

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING DATED 4 APRIL 2018

This Appendix is circulated to Shareholders of Mewah International Inc. (the "Company") together with the Company's Annual Report. Its purpose is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval for the renewal of the Shareholders' Mandate to be tabled at the Annual General Meeting ("AGM") of the Company to be held on 26 April 2018, Thursday at 10.30 a.m. at Genting 1 Ballroom, Level 1, Genting Hotel Jurong, 2 Town Hall Link, Singapore 608516.

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

The Singapore Exchange Securities Trading Limited takes no responsibility for the correctness of any of the statements made, reports contained/referred to, or opinions expressed in this Appendix.



Global Brands, Local Favourites

Mewah International Inc.

(Incorporated in Cayman Islands)
(Company Registration No: CR-166055)

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING

in relation to

**THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR
INTERESTED PERSON TRANSACTIONS**

DEFINITIONS

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

"AGM"	The annual general meeting of the Company
"Board"	The Board of Directors of the Company
"Company" or "MII"	Mewah International Inc.
"Directors"	The Directors of the Company for the time being
"Group" or "Mewah Group"	The Company and its subsidiaries
"Listing Manual"	The listing manual of the SGX-ST, including any amendments made thereto up to the date of this Appendix
"NTA"	Net tangible assets
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Shares"	Ordinary shares in the share capital of the Company
"Shareholders"	Registered holders for the time being of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the Depositors whose Securities Account are credited with Shares
"Shareholders' Mandate"	A general mandate to authorise the Company to enter into transactions with its Interested Persons as defined in the Appendix hereto for the purposes of Chapter 9 of the Listing Manual
"Substantial Shareholders"	A person (including a corporation) who has an interest in not less than five per cent of the issued voting shares of the Company
"%" or "per cent"	Per centum or percentage

APPENDIX RELATING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Chapter 9 of the Listing Manual

- 1.1. Chapter 9 of the listing manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST") governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. Whenever this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.
- 1.2. 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 persons and therefore are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the Group's latest audited consolidated NTA), are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:
 - (i) 5% of the Group's latest audited consolidated NTA; or
 - (ii) 5% of the Group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.3. Based on the latest audited consolidated accounts of the Group for the financial year ended 31 December 2017, the consolidated NTA of the Group was US\$517.7 million. In relation to MII, and for the purposes of complying with Chapter 9, in the current financial year, 5% of the latest audited consolidated NTA of the Group would be US\$25.9 million.
- 1.4. Chapter 9 of the Listing Manual permits a listed company, however, to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as purchase and sale of supplies and materials (but not in respect of purchase or sale of assets, undertakings or businesses) that may be conducted with the listed company's interested persons.
- 1.5. Under the Listing Manual:
 - (i) an "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9;
 - (ii) "associate" means:
 - (a) in relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual)
 - his immediate family member (that is, the person's spouse, child, adopted child, step-child, sibling and parent);
 - the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - any company in which he and his immediate family together (directly or indirectly) have an interest of 30 per cent or more; and
 - (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30 per cent or more;
 - (iii) "control" means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
 - (iv) "Controlling Shareholder" means a person who:
 - (a) holds directly or indirectly 15 per cent or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the company (the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder); or
 - (b) in fact exercises control over a company,

or such other definition as the SGX-ST may from time to time determine;

- (v) "entity at risk" means:
 - (a) the listed company;
 - (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "listed group"), or the listed group and its interested person(s), has control over the associated company;
- (vi) (in the case of a company) an "interested person" means
 - (a) a director, chief executive officer or Controlling Shareholder of the listed company; or
 - (b) an associate of any such director, chief executive officer or Controlling Shareholder;
- (vii) an "interested person transaction" means a transaction between an entity at risk and an interested person;
- (viii) "transaction" includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting, of or being granted options, and 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.

2. Entities at risk

For the purposes of the Shareholders' Mandate, an "Entity at Risk" means:

- (i) the Company;
- (ii) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or
- (iii) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group and its interested persons have control over the associated company. Currently, Mill do not have such associated companies.

(together, the "EAR Group").

3. Classes of Mandated Interested Persons

The Shareholders' Mandate will apply to Mewah Group's interested person transactions with Nature International Pte Ltd, Ecolex Sdn. Bhd., Choon Heng Transport & Warehousing Pte Ltd, Containers Printers Pte Ltd, Perfect Venue Sdn. Bhd., Capital Paradise Sdn. Bhd., Prelude Gateway Sdn. Bhd. and Anthola Insurance Agencies Sdn. Bhd., (each a "Mandated Interested Person").

Transactions with the Mandated Interested Persons that do not fall within the ambit of the Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

4. Mandated Transactions

The transactions with the Mandated Interested Persons that will be covered by the Shareholders' Mandate ("Mandated Transactions") relating to the provision to, or obtaining from the Mandated Interested Persons of products and services in the ordinary course of business of the Group or which are necessary for day-to-day operations (but not in respect of the purchase or sale of assets, undertakings or businesses that are not part of day-to-day operations) are as follows:

- (i) purchases of products such as palm stearin and packaging materials products from interested persons;
- (ii) obtaining services, including transportation and forwarding services, from interested persons;
- (iii) obtaining insurance and insurance related services from interested persons;
- (iv) sales of products such as palm stearin products and cooking oil to interested persons;
- (v) leasing of properties from interested persons for residential and industrial purposes, office and warehouses spaces; and
- (vi) provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (i) to (v) above.

