

## CIRCULAR DATED 1 APRIL 2010

### THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this circular. If you are in any doubt as to the action you should take, you should consult your stockbroker or other professional adviser immediately.

If you have sold all your shares in the capital of ARA Asset Management Limited, you should immediately hand this circular and the accompanying Proxy Form to the bank, stockbroker or agent through whom you effected the sale for transmission to the purchaser.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of all of the Bonus Shares (as defined herein) on the Official List of the SGX-ST. Such approval shall not be taken as an indication of the merits of the Bonus Issue (as defined herein), the Bonus Shares, ARA Asset Management Limited and/or its subsidiaries.



(An Affiliate of Cheung Kong Group)

### ARA ASSET MANAGEMENT LIMITED

(Incorporated in Bermuda as an exempted company with limited liability)  
(Company Registration No. 32276)

## CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED BONUS ISSUE OF UP TO 116,412,000 NEW ORDINARY SHARES OF S\$0.002 EACH IN THE CAPITAL OF THE COMPANY ON THE BASIS OF ONE (1) NEW ORDINARY SHARE FOR EVERY FIVE (5) EXISTING SHARES AS AT THE BOOKS CLOSURE DATE; AND
- (2) THE PROPOSED ALTERATIONS TO THE BYE-LAWS OF THE COMPANY TO FACILITATE THE IMPLEMENTATION OF BONUS ISSUES.

### IMPORTANT DATES:

Last date and time for lodgment of Proxy Form : **24 April 2010 at 3.30 p.m.**  
Date and time of Special General Meeting : **26 April 2010 at 3.30 p.m.**  
Place of Special General Meeting : **Suntec Singapore International Convention & Exhibition Centre, Room 325**

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# DEFINITIONS

In this circular, the following definitions apply throughout unless otherwise stated:

<b>"AGM"</b>	The annual general meeting of the Company to be held on 26 April 2010
<b>"Base Figure"</b>	The issued share capital of the Company at the time the General Mandate is granted by Shareholders
<b>"Board"</b>	The board of directors of the Company
<b>"Bonus Issue"</b>	The proposed bonus issue of up to 116,412,000 new Shares credited as fully paid, by way of capitalisation of the share premium account of the Company on the basis of one (1) new Share for every five (5) existing Shares held by Shareholders as at the Books Closure Date, all fractions (if any) being disregarded and dealt with in such manner as the Directors may deem fit for the benefit of the Company
<b>"Bonus Shares"</b>	New Shares to be issued by the Company pursuant to the proposed Bonus Issue
<b>"Books Closure Date"</b>	5.00 p.m. on 3 May 2010, being the time and date on which the Register of Members and the Share Transfer Books of the Company will be closed in order to determine the entitlements of Shareholders to the Bonus Shares
<b>"Bye-laws"</b>	The bye-laws of the Company
<b>"Company"</b>	ARA Asset Management Limited
<b>"CDP"</b>	The Central Depository (Pte) Limited
<b>"Director"</b>	A director of the Company for the time being
<b>"FY"</b>	Financial year ended/ending 31 December
<b>"General Mandate"</b>	The grant by Shareholders to the Board of a general authority pursuant to Bye-law 12(3) for further issues of Shares where the aggregate number of Shares to be issued pursuant to such mandate does not exceed 50.0% of the Base Figure, of which the aggregate number of Shares to be issued other than on a <i>pro rata</i> basis to Shareholders does not exceed 20.0% of the Base Figure

