar services (for instance, where there is no unrelated third party service provider which will be able to meet the technical and delivery specifications stipulated by CAO's customers) or the commercial sensitivity of the subject matter, any two (2) Senior Executives or such other persons as may be appointed by the Audit Committee who shall have no interest (whether direct or indirect) in the Interested Person Transaction concerned and shall not be involved in the negotiations of the relevant contract or transaction, will determine whether the price and terms offered by or to the Interested Person are fair and reasonable. In determining whether the price and terms offered by or to the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, quality of advice or training and track record will be taken into account.

As the terms of the Term Charter Party Agreement were reviewed by the Audit Committee (instead of two (2) Senior Executives) in accordance with paragraph 6.7(b) of the IPT Mandate which was renewed at the ~~2016~~2017 AGM, the review procedures under this paragraph 6.7 shall not separately apply in respect of any individual transactions conducted subject to and in accordance with the terms of the Term Charter Party Agreement.

- 6.8** For the avoidance of doubt, as supply of aviation fuel under the Supply Agreements and *ad hoc* supplies of aviation fuel to the CNAF Group are conducted at the predetermined terms and pricing set out in the Supply Agreements and the premium and margin as determined in accordance with paragraph 6.1 of this **Annex II**, and purchase and supply of aviation fuel under any term contract is conducted at such predetermined terms and pricing and in line with the terms of the said term contract which has been reviewed by the Audit Committee in accordance with paragraph 6.2 of this **Annex II**, such individual supply and purchase transactions are not separately subject to transactional review procedures nor are they taken into account and aggregated together with prior Interested Person Transactions entered into with members of the CNAF Group or the BP Group for a given month for the purposes of determining if the relevant thresholds as set out in the table in paragraph 7 of this **Annex II** have been crossed (and hence not be subject to further review and approval by the Audit Committee prior to the entry into such transactions).

7. THRESHOLD LIMITS

- 7.1** The Audit Committee will review all of the CAO Group's Interested Person Transactions, including transactions covered under the IPT Mandate, on a quarterly basis. Where the value of an Interested Person Transaction with the same group of Interested Persons, namely, BP Group or CNAF Group (when aggregated together with prior Interested Person Transactions entered into for a given month (apart from the last threshold which is computed on a prevailing value basis in a given month as elaborated on in Paragraph 7.2(c)(ii) of this **Annex II**)) exceeds the relevant threshold as set out in the table below, the Interested Person Transaction will be reviewed and approved by the Audit Committee prior to the entry into such transaction.

Transaction Type	Applicable Threshold*
Purchase and Sale of Petroleum Products	US\$560 million if the Average Barrel Price for the immediately preceding month is US\$70 or less
Purchase and Sale of Petroleum Products	US\$680 million if the Average Barrel Price for the immediately preceding month exceeds US\$70
Trading of Derivative Financial Instruments	US\$30 million

Transaction Type	Applicable Threshold*
Supply Chain Services	US\$7 million for all Supply Chain Services provided other than pursuant to the Term Charter Party Agreement and the Into-Plane Fuelling Services Framework Agreement
Supply Chain Services	US\$48 million for all Supply Chain Services provided pursuant to the Term Charter Party Agreement
Into-plane fuelling services provided by members of the CNAF Group	US\$500,000 for all into-plane fuelling services provided pursuant to the Into-Plane Fuelling Services Framework Agreement
Services provided by members of the BP Group	US\$1 million
Treasury Services	US\$500 million

* Threshold based on aggregate value of the relevant type of transaction, calculated over a given month (apart from the last threshold which (in relation to Treasury Services involving interest-bearing placement of funds by the CAO Group with CNAF Finance) is computed on a prevailing value basis in a given month as elaborated on in Paragraph 7.2(c)(ii) of this **Annex II**).

7.2 For the purpose of determining whether the above thresholds have been exceeded, the value of a transaction relating to:

- (a) a purchase or sale of Petroleum Products, shall be the aggregate value of the Petroleum Products payable or receivable from the Interested Person, determined as set out in paragraph 7.3 of this **Annex II**;
- (b) a trade in Derivative Financial Instruments, shall be the mark-to-market value of the Derivative Financial Instruments calculated by using the market quoted forward curves published daily by Platts, and/or independent brokers' quotations; and
- (c) Treasury Services:
 - (i) in the case of Treasury Services other than interest-bearing placement of funds by the CAO Group with CNAF Finance, shall be the gross aggregate value of the Treasury Services received or provided by the CAO Group for each month of the Company's financial year. In line with Rule 909 of the Listing Manual, the value of Treasury Services involving (A) the borrowing of funds from an Interested Person is the interest payable on the borrowing; (B) the lending of funds to an Interested Person is the aggregate of the interest payable and the value of the funds lent or placed; and (C) the provision of guarantees is the aggregate of the value of the obligations guaranteed and the fees payable for such guarantees; and
 - (ii) in the case of Treasury Services involving interest-bearing placement of funds by the CAO Group with CNAF Finance, shall be based on the principal amount of funds to be placed with CNAF Finance in that transaction, when added to the prevailing aggregate amount of funds of the CAO Group then on placement with CNAF Finance, taking into account amounts placed with CNAF Finance in the relevant month of the Company's financial year (including both principal and any interest which has been compounded); if the sum of those two amounts exceeds the relevant threshold in paragraph 7.1 of this **Annex II**, that transaction will be subject to review and approval by the Audit Committee prior to the entry into such transaction.

7.3 For the purposes of paragraph 7.2(a) of this **Annex II**, the aggregate value of the Petroleum Products payable or receivable from the Interested Persons under a transaction is determined by taking the aggregate estimated total price payable under the transaction, based on the volume

to be delivered as estimated at the time of entry into the transaction and set out in the contract. The price in turn may be pegged to (a) the forward price quotations obtained from two (2) or more brokers or dealers for the relevant Petroleum Product traded on an OTC basis; (b) the forward price quotation for the relevant Petroleum Product obtained from Platts; or (c) the forward price quotation for the relevant Petroleum Product as published by relevant commodities exchange(s) such as the New York Mercantile Exchange, as at the time of entry into the contract, for delivery in the month of the contracted delivery date or in the preceding month or specified number of months prior to the contracted delivery date, as agreed in the contract, and incorporating any agreed premium or margin as set out in the contract.

8. GENERAL REVIEW PROCEDURES

Apart from the review procedures specific to the relevant transactions above, the following general review procedures will apply to all Interested Person Transactions under the IPT Mandate:

- (a) The finance department of the Company will maintain a register of transactions carried out with the Interested Persons pursuant to the IPT Mandate and the Company's internal audit plan will incorporate a review of all Interested Person Transactions transacted in the relevant FY pursuant to the IPT Mandate. Further, to ensure that all Interested Person Transactions are duly recorded, the finance department shall maintain another list of all Interested Persons to enable it to check the Interested Person Transactions concluded against this list of Interested Persons;
- (b) The Audit Committee shall have overall responsibility for monitoring and approving the Interested Person Transactions and for determining the review procedures, with the authority to delegate such responsibility to individuals within the Company as it deems appropriate; and
- (c) If any member of the Audit Committee has an interest in any of the Interested Person Transactions to be reviewed, such member shall abstain from any decision-making in respect of those transactions. The review and approval of those transactions will be undertaken by the remaining members of the Audit Committee.

If, during any reviews by the Audit Committee, it is of the view that the established review procedures are no longer appropriate or are inadequate to ensure that the Interested Person Transactions will not be prejudicial to the interests of the Company and its minority Shareholders or any change of circumstances results in the assumptions underlying its opinion being no longer true, the Company will seek a fresh mandate from Shareholders based on new review procedures. All Interested Person Transactions shall be reviewed and approved by at least one (1) member of the Audit Committee prior to entry pending a fresh mandate to be sought from Shareholders. In the event that a member of the Audit Committee is interested in any such Interested Person Transaction, that member will abstain from reviewing that particular transaction.

ANNEX VI
THE NEW CONSTITUTION

THE COMPANIES ACT, CAP.50

PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION
CONSTITUTION

adopted by Special Resolution
passed on
~~6 August 2008~~[●]

OF

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

Incorporated on 26 May 1993

FORM 9
THE COMPANIES ACT, CAP. 50.
Section 19(4).