5. Rationale for and benefits of the Shareholders' Mandate

- (i) The transactions with the Mandated Interested Persons are entered into or to be entered into by the Group in its ordinary course of business. They are recurring transactions that are likely to occur with some degree of frequency and may arise at any time and from time to time. The Directors believe that it will be beneficial to the Group to transact or continue to transact with the Mandated Interested Persons.
- (ii) The Shareholders' Mandate and the renewal of the Shareholders' Mandate on an annual basis will eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential interested person transactions with the Mandated Interested Persons arise, thereby reducing substantially the administrative time and expenses incurred to convene general meetings, without compromising its corporate objectives or adversely affecting the business opportunities available to the Group.
- (iii) The Shareholders' Mandate is intended to facilitate transactions in the ordinary course of business that are transacted from time to time with the Mandated Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.
- (iv) Disclosure will be made in the format required by the Listing Manual, and to the extent required by the SGX-ST, of the aggregate value of interested person transactions conducted pursuant to the Shareholders' Mandate during the current financial year, and in the annual reports for the subsequent financial years during which a Shareholders' Mandate is in force.

6. Review Procedures and Threshold Limits for Interested Person Transactions

Audit Committee has oversight of all interested person transactions undertaken by the Group including the review of, and where required, approval of, such transactions. The Group has also established the procedures described below to ensure that the interested person transactions are undertaken on an arm's length basis and on normal commercial terms.

6.1. Review procedures

In general, the Group have established procedures to ensure that interested person transactions, including the Mandated Transactions with the Mandated Interested Persons, are undertaken on an arm's length basis consistent with the Group's usual business practices and policies and which are conducted on normal commercial terms not prejudicial to the interests of the Company, and on terms which are generally no more favourable to the interested person than those extended to or obtained from unrelated third parties.

In particular, the Group has implemented the following review procedures:

(i) *Purchase of products and obtaining of services from Mandated Interested Persons*

All procurement and purchases made by the Group of a recurring nature which are in the ordinary course of business of the Group or which are necessary for the day-to-day operations of the Group, including the Mandated Transactions with the Mandated Interested Persons, will be governed by internal control procedures, which detail matters such as the constitution of internal approving authorities, their approval limits, the number of vendors who provide the Group with quotes, and the review procedures.

The guiding principle is to objectively obtain the best goods and/or services on the best terms through competitive quotations, if appropriate. In determining whether the price and terms offered by interested persons are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, preferential rates, discounts and/or rebates offered for bulk purchases will be taken into consideration. In addition, each Interested Person Transaction entered into by the Group will be monitored as an individual transaction and based on the value of the transaction, will require the prior approval of a director or executive officer of the Group (not being an interested person or an associate) and who does not have any interest, whether direct or indirect, in relation to the transaction (the "Relevant Approving Authority") as follows:

Approval Limits	Approving Authority
Interested person transaction not exceeding US\$5 million in value	Chief Executive Officer or in the event that the Chief Executive Officer is the relevant interested person or an associate of a relevant interested person, any other Director who is not the relevant interested person or an associate of a relevant interested person
Interested person transaction above US\$5 million	Audit Committee

In the event that the Group cannot obtain competitive quotations (for instance, if there are no unrelated third party vendors of similar products and services (taking into account quantum, specifications and delivery schedules among others), or if the product is proprietary in nature), based on the value of the proposed interested person transaction, the corresponding Relevant Approving Authority as set out above (not being an interested person or his associate) and who does not have any interests, direct or indirect, in relation to the transaction, will determine whether the price and terms offered by the interested person are fair and reasonable.

(ii) *Sale of products to the Mandated Interested Persons*

All contracts entered into or transactions with the Mandated Interested Persons for the sale of products are to be carried out at the prevailing market rates, on terms which are no more favourable to the Mandated Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates, discounts and/or rebates offered for bulk purchases) or otherwise in accordance with applicable market norms. In addition, each interested person transaction entered into by the Group will be monitored as an individual transaction and based on the value of the transaction, will require the prior approval of the Relevant Approving Authority as follows:

Approval Limits	Approving Authority
Interested person transaction not exceeding US\$5 million in value	Chief Executive Officer or in the event that the Chief Executive Officer is the relevant interested person or an associate of a relevant interested person, any other Director who is not the relevant interested person or an associate of a relevant interested person
Interested person transaction above US\$5 million	Audit Committee

Where the prevailing market rates or prices are not available due to the product being sold, the pricing for such products to be sold to the Mandated Interested Persons will be determined in accordance with usual business practices and pricing policies, consistent with the usual margin to be obtained by the Group for the same or substantially similar type of contract or transaction with unrelated third parties taking into consideration factors such as, but not limited to, quantity, volume and consumption.

(iii) *Leasing property from the Mandated Interested Persons*

The Group intends to enter into certain transactions that are necessary for the day-to-day operations of the Group which include the leasing of property from Mandated Interested Persons. The Group will only lease or renew the existing leases with Mandated Interested Persons if the Group is satisfied that the rent payable to and from these Mandated Interested Persons is in line with prevailing market rental rates for comparable spaces. In addition, each interested person transaction entered into by the Group will be monitored as an individual transaction and based on the value of the transaction, will require the prior approval of a Relevant Approving Authority as follows:

Approval Limits	Approving Authority
Interested person transaction not exceeding US\$2 million in value	Chief Executive Officer or in the event that the Chief Executive Officer is the relevant interested person or an associate of a relevant interested person, any other Director who is not the relevant interested person or an associate of a relevant interested person
Interested person transaction above US\$2 million	Audit Committee

In the event that prevailing market rental rates are not available, whether due to the unavailability or impracticality of obtaining rental comparisons or otherwise, rent will be determined according to the Group's usual business practices and policies. In addition, based on the value of the proposed interested person transaction, the corresponding Relevant Approving Authority as set out above (not being an interested person or his associate and who does not have any interests, direct or indirect, in relation to the transaction), will determine whether the price and terms offered by the interested person are fair and reasonable.