# DEFINITIONS

<b>"Group"</b>	The Company and its subsidiaries
<b>"Latest Practicable Date"</b>	18 March 2010, being the latest practicable date prior to the printing of this Circular
<b>"Ordinary Resolution"</b>	A resolution passed by a simple majority of votes cast by Shareholders, being entitled to do so, voting in person or, in the case of Shareholders being corporations, by their respective duly authorised representatives by proxy
<b>"Proposed Alterations"</b>	The proposed alterations to the Bye-laws for the purpose of facilitating bonus issues
<b>"Record Date"</b>	A date on which, at the close of business, Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
<b>"Securities Account"</b>	A securities account maintained by a person with CDP
<b>"SGM"</b>	The Special General Meeting of the Company, notice of which is set out on page 12 of this circular
<b>"SGX-ST"</b>	Singapore Exchange Securities Trading Limited
<b>"Shareholders"</b>	Registered holders of Shares, except that where the registered holder is CDP, the term Shareholders shall, where the context permits, mean the Depositors whose Securities Accounts are credited with Shares
<b>"Shares"</b>	Ordinary shares of S\$0.002 each in the capital of the Company
<b>"Special Resolution"</b>	A resolution passed by a majority of not less than three-fourths of votes cast by Shareholders, being entitled to do so, voting in person or, in the case of Shareholders being corporations, by their respective duly authorised representatives by proxy
<b>"%"</b>	Percentage or per centum

The term **"Depositor"** shall have the meaning ascribed to it in Section 130A of the Singapore Companies Act.

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

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

Any reference to a time of day shall be a reference to Singapore time.

## CIRCULAR TO SHAREHOLDERS

**Directors:**

Chiu Kwok Hung Justin (Chairman)  
Lim Hwee Chiang John  
Ip Tak Chuen Edmond  
Lee Yock Suan  
Lim How Teck  
Cheng Mo Chi Moses  
Colin Stevens Russel

**Registered Office:**

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

To: The Shareholders of  
ARA Asset Management Limited

1 April 2010

Dear Sir/Madam,

### 1. INTRODUCTION

The Board is convening an SGM to be held on 26 April 2010 to seek Shareholders' approvals for the following:

- (i) the Bonus Issue; and
- (ii) the Proposed Alterations.

This Circular sets out information relating to, and the reasons for, the proposals.

### 2. THE PROPOSED BONUS ISSUE

#### 2.1 Details of the Proposed Bonus Issue

Pursuant to the Bonus Issue, up to 116,412,000 Bonus Shares will be allotted to Shareholders on the basis of one (1) Bonus Share for every five (5) existing Shares held as at the Books Closure Date, all fractions (if any) being disregarded and dealt with in such manner as the Directors may deem fit for the benefit of the Company.

The Bonus Issue will be effected by capitalising up to S\$232,824 from the share premium account of the Company and applying the same towards payment in full at par for the Bonus Shares. The auditors, KPMG LLP, have confirmed that as at 31 December 2009, the Company had sufficient reserves in its share premium account for such capitalisation in respect of the Bonus Issue.

# CIRCULAR TO SHAREHOLDERS

The Bonus Shares to be issued shall, on allotment and issue, rank pari passu, in all respects with the existing issued Shares, except that they shall not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls on a date before the date on which the Bonus Shares are issued.

The Board is also separately seeking a General Mandate for FY 2010 from Shareholders at the AGM. For the avoidance of doubt, the Bonus Shares that will be issued pursuant to the Bonus Issue (in respect of which specific approval is presently sought) shall be in addition to the total number of Shares which may be issued pursuant to the General Mandate for FY 2010, should the General Mandate be approved by Shareholders at the AGM.

## 2.2 Rationale for the Proposed Bonus Issue

The Board is proposing the Bonus Issue as a gesture of appreciation to Shareholders for their loyalty to, and continuing support for, the Company, in view of the favourable performance of the Group in FY 2009. The Board has recommended the issue of one (1) Bonus Share for every five (5) existing Shares held as at the Books Closure Date. As a result of the Bonus Issue, the number of Shares held in the hands of the public will be increased, which the Board hopes will improve the liquidity in the trading of the Shares of the Company.

## 2.3 Financial Effects of the Proposed Bonus Issue

The financial effects of the Bonus Issue based on the audited consolidated accounts of the Group for FY 2009 are set out below:-

### 2.3.1 Share Capital of the Company

	No. of Shares	S\$
Issued share capital as at 31 December 2009	582,060,000	1,164,120
Bonus Shares to be issued	116,412,000	232,824
<b>Enlarged issued share capital</b>	<b>698,472,000</b>	<b>1,396,944</b>

### 2.3.2 Shareholders' Funds

The effect of the Bonus Issue on Shareholders' funds of the Company is illustrated as follows:

	As at 31 December 2009 S\$'000	After the Bonus Issue S\$'000 <sup>(1)</sup>
Issued share capital	1,164	1,397
Share premium reserve	75,413	75,180
Revenue reserve	17,647	3,096
<b>Shareholders' funds</b>	<b>94,224</b>	<b>79,673</b>

Note: -

(1) And after payment of the proposed final cash dividend of S\$0.025 per Share.