Company No.
199303293Z

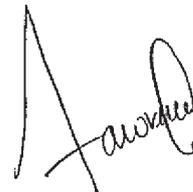
CERTIFICATE OF INCORPORATION OF PRIVATE COMPANY

This is to certify that

SINO AVIATION OIL TRANSPORTATION (SINGAPORE) PTE LTD

is incorporated under the Companies Act, Cap. 50, on and from 26/05/1993
and that the company is a private company limited by shares.

Given under my hand and seal on 26/05/1993



LAWRENC, WONG CHEE MENG
ASST Registrar of Companies and Businesses
Singapore

FORM 13
THE COMPANIES ACT, CAP. 50
SECTION 28(2)

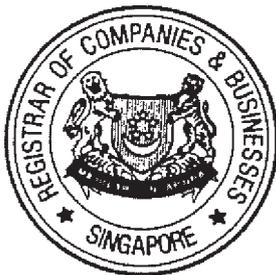
COMPANY NO.

1993032932

CERTIFICATE OF INCORPORATION ON CHANGE OF NAME OF COMPANY

THIS IS TO CERTIFY THAT SINO AVIATION OIL TRANSPORTATION (SINGAPORE) PTE LTD INCORPORATED UNDER THE COMPANIES ACT ON 26/05/1993 DID BY A SPECIAL RESOLUTION RESOLVE TO CHANGE ITS NAME TO CHINA AVIATION OIL (SINGAPORE) PTE LTD AND THAT THE COMPANY WHICH IS A PRIVATE COMPANY LIMITED BY SHARES IS NOW KNOWN BY ITS NEW NAME WITH EFFECT FROM 13/05/1999.

GIVEN UNDER MY HAND AND SEAL ON 13/05/1999.



MRS NG-LOU GEOID CHOO
ASSISTANT REGISTRAR OF COMPANIES AND BUSINESSES
SINGAPORE

FORM 13
THE COMPANIES ACT, CAP. 50
SECTION 28(2)

COMPANY NO.

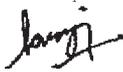
1993032932

CERTIFICATE OF INCORPORATION ON CHANGE OF NAME OF COMPANY

THIS IS TO CERTIFY THAT CHINA AVIATION OIL (SINGAPORE) PTE LTD INCORPORATED UNDER THE COMPANIES ACT ON 26/05/1993 DID BY A SPECIAL RESOLUTION RESOLVE TO CHANGE ITS NAME TO CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD AND THAT THE COMPANY WHICH IS A PRIVATE COMPANY LIMITED BY SHARES IS NOW KNOWN BY ITS NEW NAME WITH EFFECT FROM 06/11/2001.

GIVEN UNDER MY HAND AND SEAL ON 06/11/2001.




SERENA TAN(MRS)
SENIOR ASST REGISTRAR OF COMPANIES AND BUSINESSES
SINGAPORE

FORM 20
THE COMPANIES ACT, CAP. 50
SECTION 31 (3)

CERTIFICATE OF INCORPORATION ON CONVERSION
TO A PUBLIC COMPANY

COMPANY NAME : CHINA AVIATION OIL (SINGAPORE) PTE LTD

COMPANY NO. : 199303293Z

THIS IS TO CERTIFY THAT THE ABOVENAMED COMPANY, WHICH WAS ON 26/05/1993 INCORPORATED UNDER THE COMPANIES ACT AS A COMPANY LIMITED BY SHARES, DID ON 06/11/2001 CONVERT TO A PUBLIC COMPANY AND THAT THE NAME OF THE COMPANY NOW IS CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD.

GIVEN UNDER MY HAND AND SEAL ON 06/11/2001



SERENA TAN (MRS)
SENIOR ASST REGISTRAR OF COMPANIES AND BUSINESSES
SINGAPORE

MEMORANDUM OF ASSOCIATION

OF

CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD

1. The name of the Company is **CHINA AVIATION OIL (SINGAPORE) CORPORATION LTD.**
2. The registered office of the Company shall be situate in the Republic of Singapore.
3. The objects for which the Company is established are:-
 - (1) To carry on the business for the purchase, import and export, distribution and transportation of petroleum, petroleum by-products and all related products and commodities.
 - (2) To construct, hire, purchase, otherwise acquire and maintain any ships, vessels and vehicles in connection with the transportation of petroleum, petroleum by-products and all related products and commodities.
 - (3) To purchase, establish and carry on business as general merchants, importers, exporters, commission agents, del credere agents, removers packers, storers, storekeepers, factors and manufacturers of and dealers in foreign and local produce manufactured goods, materials and general merchandise and to import, buy, prepare, manufacture, render marketable, sell, barter, exchange, pledge, change, make advances on and otherwise deal in or turn to account produce goods, materials and merchandise generally either in their prepared manufactured or raw state and to undertake, carry on and execute all kinds of financial commercial trading and other manufacturing operations and all business whether wholesale or retail.
 - (4) To carry on the business of a holding company; and to acquire and hold shares, stocks, debentures, debenture stock, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business whether in the Republic of Singapore or elsewhere; and to acquire any such shares, stocks, debentures, debenture stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.
 - (5) To acquire, develop and hold the goodwill, patent rights, designs, concessions, licences, inventions, rights and privileges and all other proprietary rights of any business or product whether exclusive or non-exclusive or limited, subject to royalty or otherwise or any interest in Singapore or elsewhere.
 - (6) To purchase take on lease or in exchange or otherwise acquire by way of investment or with a view to resale or otherwise any lands and buildings and any estate, right or interest in and connected with any lands and buildings or any other form of real or personal property rights or privileges or any interest in the same or in any mortgages, shares and securities and to sell, lease, let, mortgage, exchange or otherwise dispose of the lands and buildings and other property of the Company whether immovable or movable real or personal and whether for valuable consideration or not.
 - (7) To develop and turn to account any land acquired by the Company or in which the Company is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, putting down, decorating, maintaining, furnishing, fitting up, and improving

~~buildings and by planting, paving, draining, farming, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants, purchasers and others.~~

- ~~(8) —To construct, develop, manage and control any hotels, clubs, restaurants, boarding houses, theatres, and other places of amusement, recreation and entertainment and to contribute or otherwise assist or take part in the construction, development, management and control thereof.~~
- ~~(9) —To carry on the business of builders and contractors of buildings and works of any kind, road and pavement makers and repairers, manufacturers of and dealers in building materials of any kinds.~~
- ~~(10) —To carry on all or any of the branches of the business of labour contractors, labour suppliers, general merchants, agents, brokers, factors, capitalists, financiers, concessionaires, shippers, importers and exporters, general storekeepers, tea dealers, wholesale and retail traders, ship chandlers, ship or aircraft owners, ship builders, ship or aircraft charterers, air transport agents, carriers by sea, land and air, commission agents, manufacturers, manufacturers' representatives and distributors, estate and property agents, warehousemen, lightermen, stevedores, contractors, builders, guarantors, wharf and dock owners or lessees, owners or lessees of railways, airfields and tramways, owners of mining, planting and other properties wherever situate, owners or lessees of craft, plant and appliances, planters, miners, metallurgists, quarry owners, brickmakers, wool washers, tallow melters, tanners, artificial fertilizer makers, coopers, carpenters, engineers, buyers, sellers and dealers in produce of all kinds, metals, timber and all kinds of machinery, engines, plant, tools, goods, wares and merchandise.~~
- ~~(11) —To construct, equip, improve, alter, maintain, work, manage, carry out or control docks, wharves, piers, railways, tramways, air fields, air ports, water-courses, hydraulic works, telephones, gasworks, electric works, factories, warehouses and other buildings, works and conveniences which may seem calculated directly or indirectly to advance the Company's interests and to contribute to subsidise or otherwise assist or take part in the construction, equipment, improvement, maintenance, working, management, carrying out or control thereof and to take any lease and enter into any working agreement in respect thereof.~~
- ~~(12) —To acquire any patent rights, licences, privileges, trade marks, concessions, or other similar rights, and to work or otherwise turn to account any of the same.~~
- ~~(13) —To act as agents for the issue of any loan by and to issue and place any stocks, bonds, shares, or securities of any sovereign state or authorities, supreme, local or otherwise and to transact all kinds of agency business, and in particular to collect debts and negotiate loans and generally to carry on and undertake any business transaction commonly carried on or undertaken by promoters of companies, financiers, concessionaires, contractors for public works, capitalists, merchants or traders.~~
- ~~(14) —To act as agents and secretaries or either of them for any other company, association or persons, whatever be the business such company, association or person carries on, and to carry on the business of advertising contractors and agents and any other~~
- ~~business which may be usefully carried on in connection with such business and to carry on the business of manufacturers of all kinds of apparatus, appliances, plants and materials employed by advertising contractors in their business and to sell and dispose of and to use the same for the purposes of the Company.~~
- ~~(15) —To carry on all kinds of exploration business and in particular to search for, prospect, examine and explore mines and ground supposed to contain tin ore or other materials or oils and to search for and obtain information in regard to mines, mining claims, mining districts and localities.~~
- ~~(16) —To examine and obtain reports upon estates used for the cultivation of rubber and other products of any kind and land supposed to be suitable for the cultivation of rubber or other products as aforesaid.~~