(iv) *Non-recurring interested person transactions*

The Group may from time to time also enter into interested person transactions not covered in the above paragraphs and which do not form part of the Shareholders' Mandate. These transactions are not of a recurring nature or occur outside the ordinary course of business of the Group or may not be necessary for or part of the day-to-day operations of the Group. The Group intends to conduct these transactions in accordance with the Listing Manual, including the threshold, approval and other requirements under Rules 905 and 906 of the Listing Manual. In the event these transactions require the approval of its Shareholders, additional information may be required to be presented to Shareholders and an independent financial advisor may be appointed for an opinion.

6.2. Other review procedures

The Audit Committee will also review all interested person transactions including Mandated Transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual) are complied with. The Group has also implemented the following procedures to identify interested person transactions (including Mandated Transactions) and interested persons (including Mandated Interested Persons) and to record all the interested person transactions:

- (i) the Group will maintain a register of all transactions carried out with the interested persons including the Mandated Interested Persons (and the basis, including the quotations obtained to support such basis, on which these transactions are entered into, whether mandated or non-mandated); and
- (ii) on a quarterly basis, Chief Financial Officer will submit a report to the Audit Committee of all recorded interested person transactions, and the basis of such transactions, entered into by the Group. The Company's annual internal audit plan shall incorporate a review of all interested person transactions, including the established review procedures for the monitoring of such transactions including transactions with Mandated Interested Persons, whether they are new interested person transactions or existing interested person transactions that have been renewed or revised during the relevant financial year pursuant to the Shareholders' Mandate.

In addition, the Audit Committee shall also review from time to time such internal controls and review procedures for interested person transactions to determine if they are adequate and/or commercially practicable in ensuring that the transactions between the Group and interested persons are conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders. In conjunction with such review, the Audit Committee will also ascertain whether the established review procedures have been complied with. Further, if during these reviews the Audit Committee is of the view that the internal controls and review procedures for interested person transactions are inappropriate or not sufficient to ensure that the interested person transactions will be on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders, the Audit Committee will (pursuant to Rule 920(1)(b)(iv) and (vii) of the Listing Manual) revert to the Shareholders for a fresh Shareholders' Mandate based on new internal controls and review procedures for transactions with the Mandated Interested Persons.

For the purposes of the above review of the internal controls and review procedures, any of the Directors or a member of the Audit Committee who is not considered independent will abstain from participating in the Audit Committee's review of the internal controls and review procedures. The Board of Directors and the Audit Committee will have overall responsibility for determining the review procedures with the authority to delegate to individuals or committees within the Group as they deem appropriate.

7. Audit Committee's Confirmation

The Audit Committee, having considered the terms of the Shareholders' Mandate and the review procedures for interested person transactions, confirms that the methods and procedures for determining the transaction prices as set out in this Circular have not changed since the shareholders' approval obtained on 27 April 2017 and that the methods and procedures are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures are inadequate or inappropriate to ensure that the interested person transactions will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Listing Manual, it will in consultation with the Board, take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with interested persons.

8. Validity Period of the Shareholders' Mandate

If approved by Shareholders at the AGM, the Shareholders' Mandate will take effect from the date that such approval is obtained, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company. Approval from Shareholders will be sought for the renewal of the Shareholders' Mandate at the next AGM or EGM and at each subsequent AGM or EGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to transactions with interested persons.

9. Directors' and Substantial Shareholders' Interest

Directors' and Substantial Shareholders' interests in the shares of the Company are presented in the "Directors' Report" section and "Statistics of Shareholdings" section of the Company's annual report respectively.

10. Disclosure in Financial Statements and Annual Report

Disclosure will be made in the Company's financial statements for each of the first three quarters of its financial year, its full year financial statement and its annual report of the aggregate value of all Interested Person Transactions conducted with interested persons under the Shareholders' Mandate during the current financial year in accordance with the requirements of Chapter 9 of the Listing Manual.

11. Voting

In accordance with the requirements of Chapter 9 of the Listing Manual, the interested person and their nominees will abstain from voting on the Ordinary Resolution relating to the renewal of the Shareholders' Mandate to be proposed at the AGM in respect of the Shares held by them respectively.

12. Directors' Recommendations

The Directors who are considered independent for the purposes of the proposed renewal of the Shareholders' Mandate are Mr. Robert Loke Tan Cheng, Dr. Foo Say Mui (Bill), Tan Sri Datuk Dr. Ong Soon Hock, and Datuk Dr. Fawzia Binti Abdullah (the "Independent Directors"). The Independent Directors are of the opinion that the proposed Shareholders' Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate as set out in the Notice of AGM.

13. Approval and Resolution

Your approval for the proposed renewal of Shareholders' Mandate is sought at the AGM.

14. Action to be Taken by Shareholders

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

15. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making 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 renewal of Shareholders' Mandate for Interested Person Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

16. SGX-ST

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

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 4 APRIL 2018

This Appendix is circulated to the Shareholders of Mewah International Inc. (the "**Company**") together with the Company's Annual Report. Its purpose is to explain to Shareholders the rationale and provide information for the proposed amendments to the articles of association of the Company and the proposed renewal of the share purchase mandate, to be tabled at the Annual General Meeting ("**AGM**") of the Company to be held on 26 April 2018 at 10:30 a.m. at Genting 1 Ballroom, Level 1, Genting Hotel Jurong, 2 Town Hall Link, Singapore 608516.