# CIRCULAR TO SHAREHOLDERS

## 2.3.3 Net Tangible Assets ("NTA")

The effect of the Bonus Issue on the NTA of the Group is illustrated as follows:

	<b>As at 31 December 2009</b>	<b>After the Bonus Issue<sup>(1)</sup></b>
NTA (S\$'000)	126,577	112,026
NTA per Share (S\$ cents)	21.75	16.04

Note: -

(1) And after payment of the proposed final cash dividend of S\$0.025 per Share.

## 2.3.4 Earnings per Share ("EPS")

The effect of the Bonus Issue on the EPS of the Group is illustrated as follows:

	<b>As at 31 December 2009</b>	<b>After the Bonus Issue</b>
Profit attributable to Shareholders (\$'000)	48,339	48,339
EPS (S\$ cents)	8.30	6.92

## 2.3.5 Dividends

The Board has recommended the payment of a final cash dividend of S\$0.025 per Share for FY 2009. Inclusive of an interim cash dividend of S\$0.023 per Share paid on 3 September 2009, the total cash dividend for FY 2009 is S\$0.048 per Share.

Barring any unforeseen circumstances which may affect the performance of the Group during this period (including, but not limited to, the matters discussed in paragraph 2.3.7 below and its funding requirements and maintenance of credit lines), the Board intends to maintain the same cash dividend per Share, including the Bonus Shares, for FY 2010.

## 2.3.6 Gearing

The Bonus Issue will have no material impact on the gearing of the Group.

# CIRCULAR TO SHAREHOLDERS

## **2.3.7 Current Year Prospects of the Company**

The following is an extract from the full-year financial statements on the consolidated results of the Group for FY 2009 which was announced by the Company on 22 February 2010:-

“Barring unforeseen circumstances, the Board expects the Group’s net profit in FY 2010 to be comparable to that achieved in FY 2009.”

## **3. THE PROPOSED ALTERATIONS TO THE BYE-LAWS OF THE COMPANY TO FACILITATE THE IMPLEMENTATION OF BONUS ISSUES**

### **3.1 Rationale for the Proposed Alterations**

The Board is proposing the Bonus Issue as a gesture of appreciation to Shareholders for their loyalty to, and continuing support for, the Company, in view of the favourable performance of the Group in FY 2009.

The Board is also of the view that bonus issues are an efficient mechanism of managing the Company’s capital structure, including augmenting the issued share capital base of the Company to reflect the growth and expansion of the Company’s business. In addition, by increasing the number of Shares trading on the SGX-ST, the Board hopes to make the Shares more accessible and attractive to both Shareholders and potential investors, thus improving the trading liquidity of the Shares.

The Bye-laws of the Company currently require Shareholders to approve every bonus issue of Shares recommended by the Board before the same can be implemented by the Board. Convening a special general meeting of the Company each time the Board determines that it is desirable to effect a bonus issue, is costly and time-consuming. It is also not practical to effect bonus issues only around the time of the annual general meeting of the Company, where approval may be obtained for such issues.

In view of the above, the Board is seeking Shareholders’ approval for the Proposed Alterations in order to give the Board the flexibility to implement a bonus issue when conditions are, in the Board’s view, favourable for doing so. The Proposed Alterations will allow the Board to rely on the General Mandate, which is sought from Shareholders at each annual general meeting, to effect bonus issues throughout the relevant financial year. Bonus issues may accordingly be implemented in a timely and cost-efficient manner, because the Company will not be required to specifically convene in a special general meeting each time the Board proposes to effect a bonus issue.