- ~~(17) To purchase, obtain grants, leases, licences or options over or otherwise acquire and to sell, turn to account dispose of and deal with mines and mining rights, land supposed to contain tin ore or other minerals or oils, estates used for the cultivation of rubber or other products of any kind and land supposed to be suitable for the cultivation of rubber or other products as aforesaid and also undertakings, dredges, machinery, buildings and other property in any way connected with the foregoing.~~
- ~~(18) To carry out such operations and to purchase or otherwise acquire, take options over, construct, lease, hold, manage, maintain, alter, develop, exchange or deal with such property, rights or privileges (including the whole or part of the business, property or liabilities of any other company) as may seem to the directors of the Company directly or indirectly to advance the interests of the Company.~~
- ~~(19) To carry on any other trade or business whatever which, in the opinion of the directors of the Company, can be advantageously carried on in connection with or ancillary to any of the above mentioned businesses or is calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.~~
- ~~(20) To enter into such commercial or other transactions in connection with any trade or business of the Company as may seem desirable to the directors of the Company for the purpose of the Company's affairs.~~
- ~~(21) To invest and deal with the moneys of the Company not immediately required in any manner and hold and deal with any investment so made.~~
- ~~(22) To draw, make, accept, indorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable and transferable instruments.~~
- ~~(23) To establish or promote companies and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire, hold, dispose of and deal with, and guarantee the payment of interest, dividends and capital on, all or any of the shares, debentures, debenture stock or other securities or obligations of any company or association and to pay or provide for brokerage, commission and underwriting in respect of any such issue upon such terms as the directors of the Company may think fit.~~
- ~~(24) To apply for, purchase or otherwise acquire, protect, maintain and renew any patents, patent rights, trade marks, designs, licences and other intellectual property rights of all kinds or any secret or other information as to any invention and to use, exercise, develop or grant licences in respect of, or otherwise turn to account, the property, rights or information so acquired and to experiment with any such rights which the Company may propose to acquire.~~
- ~~(25) To pay or to provide or to make such arrangements for providing such gratuities, pensions, benefits, share option and acquisition schemes, loans and other matters and to establish, support, subsidise and subscribe to any institutions, associations, clubs, schemes, funds or trusts (whether to or for the benefit of present or past directors or employees of the Company or its predecessors in business or of any company which is a subsidiary company of the Company or is allied to or associated with the Company or with any such subsidiary company or to or for or for the benefit of the persons who are or were related to or connected with or dependants of any such directors or employees) as may seem to the directors of the Company directly or indirectly to advance the interests of the Company.~~
- ~~(26) To act as agents or brokers and to enter into such arrangements (whether by way of amalgamation, partnership, profit sharing, union of interests, co-operation, joint venture or otherwise) with other companies as may seem to the directors of the Company to advance the interests of the Company and to vest any property of the Company in any company on behalf of the Company and with or without any declaration of trust in favour of the Company.~~

- ~~(27) To apply for, promote and obtain any Act of Parliament, Charter, privilege, concession, licence or authorisation of any government, state or municipality, or any other department or authority, or enter into arrangements with any such body, for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem to the directors of the Company to be expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company.~~
- ~~(28) To sell, lease, dispose of, grant rights over or otherwise deal with the undertaking, property or assets of the Company or any part thereof on such terms as the directors of the Company may decide, and to distribute any property or assets of the Company of whatever kind in specie among the members of the Company.~~
- ~~(29) To pay for any rights or property acquired by the Company and to remunerate any company, whether by cash payment or by the allotment of securities of the Company credited as paid up in full or in part, or by any other method the directors of the Company may think fit.~~
- ~~(30) To co-ordinate, finance and manage all or any part of the operations of any company which is a subsidiary company of, or otherwise under the control of the Company and generally to carry on the business of a holding company.~~
- ~~(31) To carry on through any subsidiary or associated company any activities which the Company is authorised to carry on and to make any arrangements whatsoever with such company (including any arrangements for taking the profits or bearing the losses of any such activities) as the directors of the Company may think fit.~~
- ~~(32) To raise or borrow money in such manner as the directors of the Company may think fit and to receive deposits and to mortgage, charge, pledge or give liens or other security over the whole or any part of the Company's undertaking, property and assets (whether present or future, including its uncalled capital, for such purposes and in such circumstances and upon such terms and conditions as the directors of the Company may think fit.~~
- ~~(33) To lend or advance money and to give credit and to enter (whether gratuitously or otherwise) into guarantees or indemnities of all kinds, and whether secured or unsecured, whether in respect of its own obligations or those of some other company in such circumstances and upon such terms and conditions as the directors of the Company may think fit.~~
- ~~(34) To pay or agree to pay all or any of the promotion, formation and registration expenses of the Company.~~
- ~~(35) To contribute to or support any public, general, political, charitable, benevolent or useful object, which may seem to the directors of the Company to be in the interests of the Company or its members to contribute to or support.~~
- ~~(36) To do all or any of the above things in any part of the world whether as principals or agents or trustees or otherwise and either alone or jointly with others and either by or through agents, subcontractors, trustees or otherwise.~~
- ~~(37) To do all such other things as may be considered by the directors of the Company to further the interests of the Company or to be incidental or conducive to the attainment of the above objects or any of them.~~

It is hereby declared that (a) the objects set forth in each subparagraph of this paragraph shall not be restrictively construed but the widest interpretation shall be given thereto, (b) the word "company" in this paragraph, except where used in reference to the Company, shall be deemed to include any individual or any company, corporation, partnership, association or other body of persons, whether corporate or unincorporate and whether domiciled in the Republic of Singapore or elsewhere, and (c) except where the context expressly so requires, none of the several subparagraphs of this paragraph, or the objects

~~therein specified, or the powers thereby conferred shall be limited by, or be deemed merely subsidiary or auxiliary to, any other subparagraph of this paragraph, or the objects in such other subparagraph specified, or the powers thereby conferred.~~

4. ~~The liability of the members is limited.~~

5. ~~The share capital of the Company is \$60,000,000 divided into 60,000,000 shares of \$1 each.~~ *Amended by
Ordinary Resolution
Passed on 6 April
2001*

~~WE, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.~~

NAMES, ADDRESSES AND OCCUPATION	NUMBER OF SHARES
OF SUBSCRIBERS	TAKEN BY EACH SUBSCRIBER

Sgd: Seah Han Tong Tony

~~SEAH HAN TONG TONY~~ ~~One~~
~~Block 5 Delta Avenue~~
~~#11-03, Singapore 0315~~

Legal Officer

Sgd: Wee Eng Hua Marjorie

~~WEE ENG HUA MARJORIE~~ ~~One~~
~~31 Leith Park~~
~~Singapore 1954~~

Manager

~~-Total number of shares taken:~~ ~~Two~~

Dated 25 May 1993

Witness to the above signatures:-

Sdg: Lee Mei Ling
Advocate & Solicitor
Wong, Yoong, Tan & Molly Lim
24 Raffles Place #24-01
Clifford Centre ●
Singapore 0104

THE COMPANIES ACT, CHAPTER 50

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION CONSTITUTION

of

CHINA AVIATION OIL (SINGAPORE) CORPORATION LIMITED LTD

PRELIMINARY

1. The regulations in ~~Table A in the Fourth Schedule to the Companies Act, Chapter 50 (as amended)~~ (Model Constitutions) Regulations 2015 (Cap. 50 S833/2015) shall not apply to the Company, except so far as the same are repeated or contained in this Constitution.