The Notice of AGM and Proxy Form are enclosed with the Annual Report 2018.

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

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Global Brands, Local Favourites

Mewah International Inc.

(Incorporated in the Cayman Islands)

(Company Registration No.: CR-166055)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO

- (1) THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY; AND**
- (2) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

DEFINITIONS

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

"AGM"	Annual General Meeting of the Company
"Approval Date"	Has the meaning ascribed to it in Paragraph 3.3.1 of this Appendix
"Articles"	The articles of association of the Company, as amended or modified from time to time
"Annual Report"	The Company's annual report for the financial year ended
"Cayman Companies Law"	The Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"CDP"	The Central Depository (Pte) Limited
"Cheo Family Directors"	Dr Cheo Tong Choon @ Lee Tong Choon, Ms Michelle Cheo Hui Ning and Ms Bianca Cheo Hui Hsin
"Company"	Mewah International Inc.
"Companies Act"	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Director"	A director of the Company as at the date of this Appendix
"Group"	The Company and its subsidiaries (as defined in Section 5 of the Companies Act)
"Latest Practicable Date"	The latest practicable date prior to the printing of this Appendix being 5 March 2018
"Listing Manual"	The listing manual of the SGX-ST, as amended, modified, or supplemented from time to time
"Market Day"	A day on which the SGX-ST is open for trading of securities
"Market Purchase"	A market purchase transacted on the SGX-ST through the ready market, through one or more duly licensed dealers appointed by the Company for that purpose
"Maximum Price"	Has the meaning ascribed to it in Paragraph 3.3.4 of this Appendix
"NTA"	Net tangible assets
"Notice of AGM"	The notice of the AGM as set out on pages 122 to 127 of the Annual Report
"Off-Market Purchase"	A purchase or acquisition of the Shares (otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Cayman Companies Law and the Listing Manual
"Proposals"	Has the meaning ascribed to it in Paragraph 1.1 of this Appendix
"Proxy Form"	The proxy form in respect of the AGM as set out in this Appendix
"Relevant Period"	Has the meaning ascribed to it in Paragraph 3.3.2 of this Appendix
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Share Purchase Mandate"	The mandate to enable the Company to purchase or otherwise acquire its Shares, last approved by the Shareholders on 27 April 2017
"Shareholders"	Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors to whose securities accounts maintained with CDP are credited with the Shares

"Shares"	Ordinary shares of USD0.001 each in the capital of the Company
"SIC"	Securities Industry Council
"Substantial Shareholders"	A person who has an interest or interests in voting Shares in the Company representing not less than 5% of all the voting Shares
"Takeover Code"	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"S\$" and "Singapore cents"	Singapore dollars and cents, respectively
"US\$" and "US cents"	United States dollars and cents, respectively
"%" or "per cent."	Percentage or per centum

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

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.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

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

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

Any discrepancies in the tables included in this Appendix between the listed amounts and the totals are due to rounding; accordingly, figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

MEWAH INTERNATIONAL INC.

(Incorporated in the Cayman Islands)
(Company Registration No.: CR-166055)

Directors:

Dr Cheo Tong Choon @ Lee Tong Choon
(Chairman and Executive Director)
Ms Michelle Cheo Hui Ning (Executive Director and Chief Executive Officer)
Ms Bianca Cheo Hui Hsin (Executive Director and Chief Operation Officer)
Ms Wong Lai Wan (Executive Director)
Dr Foo Say Mui (Bill) (Lead Independent Director)
Mr Robert Loke Tan Cheng (Independent Director)
Tan Sri Datuk Dr Ong Soon Hock (Independent Director)
Datuk Dr Fawzia Binti Abdullah (Independent Director)

Registered Office:

Harbour Place, 2nd Floor
103 South Church Street
P.O. Box 472
George Town
Grand Cayman,
KY1-1106
Cayman Islands

4 April 2018

To: The Shareholders of Mewah International Inc.

Dear Shareholders,

1. INTRODUCTION

1.1 The Directors of the Company wish to seek Shareholders' approval for:

- (a) the proposed amendments to the Articles; and
- (b) the proposed renewal of the Share Purchase Mandate,

(collectively, the "Proposals") at the AGM to be held on 26 April 2018 at 10:30 a.m. at Genting 1 Ballroom, Level 1, Genting Hotel Jurong, 2 Town Hall Link, Singapore 608516.

1.2 The purpose of this Appendix, to be circulated to Shareholders together with the Company's Annual Report, is to provide Shareholders with relevant information pertaining to the Proposals to be tabled at the AGM.

2. THE PROPOSED AMENDMENTS TO THE ARTICLES

2.1 On 22 March 2017, SGX-ST announced amendments to the Listing Manual for the purposes of alignment with certain provisions of the Companies (Amendment) Act 2014. The amendments took effect on 31 March 2017. Among other things, the amendments enable listed companies to undertake electronic communications with its shareholders, provided that such companies have obtained consent (whether express, deemed or implied), from the relevant shareholders.

2.2 The Company is accordingly proposing to amend the Articles to specifically permit the electronic transmission of notices and documents under the deemed and implied consent regimes, subject to the applicable laws of the Cayman Islands.

2.3 The opportunity will also be taken to update, streamline and rationalize the Articles to align them with the constitutions of Singapore-incorporated companies listed on the SGX-ST (where relevant and where permitted under the applicable laws of the Cayman Islands), following the changes to the Companies Act of Singapore pursuant to the Companies (Amendment) Act 2014 and the Companies (Amendment) Act 2017.