In determining whether or not to launch a bonus issue, the Board will consider various factors, including but not limited to prevailing market conditions, the trading price of the Shares as well as the overall financial performance of the Company.



# CIRCULAR TO SHAREHOLDERS

## 3.2 Bye-laws Proposed for Alteration

The following Bye-laws are proposed for alteration:

### 3.2.1 Amendments to Bye-law 12(1)

Bye-law 12(1) requires the Board to obtain the prior approval of the Company in general meeting in order for it to issue shares. It is proposed that the original clause be amended in order to enable the Board to implement bonus issues pursuant to a General Mandate obtained from Shareholders.

### 3.2.2 Amendments to Bye-law 147

Bye-law 147 enables the Company to pass an ordinary resolution to capitalise reserves or funds. It is proposed that the original clause be amended to give the Board the discretion to carry out a capitalisation exercise (including effecting an issuance of shares pursuant to a bonus issue) pursuant to an ordinary resolution from Shareholders (including a General Mandate obtained from Shareholders).

The text of the Bye-laws which are proposed to be altered is set out in the Appendix to this Circular.

## 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of Directors and substantial Shareholders in Shares are as follows:-

Executive Directors	Direct		Deemed	
	No. of Shares	% of total issued Shares	No. of Shares	% of total issued Shares
Lim Hwee Chiang John <sup>(1)</sup>	1,378,000	0.24	212,142,000	36.45
Chiu Kwok Hung Justin	-	-	-	-
Ip Tak Chuen Edmond	-	-	-	-
Lee Yock Suan	50,000	0.01	-	-
Lim How Teck	450,000	0.08	-	-
Cheng Mo Chi Moses	-	-	-	-
Colin Stevens Russel	15,000	-	-	-

Note:-

(1) Mr Lim Hwee Chiang John has an indirect deemed interest in the Shares held by JL Investment Group Limited, which is wholly-owned by him.

# CIRCULAR TO SHAREHOLDERS

## Substantial Shareholders

Shareholder	Direct		Deemed	
	No. of Shares	% of total issued Shares	No. of Shares	% of total issued Shares
JL Investment Group Limited	212,142,000	36.45	-	-
Lim Hwee Chiang John <sup>(1)</sup>	1,378,000	0.24	212,142,000	36.45
Cheung Kong Investment Company Limited	90,918,000	15.62	-	-
Cheung Kong (Holdings) Limited <sup>(2)</sup>	-	-	90,918,000	15.62
Prudential Asset Management (Singapore) Limited	-	-	34,706,000	5.96

Notes:-

1. Mr Lim Hwee Chiang John has an indirect deemed interest in the Shares held by JL Investment Group Limited, which is wholly-owned by him.
2. Cheung Kong (Holdings) Limited has an indirect deemed interest in the Shares of the Company held through its wholly-owned subsidiary, Cheung Kong Investment Company Limited.

## 5. RECOMMENDATIONS

### 5.1 The Proposed Bonus Issue (Ordinary Resolution)

Having considered the rationale for the proposed Bonus Issue set out in paragraph 2.2 above, the Board recommends that Shareholders vote in favour of Resolution 1 set out in the Notice of SGM.

### 5.2 The Proposed Alterations to the Bye-laws of the Company (Special Resolution)

The Board is of the opinion that the Proposed Alterations are in the best interests of the Company. Accordingly, the Board recommends that Shareholders vote in favour of Resolution 2 set out in the Notice of SGM.

## 6. SPECIAL GENERAL MEETING

The SGM, notice of which is set out on pages 12 to 13 of this Circular, will be held at Room 325, Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 26 April 2010 at 3.30 p.m. for the purpose of considering and, if thought fit, passing with or without amendments the resolutions set out in the Notice of SGM.

# CIRCULAR TO SHAREHOLDERS

## **7. ACTION TO BE TAKEN BY SHAREHOLDERS AND DEPOSITORS**

### **7.1 Action to be taken by Shareholders**

If a Shareholder is unable to attend the SGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Shareholder Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Singapore Share Transfer Agent, Boardroom Corporate and Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, not later than 3.30 p.m. on 24 April 2010, being 48 hours before the time fixed for the SGM. The completion and return of the Shareholder Proxy Form by a Shareholder will not prevent him from attending and voting in person at the SGM if he so wishes.