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

“Act” means the Companies Act, ~~Chapter 50~~ (Chapter 50) of Singapore, or any other statutory modification, amendment or re-enactment thereof for the time being in force.

“Directors” means the directors of the Company, for the time being, as a body, or unless the context otherwise requires, as constituting a quorum necessary for the transaction of the business of the directors of the Company.

“Exchange” means the Singapore Exchange Securities Trading Limited and, where applicable, its successors in title or any stock exchanges (as the case may be) upon which shares in the capital of the Company may be listed.

“in writing” means written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Statutes) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.

“market day” means a day on which the Exchange is open for trading in securities, or as defined under the rules of the Exchange, as amended from time to time.

“Month” means a calendar month.

“Office” means the registered office of the Company for the time being.

“Paid” means paid or credited as paid.

“Month” means ~~a calendar month.~~ **“registered address” or “address”** means in relation to any member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.

“Regulations” means the regulations of this Constitution (as amended, supplemented or modified from time to time).

“**Seal**” means the ~~C~~ommon ~~S~~eal of the Company.

“**Statutes**” means the Act and every other Act for the time being in force concerning companies and affecting the Company.

“~~These articles~~**this Constitution**” means ~~these Articles of Association~~this Constitution as from time to time altered.

“**Year**” means calendar year.

“**In Writing**” ~~Written or produced by any substitute for writing or partly one and partly another.~~

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

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

Amended by Special Resolution passed on 6 August 2008

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

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

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

References to ~~in~~ these ~~Articles~~Regulations to “member” shall, where the Act requires, exclude the Company where it is a member by reason of its holdings of its shares as treasury shares.

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

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

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

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

The headnotes are inserted for convenience only and shall not affect the construction of these regulations.

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

COMMENCEMENT OF BUSINESS

3. The Company is a public company. Subject to this Constitution and the Act, and any other applicable laws and regulations, the Company has:
 - (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
 - (b) for the purposes of Regulation 3(a) above, full rights, powers and privileges.
4. The Office shall be at such place within Singapore (or such other jurisdiction as may be permitted by applicable laws) as the Directors shall from time to time decide.
- 3 ~~*Deleted by Special Resolution passed on 6 August 2008.*~~
5. The Company is a company limited by shares and the liability of the Members is limited.

ISSUE OF SHARES

46. Subject to the Statutes, ~~the listing rules of the Exchange and this Constitution~~, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to ~~Article 8~~Regulation 10, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration ~~(if any)~~ and at such time and subject or not to the payment of any part of the amount ~~(if any)~~ thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that:
 - (a) (subject to any direction to the contrary that may be given by the Company in a General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of ~~Article 8~~Regulation 10(A) with such adaptations as are necessary shall apply;
 - (b) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same; ~~and~~

~~Amended by Special Resolution passed on 6 August 2008~~

- (c) the Company shall not exercise any right in respect of or enjoy any entitlements or benefits attached to, treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorized by, or prescribed pursuant to, the Act; and
- (d) any other issue of shares, the aggregate of which would exceed the limits referred to in Regulation 10(B), shall be subject to the approval of the Company in General Meeting.

7. The Company may issue shares for which no consideration is payable to the Company.

58. (A) ~~In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of the issued ordinary shares in issue at the relevant time and preference~~ Preference shares may be issued subject to such limitation thereof as may be prescribed by the Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also 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 proposal to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is in arrear for more than six months in arrear. The total number of issued preference shares shall not exceed the total number of the issued ordinary shares at any time.
- (B) ~~The~~ Subject to the Act and applicable laws, the Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

Amended by Special Resolution passed on 6 August 2008

VARIATION OF RIGHTS

69. (A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated [either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or] with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting, all the provisions of ~~these presents~~ this Constitution relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the total number of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special

Amended by Special Resolution passed on 6 August 2008

Resolution carried at such General Meeting. The foregoing provisions of this ~~Article~~Regulation shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

- (B) The repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned Provided Always that where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the General Meeting, shall be as valid and effectual as a special resolution carried at the General Meeting.
- (C) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

ALTERATION OF SHARE CAPITAL

~~7. The Company may from time to time by Ordinary Resolution increase its capital by such sum as the resolution shall prescribe~~

Amended by Special Resolution passed on 6 August 2008

810. (A) Subject to any direction to the contrary that may be given by the Company in a General Meeting or except as permitted under the ~~Singapore Exchange Securities Trading Limited listing rules of the Exchange~~, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this ~~Article 8~~Regulation 10(A).
- (B) ~~Notwithstanding Regulation 10(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to~~
- (a) ~~(i) issue shares of the Company ("shares") whether by way of rights, bonus or otherwise; and/or~~

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

(b) notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force, issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided always that:-

(1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;

(2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and this Constitution; and

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

(C) Except so far as otherwise provided by the conditions of issue or by these presents this Constitution, all new shares shall be subject to the provisions of the Statutes and of these presents this Constitution with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

911. The Company may by Ordinary Resolution:

Amended by Special Resolution passed on 6 August 2008

- (a) consolidate and divide all or any of its share capital;
- (b) cancel ~~any~~the number of shares which, at the date of the passing of the resolution, ~~in that behalf~~ have not been taken or agreed to be taken; by any person ~~or which have been forfeited~~ and diminish the amount of its share capital by the number of the shares so cancelled;
- (c) sub-divide its shares; or any of them (subject, nevertheless, to the provisions of the Statutes); and this Constitution) so however that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; or in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

- (d) subject to the provisions of the Statutes, convert its share capital or any class of shares into any other class from one currency to another; or
- (e) convert all or any of its paid-up shares into stock and reconvert that stock into paid-up shares.

12. The Company may by Special Resolution subject to the provisions of the Statutes, the listing rules of the Exchange and this Constitution, convert one class of shares into another class of shares.

- ~~10~~13. (A) The Company may purchase, hold and deal with its shares as treasury shares in accordance with the provisions of the Act and applicable laws. The Company shall not exercise any right in respect of or enjoy any entitlements and benefits attached to, treasury shares other than as provided by the Act.
- (B) The Company may reduce its share capital or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.
- (C) The Company may, subject to and in accordance with the Act, purchase or otherwise acquire shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held as treasury shares in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Act. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

Amended by Special Resolution passed on 6 August 2008

SHARES

~~11~~14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents this Constitution or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) person whose name is entered in the Depository Register in respect of that share.

- ~~12~~15. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution, or if required by the Act, by Special Resolution, determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.
- ~~13~~16. Subject to the provisions of ~~these presents~~ this Constitution and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in a General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.
- ~~14~~17. The Company may exercise ~~the powers of paying commissions conferred by the Statutes to the full extent thereby permitted~~ Provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Statutes ~~Directors may deem fit~~. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. ~~The Company may also on any issue of shares pay such brokerage as may be lawful.~~
- ~~15~~18. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten market days of the closing date (or such other period as may be approved by ~~any Stock~~ the Exchange upon which the shares in the Company may be listed) of any such application. ~~The term "market day" shall have the meaning ascribed to it in Article 18.~~ The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

SHARE CERTIFICATES

- ~~16~~19. Every share certificate shall be issued under the Seal (if provided for by the Directors under Regulation 119), and shall specify the number and class of shares to which it relates ~~and, whether the amount~~ shares are fully or partly paid up, and the amount (if any) unpaid thereon, or such other information as may be prescribed by law from time to time. No certificate shall be issued representing shares of more than one class.

~~Amended by Special Resolution passed on 6 August 2008~~

1720. (A) The Company shall not be bound to register more than three persons as the registered joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased member.
- (B) In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.

1821. Subject to the payment of all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require, every person whose name is entered as a member in the Register of Members shall be entitled to receive within ten market days (or such other period as may be approved by any ~~Stock~~the Exchange upon which the shares of the Company may be listed) of the closing date of any application for shares or, as the case may be, the date of lodgement of a registrable transfer, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificate(s) for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificate(s) for the balance of such shares issued in lieu thereof and such member shall pay all or any part of the stamp duty payable (if any) on each share certificate prior to the delivery thereof which the Directors in their absolute discretion may require and a maximum fee of \$2 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any ~~Stock~~the Exchange upon which the shares in the Company may be listed. For the purposes of this Article 18, the term "market day" shall mean a day on which the Singapore Exchange Securities Trading Limited is open for trading in securities.