2.4 The Articles, as proposed to be altered, contain provisions which are consistent 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.

2.5 The proposed amendments to the Articles, struck through for deletions and underlined for insertions, are set out in full in Annexure A of this Appendix and are subject to Shareholders' approval by special resolution. If approved by the Shareholders, the proposed amendments will become effective immediately after the AGM.

2.6 Summary of Amendments to the Articles to ensure compliance with the Listing Manual

The following is a summary of the proposed amendments to the Articles which are significantly different from the existing Articles, and should be read in conjunction with Annexure A of this Appendix.

2.6.1 Article 22

It is proposed that Article 22 be amended to provide that the Company shall have a first and paramount lien on every share (not being a fully paid share) for all unpaid calls and instalments upon the share in respect of which such moneys 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, as set out in Annexure A of this Appendix. The changes are in line with Paragraph 1(3)(a) of Appendix 2.2. of the Listing Manual.

2.6.2 Article 56

It is proposed that Article 56 be amended to provide that all general meetings shall be held in Singapore, as set out in Annexure A of this Appendix. The changes are in line with Rule 730A(1) of the Listing Manual, which requires all issuers with a primary listing on the SGX-ST to hold their general meetings in Singapore (unless prohibited by relevant laws and regulations in the jurisdiction of their incorporation), in order to promote a more active participation and engagement of the Shareholders. Article 56 is proposed to be further amended to provide that general meetings may be held outside Singapore if so permitted by applicable laws. This additional clarification is in line with Paragraph 2.5 of Practice Note 7.5 of the Listing Manual which states that the SGX-ST recognizes that there may be circumstances which call for an issuer to hold its general meetings outside Singapore, and that the SGX-ST is prepared to consider these circumstances on a case-by-case basis.

2.6.3 Article 65

It is proposed that Article 65 be amended to provide that if required by the Listing Manual, all resolutions at general meetings shall be voted by poll unless such requirement is waived by SGX-ST, as set out in Annexure A of this Appendix. The changes are in line with Rule 730A(2) of the Listing Manual, which requires issuers to conduct the voting of all resolutions put to general meetings by poll, in order to enhance transparency of the voting process and encourage greater shareholder participation.

2.6.4 Article 68

It is proposed that Article 68 be amended to provide that at least one scrutineer will be appointed for each general meeting, in accordance with the Listing Manual, who shall be independent of the persons undertaking the polling process, as set out in Annexure A of this Appendix. This amendment is in line with Rule 730A of the Listing Manual.

2.6.5 Article 158A

It is proposed that a new Article 158A be inserted to provide for the electronic transmission of documents (including notices, circulars and annual reports) following the introduction of simplified procedures for the sending of documents electronically pursuant to Part IV of Chapter 12 of the Listing Manual, as set out in Annexure A of this Appendix. Companies can, subject to certain statutory safeguards, make use of these simplified procedures where a shareholder has given express, implied or deemed consent for the company to do so in accordance with the Articles of the company. The Company regards express consent as being given where a Shareholder gives notice in writing to the Company that he consents to having documents transmitted to him via electronic communications.

Rule 1209(1) of the Listing Manual provides that there is deemed consent ("**Deemed Consent**") from a shareholder where: -

- (i) the Articles of Association or other constituent document of the issuer: -
 - (A) provides for the use of electronic communications;
 - (B) specifies the manner in which electronic communications is to be used; and
 - (C) specifies that the shareholder will be given an opportunity to elect within a specified period of time, whether to receive such document by way of electronic communications or as a physical copy; and
- (ii) the issuer has separately notified the shareholder directly in writing on at least one occasion of the following: -
 - (A) that the shareholder has a right to elect, within a time specified in the notice from the issuer, whether to receive documents in either electronic or physical copies;

- (B) that if the shareholder does not make an election, documents will be sent to the shareholder by way of electronic communications;
- (C) the manner in which electronic communications will be used is the manner specified in the Articles of Association or other constituent document of the issuer;
- (D) that the election is a standing election, but that the shareholder may make a fresh election at any time; and
- (E) until the shareholder makes a fresh election, the election that is conveyed to the issuer last in time prevails over all previous elections as the shareholder's valid and subsisting election in relation to all documents to be sent.

Rule 1209(2) of the Listing Manual provides that a shareholder has given implied consent ("Implied Consent") where the Articles of Association or other constituent document of the issuer: -

- (i) provides for the use of electronic communications;
- (ii) specifies the manner in which electronic communications is to be used; and
- (iii) provides that the shareholder shall agree to receive such document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such document.

However, Rule 1210 of the Listing Manual provides that an issuer is still required to send certain documents to shareholders by way of physical copies if express consent from shareholders is not obtained. Such documents are as follows:

- (i) forms or acceptance letters that shareholders may be required to physically complete;
- (ii) notice of meetings, excluding circulars or letters referred in that notice;
- (iii) notices and documents relating to take-over offers and rights issues; and
- (iv) notices under Rules 1211 and 1212 of the Listing Manual.

Rule 1211 of the Listing Manual also 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 a physical copy of that document from the issuer. The issuer shall provide a physical copy of that document upon such request.

Rule 1212 of the Listing Manual provides that if the issuer uses website publication as the form of electronic communications, the issuer shall separately provide a physical notification to shareholders notifying of the following:

- (i) the publication of the document on the website;
- (ii) if the document is not available on the website on the date of notification, the date on which it will be available;
- (iii) the address of the website;
- (iv) the place on the website where the document may be accessed; and
- (v) how to access the document.