### **7.2 Action to be taken by Depositors**

A Depositor who wishes to attend and vote at the SGM and whose name is shown in the records of CDP as at a time not later than 48 hours prior to the time of the SGM supplied by CDP to the Company, may attend as CDP's proxy. Such a Depositor who is a natural person need not submit the Depositor Proxy Form if he is attending the SGM in person. A Depositor who is unable to attend the SGM personally and wishes to appoint a nominee to attend and vote on his behalf, and a Depositor which is not a natural person and wishes to be represented at the SGM, must nominate an appointee/appointees to attend and vote as a proxy of CDP at the SGM in respect of the number of the Depositor's Shares by completing the Depositor Proxy Form and depositing the duly completed Depositor Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate and Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, not later than 48 hours before the time appointed for the SGM.

## **8. RESPONSIBILITY STATEMENT BY DIRECTORS**

The Directors collectively and individually accepts full responsibility for this Circular and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Bonus Issue, and that there are no material facts the omission of which would make any statement in this Circular misleading.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

The Memorandum and Bye-laws of the Company are available for inspection at the principal place of business of the Company at 6 Temasek Boulevard , #16-02, Suntec Tower Four, Singapore 038986, during normal business hours from the date of this Circular up to the date of the SGM.

Yours faithfully  
For and on behalf of the Board

Lim Hwee Chiang John  
Director and Group Chief Executive Officer

# APPENDIX

## THE PROPOSED ALTERATIONS TO THE BYE-LAWS OF THE COMPANY

The proposed form of the amendments to the Bye-laws is as follows:

- **Proposed Alteration to Bye-law 12(1)**

that Bye-law 12(1) be amended in accordance with the following addition indicated by the underlined text below:

"12. (1) Subject to the Act, no shares may be issued by the Board without the prior approval of the Company in general meeting but subject thereto and to these Bye-laws (including Bye-law 147) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount, provided always that:-

- (a) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the Members in general meeting;
- (b) (subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Bye-law 12(2) with such adaptations as are necessary shall apply; and
- (c) any other issue of shares, the aggregate of which would exceed the limits referred to in Bye-law 12(3), shall be subject to the approval of the Company in general meeting.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

12. (2) Except as permitted under the rules or regulations of the Designated Stock Exchange or any direction given by the Company in general meeting, 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. 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 Board may dispose of those shares in such manner as they think most beneficial to the Company. The Board 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 Board, be conveniently offered under this Bye-law 12(2).

## APPENDIX

12. (3) Notwithstanding Bye-law 12(2) above but subject to the Statutes, the Company in general meeting may by ordinary resolution grant to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the said ordinary resolution, for further issues of shares where the aggregate number of shares to be issued pursuant to such authority does not exceed fifty per cent. (50%) (or such other limit, if any, as may be prescribed by the Designated Stock Exchange) of the issued share capital of the Company at the time of the passing of the said ordinary resolution, of which the aggregate number of shares to be issued other than on a pro rata basis to Members does not exceed twenty per cent. (20%) (or such other limit, if any, as may be prescribed by the Designated Stock Exchange) of the issued share capital of the Company at the time of the passing of the said ordinary resolution Provided that such general authority shall only remain in force until (i) the conclusion of the annual general meeting of the Company following the passing of the resolution granting the said authority or (ii) the date by which such annual general meeting is required to be held or (iii) it is revoked or varied by ordinary resolution of the Company in general meeting, whichever is the earliest."

- **Proposed Alteration to Bye-law 147**

that Bye-law 147 be amended in accordance with the following deletion indicated by the deleted text and additions indicated by the underlined text below:

"147. ~~The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to~~ The Board may, with the sanction of an ordinary resolution of the Company (including an ordinary resolution passed pursuant to Bye-law 12(3)),

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the register of the Depository at the close of business on such date as may be determined by the Board, in proportion to their then holdings of shares; and/or

(b) capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the persons registered as holders of shares in the Register of Members or (as the case may be) the register of the Depository at the close of business on such date as may be determined by the Board, in proportion to their then holdings of shares Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other,

and the Board shall give effect to such resolution, provided that, for the purposes of this Bye-law, a share premium account and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be issued to such Members credited as fully paid. In carrying sums to reserve and in applying the same, the Board shall comply with the provisions of the Act."

## NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a SPECIAL GENERAL MEETING of the Company will be held at Room 325, Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 26 April 2010 at 3.30 p.m. for the purpose of considering and, if thought fit, passing with or without any modifications, Resolutions 1 and 2 as set out below:

**RESOLUTION 1 - THE PROPOSED BONUS ISSUE OF UP TO 116,412,000 NEW ORDINARY SHARES OF S\$0.002 EACH IN THE COMPANY ON THE BASIS OF ONE (1) NEW ORDINARY SHARE FOR EVERY FIVE (5) EXISTING SHARES AS AT THE BOOKS CLOSURE DATE (ORDINARY RESOLUTION)**

That:

- (1) approval be and is hereby given to the directors of the Company (the "**Directors**") to capitalise an amount of up to S\$232,824 standing to the credit of the share premium account of the Company and that the same be applied in full payment at par for up to 116,412,000 new ordinary shares of S\$0.002 each (the "**Bonus Shares**") in the share capital of the Company, such new shares to be distributed, allotted and issued and credited as fully paid to those persons who are registered as shareholders of the Company as at 5.00 p.m. on 3 May 2010 or such other date as may be determined by the board of directors of the Company (the "**Books Closure Date**"), on the basis of one (1) Bonus Share for every five (5) existing ordinary shares then held by such shareholders (the "**Bonus Issue**"), all fractions (if any) being disregarded and dealt with in such manner as the directors of the Company may deem fit for the benefit of the Company and such new shares to be treated for all purposes as an increase in the nominal amount of the issued share capital of the Company and not income and, upon issue and allotment, to rank *pari passu* in all respects with the existing ordinary shares of S\$0.002 each in the capital of the Company except that they shall not rank for any dividends, rights, allotments or other distributions the record date for which falls before the date on which the Bonus Shares are issued; and
- (2) the Directors be and are hereby authorised to do all such acts and things as may be required or desirable to give effect to this Resolution.

**RESOLUTION 2 - THE PROPOSED ALTERATIONS TO THE BYE-LAWS OF THE COMPANY TO FACILITATE THE IMPLEMENTATION OF BONUS ISSUES (SPECIAL RESOLUTION)**

That:

- (1) with effect from the date of the passing of this resolution, Bye-laws 12(1) and 147 be altered in the manner set out in the Appendix to the Company's Circular to Shareholders dated 1 April 2010 (the "**Proposed Alterations**"); and
- (2) the Directors be and are hereby authorised to take any step and action or to execute any document or instrument necessary or desirable to implement and give effect to the Proposed Alterations.

By Order of the Board

Yvonne Choo / Sharon Lim  
Company Secretaries  
1 April 2010

# NOTICE OF SPECIAL GENERAL MEETING

## Notes:

1. A Shareholder (other than The Central Depository (Pte) Limited (“**CDP**”)) entitled to attend and vote at the Special General Meeting (the “**Meeting**”) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Shareholder of the Company.
2. A Depositor whose name is shown in the records of CDP as at a time not later than 48 hours prior to the time of the Meeting supplied by CDP to the Company and who is a natural person need not submit the Depositor Proxy Form if he is attending the Meeting in person.
3. Where a Depositor whose name is shown in the records of CDP as at a time not later than 48 hours prior to the time of the SGM supplied by CDP to the Company, being a corporation, wishes to be represented at the Meeting, it must nominate an appointee/appointees to attend and vote as proxy of CDP at the Meeting in respect of the number of the Depositor’s shares.
4. A Depositor may nominate not more than two appointees, who shall be natural persons, to attend and vote in his place as a proxy of CDP in respect of the number of the Depositor’s Shares by completing the Depositor Proxy Form and depositing the duly completed Depositor Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, at least 48 hours before the Meeting.