Amended by Special Resolution passed on 26 May 2003

1922. (A) Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- (B) If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of \$2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any ~~Stock~~the Exchange upon which the shares in the Company may be listed.
- (C) In the case of shares registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.

- ~~20~~23. Subject to the provisions of the Statutes, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of ~~any Stock~~the Exchange upon which the Company is listed or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding \$~~1~~2 as the Directors may from time to time require together with the amount of the proper duty with which such share certificate is chargeable under any law for the time being in force relating to stamps. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss. ~~Any duplicate certificate issued on or after 30th January 2006 in respect of a share certificate issued on or after 30 January 2006 in respect of a share certificate issued before that date shall state, in place of the historical nominal value of the shares, the amount paid on the shares and the amount (if any) unpaid on the shares.~~
- ~~Amended by Special Resolution passed on 6 August 2008~~

CALLS ON SHARES

- ~~21~~24. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
- ~~Amended by Special Resolution passed on 6 August 2008~~
- ~~22~~25. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
- ~~23~~26. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.
- ~~24~~27. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of ~~these presents~~ this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment, all the relevant provisions of ~~these presents~~ this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- ~~Amended by Special Resolution passed on 6 August 2008~~
- ~~25~~28. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

~~2629.~~ The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits.

Amended by Special
Resolution passed
on 6 August 2008

FORFEITURE AND LIEN

~~2730.~~ If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

~~2831.~~ The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith, the shares on which the call has been made will be liable to be forfeited.

~~2932.~~ If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

~~3033.~~ A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.

~~3134.~~ A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.

- ~~3235.~~ The Company shall have a first and paramount lien on every share (not being a fully paid share) and on the dividends declared or payable in respect thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and for all moneys. Provided that the Company's lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such monies are due and unpaid and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this ArticleRegulation.
- ~~3336.~~ The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
- ~~3437.~~ The residue of the proceeds of such sale pursuant to ArticleRegulation 336 after the satisfaction of the unpaid calls and accrued interest and expenses of such sale shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.
- ~~3538.~~ A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold or disposed to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository) or its nominee (as the case may be) or allottee thereof shall (subject to the execution of a transfer if the same is required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

3639. All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by ~~any Stock Exchange upon which the Company may be listed~~the Exchange, or in any other form acceptable to the Directors. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed; Provided always that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
3740. The Register of Members may be closed at such times and for such period as the Directors may from time to time determine Provided always that such Register shall not be closed for more than thirty days in any calendar year Provided always that the Company shall give prior notice of such closure as may be required to ~~any Stock~~the Exchange upon which the Company may be listed, stating the period and purpose or purposes for which the closure is made.
3841. (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or the Rules, Bye-Laws or listing rules of ~~any Stock~~the Exchange upon which the shares of the Company may be listed) 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 (except where such refusal to register contravenes the listing rules of ~~any Stock~~the Exchange upon which the shares of the Company may be listed) Provided always that in the event of the Directors refusing to register a transfer of shares, they shall within ten market days beginning with the day on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.
- (B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:
- (a) ~~all or any part of the stamp duty (if any) payable on each share certificate~~the instrument of transfer is duly stamped and such fee not exceeding \$2 ~~as the Directors may from time to time require pursuant to Article 41~~, is paid to the Company in respect thereof;
 - (b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;
 - (c) the instrument of transfer is in respect of only one class of shares; and

Amended by Special
Resolution passed
on 6 August 2008

- (d) the amount of the proper duty (if any) with which each share certificate to be issued in consequence of the registration of such instrument of transfer is chargeable under any law for the time being in force relating to stamps is ~~tendered~~ paid.

~~(C) No share shall in any circumstances be transferred to any infant, bankrupt or mentally disordered person but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same. Nothing in this Regulation 41(C) shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.~~

~~3942.~~ If the Directors refuse to register a transfer of any shares, they shall within ~~ten market~~ thirty days after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal as required by the Statutes.

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~~4043.~~ All instruments of transfer which are registered may be retained by the Company.

~~4144.~~ There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding \$2 as the Directors may from time to time require or prescribe.

~~4245.~~ The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; Provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this ~~Article~~ Regulation; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

4346. (A) In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (B) In the case of the death of a member who is a Depositor, the survivor or survivors where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (C) Nothing in this ~~Article~~Regulation shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

4447. Any of the following persons:

- (1) ~~any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a registered holder of a share;~~
- (2) ~~any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members; and~~
- (3) ~~any person as properly has the management of the estate of a Member whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company and who is mentally disordered,~~

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

4548. Save as otherwise provided by or in accordance with ~~these presents~~ this Constitution, a person becoming entitled to a share pursuant to ArticleRegulation 436(A) or (B) or ArticleRegulation 447 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.

STOCK

4649. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares. Amended by Special Resolution passed on 6 August 2008
4750. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same ~~Articles~~ Regulations 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 no stock shall be transferable except in such units (not being greater than the amount paid up on the shares from which the stock arose) as the Directors may from time to time determine. Amended by Special Resolution passed on 6 August 2008
4851. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Amended by Special Resolution passed on 6 August 2008

GENERAL MEETINGS

4952. ~~An~~ Save as otherwise permitted under the Act, an Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting, unless the Registrar authorises an extension of time to hold such General Meetings or as otherwise permitted by the Act and applicable laws and rules) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.
5053. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

5154. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least (excluding the date of notice and the date of meeting) and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least (excluding the date of notice and the date of meeting). The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereafter mentioned to all members other than such as are not under the provisions of ~~these presents~~ this Constitution entitled to receive such notices from the Company; Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any ~~Stock Exchange upon which the Company may be listed.~~

the Exchange. Provided always 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:-

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

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. So long as the shares in the Company are listed on the Exchange, at least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Exchange.

- 5255.
- (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.
 - (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
 - (C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

5356. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:

- (a) declaring dividends;
- (b) receiving and adopting ~~the accounts, the reports offinancial statements,~~ the Directors and Auditors' statement, the Auditor's report and other documents required to be attached ~~or annexed to the accounts~~ financial statements;
- (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- ~~(d) appointing or re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting)~~ Auditor;
- (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
- (f) fixing the fees of the Directors proposed to be passed under ~~Article 79~~ Regulation 82.

5457. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

5558. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.
5659. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy. Provided always that (i) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (ii) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum.
5760. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday, then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting, any one or more members present in person or by proxy shall be a quorum.
5861. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
5962. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
6063. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

~~6164.~~ At(A) So long as the shares in the Company are listed on the Exchange, if required by the listing rules of the Exchange, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Exchange).

(B) Subject to Regulation 64(A), at any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

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

~~Amended by Special Resolution passed on 6 August 2008~~

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

~~6265.~~ A demand for a poll made pursuant to Regulation 64(B) may be withdrawn only with the approval of the meeting. Unless a poll is required chairman of the meeting and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. ~~If~~Where a poll is ~~required~~taken, it shall be taken in such manner (including the use of ballot or voting papers ~~or tickets~~) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was ~~demanded~~taken. The chairman of the meeting may (and, ~~if required by the listing rules of the Exchange or~~ if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

~~6366.~~ In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the poll or show of hands takes place ~~or at which the poll is demanded~~ shall be entitled to a casting vote.

~~6467.~~ A poll on the choice of a chairman or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. ~~The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.~~

VOTES OF MEMBERS

6568. (A) Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the company and to Regulation 6(c), each member entitled to vote may vote in person or by proxy. ~~On a show of hands, every~~ Every member who is present in person or by proxy shall have one vote and:-

(a) ~~on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents; and~~

(b) ~~on a show of hands, have one vote, Provided always that:-~~

(i) ~~in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and~~

(ii) ~~in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at ~~forty-eight~~ seventy-two hours before the time of the relevant General Meeting as certified by the Depository to the Company.~~

(B) Subject to these ~~Articles~~ Regulations and the Statutes, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

~~Inserted by Special Resolution passed on 6 August 2008~~

6669. In the case of joint holders of a share, any one of such persons may vote, but if more than one of such persons is present at a meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.