The new Article 158A provides *inter alia* that:

- (i) documents may be sent to Shareholders using electronic communications either to a Shareholder's current address (which may be an email address) or in such manner as a member expressly consents to by giving notice in writing to the Company;
- (ii) in relation to Implied Consent, a Shareholder who has not given express consent may nonetheless be implied to have agreed to receive such document by way of electronic communications and shall not have a right to elect to receive a physical copy of such document, unless otherwise provided under applicable laws or the Listing Rules;

- (iii) in relation to Deemed Consent, the Directors may decide to give Shareholders an opportunity to elect to opt out of receiving such document by way of electronic communications, and a Shareholder is deemed to have consented to receive such document by way of electronic communications if he was given such an opportunity but failed to opt out within the specified time, unless otherwise provided under applicable laws or the Listing Rules. Any election or deemed election by a Shareholder is a standing election but the Shareholder may make a fresh election to receive such document as a physical copy at any time. Until the Shareholder makes a fresh election, the election or deemed election that was last in time shall prevail; and
- (iv) the delivery or service of documents by electronic means shall not apply to certain prescribed documents (e.g. any notice or document relating to any take-over offer or rights issue of the Company).

The new Article 158A additionally provides for when service is effected in the case of documents sent by electronic communications. In particular, where a document is made available on a website, it is deemed served on the date on which the document is first made available on the website, unless otherwise provided in the Listing Manual and/or other applicable regulations or procedures. The new article 158A will enable greater efficiency and cost savings in the transmission of documents from the Company to the Shareholders. The Company will comply with the requirements of the Listing Manual if and when it decides to transmit notices and documents electronically to its Shareholders.

2.6.6 Article 159

It is proposed that Article 159 be amended to provide when a notice or other document is deemed to be served if given, sent or served by electronic communications, as set out in Annexure A of this Appendix. This amendment provides clarity as to the transmission of notices or documents electronically.

2.6.7 Article 167

It is proposed that Article 167 be deleted as it has been superseded by section 130 of the Securities and Futures Act, as set out in Annexure A of this Appendix.

3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 **Background and Shareholders' Approval**

At the AGM of the Company held on 27 April 2017, Shareholders had approved a general and unconditional mandate to enable the Company to purchase or otherwise acquire its issued Shares (the "**Share Purchase Mandate**"). The Share Purchase Mandate will expire on the date of the forthcoming AGM to be held on 26 April 2018 and the Directors propose that the Share Purchase Mandate be renewed at the forthcoming AGM. If approved, the Share Purchase Mandate will take effect from the date of the AGM and continue in force until the conclusion of the next AGM or such date as the next AGM is required to be held, unless prior thereto, Share buybacks are carried out to the full extent mandated or the Share Purchase Mandate is revoked or varied by the Company in general meeting. The Share Purchase Mandate may be put to Shareholders for renewal at each subsequent AGM.

3.2 **Rationale**

The Share Purchase Mandate will allow the Company the flexibility to purchase or acquire Shares if and when circumstances permit. Share purchases or acquisitions provide the Company and its Directors with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The purchase or acquisition of Shares may, depending on market conditions and funding arrangements, lead to an enhancement of the earnings per Share and/or NTA per Share.

Share purchases or acquisitions also allow the Company to exercise greater control over its share capital structure, dividend policy and cash reserves with a view to enhance the earnings per Share and/or NTA per Share. The Share Purchase Mandate will further give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued and help to buffer short-term share price volatility and offset the effects of share price speculation, thereby boosting the confidence of the Shareholders, employees, lenders and other stakeholders.

If and when circumstances permit, the Directors will decide whether to effect the Share purchases or acquisitions via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

The Directors will only make purchases or acquisitions of Shares pursuant to the Share Purchase Mandate when they consider it to be in the best interests of the Company 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.

3.3 Authority and Limits on the Share Purchase Mandate

The authority and limits placed on purchases of Shares by the Company under the Share Purchase Mandate, are summarised below:

3.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired under the Share Purchase Mandate will not exceed:

- (i) within any period of (6) six months, 1.5% of the issued Shares of the Company; and
- (ii) within the entire Relevant Period, 3% of the issued Shares of the Company,

as at the date of the AGM at which the renewal of the Share Purchase Mandate is approved (the "**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Cayman Companies Law at any time during the Relevant Period or within any one (1) financial year of the Company, whichever is the earlier, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered. Any of the Company's Shares which are held as treasury shares and/or held by a subsidiary of the Company in accordance with the provisions of the Companies Act, will be disregarded for purposes of computing the 3% limit.

For illustrative purposes only, on the basis of 1,500,667,440 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued or cancelled on or prior to the AGM:

- (i) not more than 22,510,011 Shares (representing approximately 1.5% of the issued share capital of the Company as at that date) may be purchased by the Company pursuant to the proposed Share Purchase Mandate within any period of (6) six months; and
- (ii) not more than 45,020,023 Shares (representing approximately 3% of the issued share capital of the Company as at that date) may be purchased by the Company pursuant to the proposed Share Purchase Mandate for the duration referred to in Paragraph 3.3.2 below. As at the Latest Practicable Date, the Company is not holding any Shares as treasury shares.

3.3.2 Duration of Authority

Share purchases or acquisitions pursuant to the Share Purchase Mandate may be made, at any time and from time to time, on and from the Approval Date, up to:

- (i) the conclusion of the next AGM of the Company; or
- (ii) the date on which the next AGM is required to be held; or
- (iii) the date on which such Share purchases or acquisitions are carried out to the full extent mandated; or
- (iv) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting,

whichever is the earliest (the "**Relevant Period**").