6770. Where in Singapore or elsewhere, a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction In that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

- ~~6871.~~ ~~No member~~A holder of ordinary shares shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to be present and to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaidany General Meeting in respect of any share or shares upon which all calls due to the Company have been paid.
- ~~6972.~~ No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- ~~7073.~~ On a poll, votes may be given personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- ~~7174.~~ (A) ~~A member may appoint not more than two proxies to attend and vote at the same General Meeting Provided that if the member is a Depositor, the Company shall be entitled and bound:Save as otherwise provided in the Act:-~~
- (a) ~~a member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such member's form of proxy appoints more than one proxy, the proxy form shall specify the proportion of the member's shareholding to be represented by each proxy in the proxy form and if no proportion is specified, the first-named proxy shall be deemed to represent one hundred per cent. of the shareholdings and the second- named proxy shall be deemed to be an alternate to the first named;~~
- (b) ~~a member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting. Where such member's proxy form appoints more than two proxies, each proxy must be appointed to exercise the rights attached to a different share or shares held by such member, and the proxy form shall specify the number and class of shares in relation to which each proxy has been appointed. If the form does not specify the required information, the first named proxy shall be deemed to represent one hundred per cent. of the shareholding; and~~
- (c) ~~an instrument appointing a proxy shall be in such form as the Directors may from time to time approve, and shall allow a member appointing a proxy to indicate how the member would like the proxy to vote in relation to each resolution. The Company shall be entitled, but not obliged in determining rights to vote and other matters in respect of a completed proxy form, to have regard to the instructions (if any) given by and the notes (if any) set out in the proxy form.~~

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

~~(a) (a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at ~~forty-eight~~seventy-two hours before the time of the relevant General Meeting as certified by the Depository to the Company; and~~

~~(b) (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at ~~forty-eight~~seventy-two hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.~~

~~(B)(C) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.~~

~~(C) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.~~

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

~~(E) A member who has deposited an instrument appointing any number of proxies to vote on his behalf at a General Meeting shall not be precluded from attending and voting in person at that General Meeting. Any such appointment of all the proxies concerned shall be deemed to be revoked upon the attendance of the member appointing the proxy/proxies at the relevant General Meeting.~~

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

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

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

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

(b) in the case of a corporation, shall be

~~(i) either given under its common seal or, executed as a deed in accordance with the Act, signed on its behalf by an attorney or a duly authorised officer of the corporation, if the instrument is delivered personally or sent by post; or~~

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

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

- (B) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to ~~Article~~ Regulation 736, failing which the instrument may be treated as invalid.

- (C) The Directors may, in their absolute discretion:-

- (a) approve the method and manner for an instrument appointing a proxy to be authorised; and
- (b) designate the procedure for authenticating an instrument appointing a proxy.

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

7376. (A) An instrument appointing a proxy:-

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

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

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

7477. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

7578. A vote cast by proxy shall not be invalidated by the previous death or ~~insanity~~mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made. Provided that no intimation in writing of such death, ~~insanity~~mental disorder or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

CORPORATIONS ACTING BY REPRESENTATIVES

7679. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of ~~these presents~~this Constitution, but subject to the Act, be deemed to be present in person at any such meeting if a person so authorised is present thereat.

DIRECTORS

7780. Subject as hereinafter provided, the Directors, all of whom shall be natural persons, shall not be less than two nor more than nine in number. The first Directors of the Company were Seah Han Tong Tony and Wee Eng Hua Majorie.

~~Amended by Special Resolution passed on 3 March 2006~~

(1) The Board of Directors shall appoint from their body a committee of persons to be known as the "Nominating Committee", of whom a majority shall be persons who are:

~~Inserted by Special Resolution passed on 3 March 2006~~

- (a) not deemed to be not independent under the Code of Corporate Governance 2005~~12~~ as from time to time amended;
- (b) independent from any management and business relationship with the Company or any of its subsidiaries and associated companies; and

- 7780A. (e) —independent from, and are not connected to, any substantial shareholder of the Company (for this purpose, a person is connected to a substantial shareholder of the Company if that person (i) is employed by that substantial shareholder or any of its related corporations, (ii) is an executive director, a non-executive director, partner or similar officer of that substantial shareholder or any of its related corporations, or (iii) is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of that substantial shareholder or any of its related corporations).
- (2) The functions of the Nominating Committee shall be, inter alia, to identify candidates and review all nominations by the Board of Directors, any Director or any member or members of the Company for the following positions in the Company:-
- (a) Director or alternate Director (whether for appointment or re-appointment, election or re-election);
 - (b) Membership of the committees of the Board; and
 - (c) Senior management of the Company including but not limited to the Chief Executive Officer/Managing Director, Chief Financial Officer, Chief Operating Officer, Head of Risk and Head of Trading.

The size of the Nominating Committee shall be 5 members.

- (3) In identifying candidates and reviewing nominations, the Nominating Committee must satisfy itself that each candidate is the best and most qualified candidate for the position.
- (4) The Nominating Committee shall elect from among their number a Chairman who shall be an independent Director. The Nominating Committee may regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.

7881. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

7982. The ordinary fees of the Directors shall from time to time be determined by an Ordinary Resolution of the Company and shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the General Meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees is payable shall be entitled only to rank in such division for a proportion of fees related to the period during which he has held office.

8083. (A) Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.
- (B) The fees (including any remuneration under ~~Article~~ Regulation 803(A) above) in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.
8184. The Company may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.
8285. The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.
8386. A Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.
8487. (A) The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.
- (B) The appointment of any Director to the office of Chairman or Deputy Chairman ~~or Managing or Joint Managing or Deputy or Assistant Managing Director~~ shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- (C) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company

8588. The Directors may entrust to and confer upon any Directors holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

MANAGING DIRECTORS

8689. The Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors (or any person holding an equivalent position) of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their places. Where an appointment is for a fixed term, such term shall not exceed five years.

8790. A Managing Director (or any Director holding an equivalent ~~appointment~~position) shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause, he shall ipso facto and immediately cease to be a Managing Director (or other equivalent position).

Amended by Special
Resolution passed
on 6 August 2008

8891. The remuneration of a Managing Director (or any person holding an equivalent appointment) shall from time to time be fixed by the Directors and may, subject to ~~these presents~~ this Constitution, be by way of salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover.

8992. A Managing Director (or any person holding an equivalent position) shall at all times be subject to the control of the Directors but subject thereto, the Directors may from time to time entrust to and confer upon a Managing Director (or any person holding an equivalent position) for the time being such of the powers exercisable under ~~these presents~~ this Constitution by the Directors as they may think fit and may confer such powers for such time and to be exercised on such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

APPOINTMENT AND RETIREMENT OF DIRECTORS

9093. The office of a Director shall be vacated in any of the following events, namely:

- (a) ceases to be a Director by virtue of the Act; or
- (b) if he shall become prohibited by law from acting as a Director; or
- (b) ~~if (not being a Director holding any executive office for a fixed term)c)~~ if he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer; or

- (ed) ~~if he becomes a bankrupt or shall compound~~ if he shall have a bankruptcy order made against him or make any arrangement or composition with his creditors generally; or
- (de) ~~if he becomes of unsound mind~~ mentally disordered and incapable of managing himself or his affairs or if in Singapore or elsewhere, an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
- (ef) if he is removed by the Company in a General Meeting pursuant to ~~these presents~~ Regulation 99; or
- (g) ~~where a Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.~~

Where a Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, the Director shall immediately resign from office.

9194. Every Director shall retire from office at least once every three years and for this purpose, at each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Amended by Special Resolution passed on 6 August 2008
9295. The Directors to retire in every year shall be those, subject to retirement by rotation, who have been longest in office since their last re-election or appointment ~~and so that as~~ As between persons who became or were last re-elected Directors on the same day, ~~those~~ the Directors to retire shall ~~(unless they otherwise agree~~ in the absence of agreement among themselves) be determined selected among them by lot. A retiring Director shall be eligible for re-election.
9396. The Company ~~at the meeting~~ a General Meeting at which a Director retires under any provision of ~~these presents~~ this Constitution may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been re-elected except in any of the following cases: Amended by Special Resolution passed on 6 August 2008
- (a) where at such meeting, it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost;
 - (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected;
 - (c) where the default is due to the moving of a resolution in contravention of ~~Article~~ Regulation 947;
 - (d) where such Director has ~~attained any retiring age applicable to him as Director; or~~
 - (e) ~~where such Director has been prohibited by law from acting as a Director; or~~

(e) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.