3.3.3 Manner of Share Purchase

- (i) Share purchases or acquisitions may be made by way of a Market Purchase or an Off-Market Purchase.
- (ii) The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Cayman Companies Law, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. However, an equal access scheme must satisfy all of the following conditions:
 - (a) offers under the scheme must be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
 - (b) all of those persons must have a reasonable opportunity to accept the offers made to them; and

- (c) the terms of all the offers must be the same except that there shall be disregarded (1) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements, (2) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid, and (3) differences in the offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.
- (iii) If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company will issue an offer document to all Shareholders which shall 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 Share purchase or acquisition;
 - (d) the consequences, if any, of the Share purchases or acquisitions by the Company that will arise under the Takeover Code or other applicable take-over rules;
 - (e) whether the Share purchase or acquisition, if made, will have any effect on the listing of the Shares on the SGX-ST;
 - (f) details of any Share purchases or acquisitions made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

3.3.4 Maximum Purchase Price

The purchase price per Share (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for Shares purchased or acquired pursuant to the Share Purchase Mandate will be determined by the Directors.

However, the purchase price to be paid for the Shares purchased or acquired pursuant to the Share Purchase Mandate must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

(the **"Maximum Price"**) in either case, excluding related expenses of the purchase.

For the above purposes:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five (5) consecutive Market Days, on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) consecutive Market Days; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of the Shares to holders of Shares, stating the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 Status of Purchased Shares

Under the Cayman Companies Law, a company may hold shares so purchased or acquired as treasury shares provided that:

- (i) the memorandum and articles of association of the company do not prohibit it from holding treasury shares;
- (ii) the relevant provisions of the memorandum and articles of association (if any) are complied with; and
- (iii) the company is authorised in accordance with the company's articles of association or by a resolution of the directors to hold such shares in the name of the company as treasury shares prior to the purchase, redemption or surrender of such shares

3.4.1 Treasury Shares

Where Shares purchased or acquired by the Company are held as treasury shares, the Company shall be entered into its register of members as holding the treasury shares, but shall not be treated as a member of the Company for any purpose and shall not exercise any right, including voting and dividend rights, in respect of the treasury shares, and any purported exercise of such a right shall be void. A treasury share shall not be voted, directly or indirectly, at any meeting of the Company, and shall not be counted as issued Shares at any given time, whether for the purpose of the Company's Articles or the Cayman Companies Law. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made to the Company, in respect of a treasury share. However, notwithstanding the aforesaid, Shares may be allotted as fully paid bonus shares in respect of a treasury share and such Shares allotted as fully paid bonus shares in respect of a treasury share shall be treated as treasury shares. The Company may deal with treasury shares in any of the following ways:

- (i) cancel the treasury shares in accordance with the provisions of the Company's Articles or (in the absence of any applicable provisions in the Company's Articles) by a resolution of the Directors, and if so cancelled, the amount of the Company's issued share capital (but not the Company's authorised share capital) shall be diminished by the nominal or par value of those shares accordingly; or
- (ii) transfer the shares to any person, whether or not for valuable consideration (including at a discount to the nominal or par value of such shares).

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as (a) the date of the usage; (b) the purpose of the usage; (c) the number of treasury shares comprised in the usage; (d) the number of treasury shares before and after the usage; (e) the percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after the usage; and (f) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

3.4.2 Cancellation of Shares

A Share purchased or acquired by the Company is, unless held as a treasury share in accordance with the Cayman Companies Law, treated as cancelled immediately on purchase or acquisition. On such cancellation, all rights and privileges attached to that Share will expire and the Company's issued share capital (but not its authorised share capital) shall be diminished by the nominal value of that Share. Accordingly, the total number of issued Shares, but not the Company's authorised share capital, will be diminished by the number of Shares purchased or acquired by the Company which are cancelled.

All Shares purchased or acquired by the Company and cancelled 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 the settlement of any such purchase or acquisition of Shares.

3.5 Reporting Requirements

- 3.5.1 The Listing Manual specifies 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 a market acquisition, on the Market Day following the date of purchase or acquisition of any of its shares; and (b) in the case of an off-market acquisition under an equal access scheme, on the second Market Day after the close of acceptances of the offer.
- 3.5.2 However, Article 3(2) of the Articles provides that the Company must make an announcement to the SGX-ST of any purchase or acquisition by the Company of its own Shares on the Market Day following the day of such purchase or acquisition.
- 3.5.3 The notification of such purchases or acquisitions to the SGX-ST shall be in such form and shall include such details as may be prescribed by the SGX-ST in the Listing Manual. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion with the necessary information which will enable the Company to make the notifications to the SGX-ST.
- 3.5.4 For an Off-Market Purchase, the Listing Manual requires that the listed company issue an offer document to all shareholders containing the information as set out in Paragraph 3.3.3(iii) above.