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

9497. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void; whether or not its being so moved was objected to at the time.

9598. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than eleven nor more than forty-two clear days (exclusive of the date on which the notice is given) before the date appointed for the meeting, there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice in writing signed by the person to be proposed of giving his willingness consent to be elected; Provided always that in the case of a person recommended by the Directors for election, not less than nine clear days' notice (exclusive of the date on which the notice is given) shall be necessary and notice of each and every such person shall be served on the members at least seven days clear days (exclusive of the date on which the notice is given) prior to the meeting at which the election is to take place.

9699. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these presents this Constitution or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment, the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

97100. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto, the Directors shall have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these presents this Constitution. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

101. Following the vacation of the office of a Director, the continuing Directors may act notwithstanding any vacancies in the board, provided that if their number is reduced below the minimum number fixed by or pursuant to the Regulations, the continuing Directors may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or to summon a General Meeting of the Company.

ALTERNATE DIRECTORS

98102. (A) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (other than another Director) approved by a majority of his co-Directors to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the majority of the Directors, shall have effect only upon and subject to being so approved. A person shall not act as alternate Director to more than one Director at the same time. No Director may act as an alternate Director of the Company.
- (B) The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if the Director concerned (below called "his principal") ceases to be a Director.
- (C) An alternate Director shall (except when absent from Singapore) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which his principal is not personally present and generally at such meeting to perform all functions of his principal as a Director and for the purposes of the proceedings at such meeting the provisions of ~~these presents~~ this Constitution shall apply as if he (instead of his principal) were a Director. If his principal is for the time being absent from Singapore or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his principal. To such extent as the Directors may from time to time determine in relation to any committees of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his principal is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of ~~these presents~~ this Constitution.
- (D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any fees except only such part (if any) of the fees otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct provided that any fees payable to him shall be deducted from his principal's remuneration.

MEETINGS AND PROCEEDINGS OF DIRECTORS

99103. Subject to the provisions of ~~these presents~~ this Constitution, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time, any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. Notice of a meeting of Directors shall be given to each of the Directors in writing at least two days prior to the day of the meeting. The period of notice shall be exclusive of the day on which it is served or deemed to be served and the day on which the meeting is to be held. Where the Director is absent from Singapore, such notice may be given by telefax or telex or e-mail, to a telefax number, or telex number or e-mail address as the case may be, given by that absent Director to the Secretary. Any Director may waive notice of any meeting and any such waiver may be retroactive and for this purpose, the presence of a Director at the meeting shall be deemed to constitute a waiver on his part. A Director may participate at a meeting of Directors by telephone conference, video conference or video link or by means of any other audio or audio-visual communication equipment whereby all persons participating in the meeting are able to hear each other, without a Director being in the physical presence of another Director or Directors in which event such Director shall be deemed to be present at the meeting. A Director participating in a meeting in the manner aforesaid may also be taken into account in ascertaining the presence of a quorum at the meeting and all resolutions agreed by the Directors in such meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Directors duly convened and held. A meeting conducted by telephone conference, video conference, video link or other means of audio or audio-visual communication as aforesaid is deemed to be held at the place agreed upon by the Directors attending the meeting, provided that at least one of Directors present at the meeting was at that place for the duration of the meeting.
- ~~100~~104. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number, shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- ~~101~~105. Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes (except where only two Directors are present and form the quorum or when only two Directors are competent to vote on the question in issue) the chairman of the meeting shall have a second or casting vote.
- ~~102~~106. A Director shall not vote in respect of any contract or proposed contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- ~~103.~~ The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents, the continuing Directors or Director may, except in an emergency, act only for the purpose of increasing the number of directors to such minimum number or of summoning General Meetings, but not for any other purpose. If there be no Director or Directors able or willing to act, then any two members may summon a General Meeting for the purposes of appointing Directors.

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~~104~~107. (A) The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors, no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

(B) If at any time there is more than one Deputy Chairman, the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

~~105~~108. A resolution in writing signed by the majority of Directors, being not less than are sufficient to form a quorum, shall be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form, each signed by one or more Directors. The expressions "in writing" and "signed" include approval by telefax, telex, cable or telegram or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors.

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~~106~~109. The Directors may delegate any of their powers or discretion to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee.

~~107~~110. The meetings and proceedings of any such committee consisting of two or more members shall be governed mutatis mutandis by the provisions of ~~these presents~~ this Constitution regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under ~~Article~~Regulation ~~1069~~.

~~108~~111. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

BORROWING POWERS

~~109~~112. Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

GENERAL POWERS OF DIRECTORS

- ~~110~~113. The business and affairs of the Company shall be managed by or under the direction or supervision of the Directors, who may exercise all such powers of the Company as are not by the Statutes or by ~~these presents~~ this Constitution required to be exercised by the Company in a General Meeting, but subject nevertheless to any regulations of ~~these presents~~ this Constitution, to the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolutions of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made; Provided that ~~the~~ The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's ~~main undertaking or property~~ unless such proposals have been approved by the Company in a General Meeting. The general powers given by this ~~Article~~ Regulation shall not be limited or restricted by any special authority or power given to the Directors by any other ~~Article~~ Regulation.
- ~~111~~114. The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in Singapore or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- ~~112~~115. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under ~~these presents~~ this Constitution) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- ~~113~~116. The Company or the Directors on behalf of the Company may in exercise of the powers in that behalf conferred by the Statutes cause to be kept a Branch Register or Registers of Members and the Directors may (subject to the provisions of the Statutes) make and vary such regulations as they may think fit in respect of the keeping of any such Register.
- ~~114~~117. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

SECRETARY

~~115~~118. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit, two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Assistant Secretaries. The appointment and duties of the Secretary or Joint Secretaries, Assistant Secretaries or Deputy Secretaries shall not conflict with the provisions of the Act and in particular Section 171 of the Act.

THE SEAL

~~116~~119. The Directors ~~shall~~ may provide for the use and safe custody of the Seal ~~which shall not be used without the authority of the seal as determined in their sole and absolute discretion. If provided for, the seal shall only be affixed to any instrument requiring the use thereof which (subject to the provisions of this Constitution as to certificates for shares) is countersigned by two Directors, or of a committee a Director and the Secretary (or such other person as may be authorised by the Directors in that behalf for this purpose). The Directors may from time to time cause another seal to be substituted therefor.~~

~~117~~120. Every instrument to which the Seal shall be affixed shall be signed autographically ~~by one Director and the Secretary or by two Directors~~ or by facsimile in accordance with Regulation 119 save that as regards any certificates for shares or debentures or other securities of the Company, the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature or other method approved by the Directors.

~~118~~121. (A) ~~The~~ if the Directors provide for the use of the Seal, the Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

(B) The Company may exercise the powers conferred by the Statutes with regard to having a duplicate Seal as referred to in Section 124 of the Act which shall be a facsimile of the Seal with the addition on its face of the words "Share Seal".

AUTHENTICATION OF DOCUMENTS

~~119~~122. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and ~~accounts~~ financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or ~~accounts~~ financial statements are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company

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upon the faith thereof that such resolution has been duly passed, or as the case may be, that any minutes so extracted is a true and accurate record of proceedings at a duly constituted meeting. Any authentication or certification made pursuant to ~~these presents~~ this Regulation may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security procedures and devices approved by the Directors.

MINUTES AND BOOKS

- ~~123.~~ The Company records, including but not limited to, any register, index, minutes book, accounting record, minute or other documents required by this Constitution or by the Act to be kept by or on behalf of the Company, may, subject to and in accordance with the Act, be kept in hard copy form or in electronic form, and arranged in the manner that the Directors think fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy form, and shall provide for the manner in which the records are to be authenticated and verified. In any case where such records are kept otherwise than in hard copy form, the Directors shall take reasonable precautions for ensuring the proper maintenance and authenticity of such records, guarding against falsification and facilitating the discovery of any falsifications.

RESERVES

- ~~120~~124. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any part of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions (if any) of the Statutes.

DIVIDENDS

- ~~121~~125. The Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors.
- ~~122~~126. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

~~123127.~~ Unless and Subject to the extent that the any rights or restrictions attached to any shares or the terms of issue thereof class of shares and except as otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata permitted under the Act:

- (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are not fully paid up all dividends must be apportioned and paid proportionately according to the amounts held. Where such shares are paid or credited as paid on the partly paid, the shares; and
- (b) all dividends will must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this Regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored.

~~124128.~~ No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

~~125129.~~ No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

~~126130.~~ (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

(C) The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date such dividend or other moneys are first payable. For the avoidance of doubt, no member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed Dividend, whatsoever and howsoever arising.

- ~~127~~131. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
- ~~128~~132. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.
- ~~129~~133. (A) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, 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:
- (a) the basis of any such allotment shall be determined by the Directors;
 - (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of 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 ArticleRegulation;
 - (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and

- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on 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 and notwithstanding the provisions of ~~Article~~Regulation 1337, the Directors shall capitalise and apply the amount standing to the credit of the Company’s reserve accounts 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.
- (B) (a) The ordinary shares allotted pursuant to the provisions of paragraph (A) of this ~~Article~~Regulation shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this ~~Article~~Regulation, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these ~~Articles~~Regulations, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).
- (C) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this ~~Article~~Regulation, 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 or (as the case maybe) 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 may think fit, and in such event the provisions of this ~~Article~~Regulation shall be read and construed subject to such determination.
- (D) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this ~~Article~~Regulation, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.

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

~~130~~134. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this ~~Article~~Regulation and the provisions of ~~Article~~Regulation 1326, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

~~131~~135. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

~~132~~136. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in a General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

CAPITALISATION OF PROFITS AND RESERVES

~~133~~137. (A) The Directors may, with the sanction of an Ordinary Resolution of the Company: (including any Ordinary Resolution passed pursuant to Regulation 10(B)): Amended by Special Resolution passed on 6 August 2008

- (a) capitalise any sum standing to the credit of any of the Company's reserve accounts (including any other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full ~~unissued~~new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid; and/or
- (b) issue bonus shares for which no consideration is payable to the Company to the persons registered as ~~the~~ holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
 - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or ~~as maybe determined as~~ therein provided); ~~or~~
 - (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 10(B)) such other date as may be determined by the Directors.

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

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

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

(a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by members in General Meeting and on such terms as the Directors shall think fit; or

(b) be held by or for the benefit of non-executive Directors as part of their remuneration under Regulation 82 and/or Regulation 83(A) approved by members in General Meeting in such manner and on such terms as the Directors shall think fit.

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

ACCOUNTS FINANCIAL STATEMENTS

~~134~~139. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit. No member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors.

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

Amended by Special Resolution passed on 26 May 2003

~~136~~141. A copy of every ~~balance sheet and profit and loss account~~the financial statements and other documents as may be necessary which is duly audited and to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto)the Company in General Meeting accompanied by a copy of the Auditor's report thereon, shall not less than fourteen days before the date of the ~~meeting~~General Meeting be sent to every member of, and every holder of ~~debentures of,~~ the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these presents; Provided that this Article~~this Constitution;~~ Provided always that these documents may, subject to the listing rules of the Exchange, be sent less than 14 days before the date of the meeting if all persons entitled to receive notices of meetings from the Company so agree and this Regulation shall not require a copy of these documents to be sent to more than one of any joint holders or to any person whose address the Company is not aware, but any member ~~or holder of debentures~~ to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

AUDITORS

- ~~137~~142. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.
- ~~138~~143. An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

NOTICES

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

(B) ~~Without prejudice to the provisions of these Articles Regulation 144(A), but subject otherwise to the Act and any regulations made thereunder and (where applicable) the listing rules of the Exchange, relating to electronic communications, any notice or other document (including, without limitations, any accounts, balance-sheet, financial statements or report, letters to shareholders or circulars) which is required or permitted to be given, sent or served under the Act or under this Constitution, the Memorandum of Association of the Company or these Articles or the listing rules of the Exchange 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:-~~

~~(a) by electronic transmission 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. Any notice or document given, sent or served using electronic communication (as the case may be) shall be deemed to have been duly given, sent or served upon transmission of the electronic communication to the current address of such person or as otherwise provided under the Act and/or other applicable regulations or procedures.; or~~

~~(b) by making it available on a website prescribed by the Company from time to time; or~~

~~(c) in such manner as such Member expressly consents to by giving notice in writing to the Company.~~

~~and a member shall be implied to have consented to receive such notice or document by way of such electronic communication.~~

~~(C) For the purposes of Regulation 144(B) above, a member shall be implied to have consented to receive such notice or document by way of such electronic communication and shall not have a right to elect to receive the physical copy of such notice or document.~~

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

~~(E) Notwithstanding Regulations 144(C) and 144(D) above, the Company shall send to the members physical copies of such notices or documents as may be specified by law or the listing rules of the Exchange.~~

(F) Any notice or other document if sent or served by electronic communication:-

(a) to the current address of a person pursuant to Regulation 144(B)(a) it shall be deemed to have been duly given, sent, served or delivered at the time of the transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent) unless otherwise provided under the Act and/or the listing rules of the Exchange; and

(b) by making it available on a website pursuant to Regulation 144(B)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website unless otherwise provided under the Act and/or the listing rules of the Exchange.

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

(a) by sending such separate notice to the member pursuant to Regulation 144(A); and/or

(b) by sending such separate notice to the member using electronic communications to his current address pursuant to Regulation 144(B)(a); and/or

(c) by way of advertisement in the daily press; and/or

(d) by way of announcement on the Exchange.

~~140~~145. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose, a joint holder having no registered address in Singapore and not having supplied an address within Singapore for the service of notices shall be disregarded.

- ~~141~~146. A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or (as the case may be) the Depository an address within Singapore for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member or given, or sent or served to any member using electronic communications in pursuance of these presents ~~this Constitution~~ shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company shall have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member in the Register of Members or, where such member is a Depositor, entered against his name in the Depository Register as sole or first-named joint holder.
- ~~142~~147. A member who (having no registered address within Singapore) has not supplied to the Company or (as the case may be) the Depository an address within Singapore for the service of notices shall not be entitled to receive notices from the Company.

WINDING UP

- ~~143~~148. 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.
- ~~144~~149. (A) If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital of the Company, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the number of shares held by each member respectively, in relation to the total number of shares of the Company (excluding treasury shares). If in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the paid-up capital of the Company, the excess shall be distributed among the members in proportion to the number of shares held by each member respectively, in relation to the total number of shares of the Company (excluding treasury shares). This Regulation is to be without prejudice to the rights of the holders or Depositors of shares issued upon special terms and conditions.

(B) If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the members *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

145: *Deleted by Special Resolution passed on 26 May 2003.*

INDEMNITY

146150. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court. Without prejudice to the generality of the foregoing, no Director, ~~Manager~~, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

SECRECY

147151. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public save as may be authorised by law or required by the listing rules of the SGX-STExchange.

148: *Deleted by Special Resolution passed on 26 May 2003.*

PERSONAL DATA

152. (A) A member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:
- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
 - (b) internal analysis and/or market research by the Company (or its agents or service providers);
 - (c) investor relations communications by the Company (or its agents or service providers);
 - (d) administration by the Company (or its agents or service providers) of that member's holding of shares in the Company;
 - (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
 - (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
 - (g) publication of photographs/videos taken at General Meetings of the Company or other shareholder events in the Company's annual report and other corporate, promotional or publicity materials;
 - (h) implementation and administration of, and compliance with, any provision of this Constitution;
 - (i) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
 - (j) purposes which are reasonably related to any of the foregoing purposes.

(B) Any member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in Regulations 154(A)(f) and 154(A)(h), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.

ALTERATION OF REGULATIONS

153. Where this Constitution has been approved by the Exchange, no provisions of this Constitution shall be deleted, amended or added without the prior written approval of the Exchange which had previously approved this Constitution.

Names, Addresses and Descriptions of Subscribers

Seah Han Tong Tony
#11-03, Singapore 0316
Legal Officer

Sgd: Seah Han Tong Tony Block 5 Delta Avenue

Wee Eng Hua Marjorie
31 Leigh Park
Singapore 1954

Sgd: Wee Eng Hua Marjorie

Manager

Dated this 25th day of May 1993

Witness to the above signatures:

Sgd: Lee Mei Ling

Advocate & Solicitor
Wong, Yoong, Tan & Molly Lim
24 Raffles Place, #24-01
Clifford Centre
Singapore 0104

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