3.6 Sources of Funds

- 3.6.1 In purchasing or acquiring Shares, the Company shall only apply funds legally available in accordance with its Articles and any other applicable laws in Singapore and the Cayman Islands. Furthermore, the Company may not purchase or acquire its Shares on the SGX-ST in accordance with its Articles or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

- 3.6.2 Pursuant to the Articles and the Cayman Companies Law, any payment made by the Company in consideration of the purchase or acquisition of its own Shares may only be made out of the profits of the Company, share premium, out of the proceeds of a fresh issue of Shares made for the purposes of the purchase or by a payment out of capital as the Board may determine in accordance with the provisions of the Cayman Companies Law. A payment out of capital by a Cayman Islands company for the purchase of its own shares is not lawful unless immediately following the date on which the payment out of capital is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business. Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchase or acquisition of Shares.
- 3.6.3 The Company will use internal resources or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Purchase Mandate. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions pursuant to the Share Purchase Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

3.7 Financial Impact

- 3.7.1 Under the Cayman Companies Law, Share purchases or acquisitions by the Company may be made out of the Company's capital or profits or share premium or the proceeds of a fresh issue of Shares made for that purpose.
- 3.7.2 Where the purchased or acquired Shares are cancelled, a reduction by the total amount of the purchase price paid by the Company for the Shares cancelled will be made to:
- (i) the share capital of the Company where the Shares were purchased out of the capital of the Company;
 - (ii) the profits of the Company where the Shares were purchased out of the profits of the Company;
 - (iii) the share premium account where the Shares were purchased out of the share premium account of the Company; or
 - (iv) the share capital, share premium and profits of the Company proportionately where the Shares were purchased out of both the capital, share premium and profits of the Company.
- 3.7.3 The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from purchases of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend, *inter alia*, on the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.
- 3.7.4 The impact of purchases or acquisitions under the Share Purchase Mandate on net asset value per Share, earnings per Share and gearing of the Company and the Group will depend, *inter alia*, on the number of Shares purchased or acquired, the price at which they are purchased or acquired and the manner in which the purchase or acquisition is funded. It is therefore not possible to accurately calculate or quantify the impact at this point of time.
- 3.7.5 Based on the existing number of Shares of the Company as at the Latest Practicable Date, the proposed Share purchases or acquisitions by the Company of up to a maximum of 3% of its Shares under the Share Purchase Mandate will result in the purchase of up to 45,020,023 Shares.
- 3.7.6 In the case of Market Purchases by the Company, based on 1,500,667,440 Shares in issue as at the Latest Practicable Date and the assumption that, pursuant to the Share Purchase Mandate, the Company purchases the maximum number of 45,020,023 Shares at the Maximum Price of S\$0.315 per Share (being the price equivalent to 5% above the Average Closing Price, which is assumed to be S\$0.30 per Share), the maximum amount of funds required for the purchase of 45,020,023 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$14,181,307 or US\$10,743,414 (based on assumed exchange rate of US\$1:S\$1.32 at the time of purchase).
- 3.7.7 In the case of Off-Market Purchases by the Company, based on 1,500,667,440 Shares in issue as at the Latest Practicable Date and the assumption that, pursuant to the Share Purchase Mandate, the Company purchases the maximum number of 45,020,023 Shares at the Maximum Price of S\$0.36 per Share (being the price equivalent to 20% above the Average Closing Price, which is assumed to be S\$0.30 per Share), the maximum amount of funds required for the purchase of 45,020,023 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$16,207,208 or US\$12,278,188 (based on assumed exchange rate of US\$1:S\$1.32 at the time of purchase).
- 3.7.8 On the basis of the assumptions set out above and the following:
- (a) the Share Purchase Mandate had been effective on 31 December 2017 and 45,020,023 Shares (representing 3% of the Shares in issue as at the Latest Practicable Date) were purchased and were (i) cancelled or (ii) held as treasury shares, on 31 December 2017; and

(b) such Share purchase was financed solely by internal resources,

illustrations of the financial impact of Share purchases or acquisitions by the Company pursuant to the Share Purchase Mandate on the Group and the Company's audited financial statements for the financial year ended 31 December 2017 are set out below:

Scenario A: Shares purchased and cancelled

	Before purchase US\$'000	Group After Market purchase US\$'000	After Off- Market purchase US\$'000	Before purchase US\$'000	Company After Market purchase US\$'000	After Off- Market purchase US\$'000
As at 31 December 2017						
Share capital	1,501	1,456	1,456	1,501	1,456	1,456
Share premium	180,012	141,970	141,970	180,012	141,970	141,970
Other reserves	(68,974)	(41,630)	(43,165)	3,509	30,853	29,318
Retained earnings	403,984	403,984	403,984	65,354	65,354	65,354
Capital and reserves attributable to equity holders of the Company	516,523	505,780	504,245	250,376	239,633	238,098
Minority Interest	1,133	1,133	1,133	-	-	-
Total equity	517,656	506,913	505,378	250,376	239,633	238,098
Non-current assets	376,437	376,437	376,437	849	849	849
Current assets	848,419	837,676	836,141	250,823	240,080	238,545
Current liabilities	(651,101)	(651,101)	(651,101)	(977)	(977)	(977)
Non-current liabilities	(56,099)	(56,099)	(56,099)	(319)	(319)	(319)
Net assets (net of minority interest)	517,656	506,913	505,378	250,376	239,633	238,098
Total borrowings	404,477	404,477	404,477	-	-	-
Cash and cash equivalent	69,593	58,850	57,315	155	-	-
Profit after tax attributable to equity holders of the Company	33,631	33,631	33,631	n.m	n.m	n.m
Number of Shares outstanding as at 31 December 2017 ('000)	1,500,667	1,455,647	1,455,647	1,500,667	1,455,647	1,455,647
Weighted average number of Shares outstanding during the year ended 31 December 2017 ('000)	1,500,667	1,500,667	1,500,667	1,500,667	1,500,667	1,500,667
Financial Ratios						
Net asset value per Share based on issued share capital as at 31 December 2017 (US cents per share)	34.42	34.75	34.64	16.68	16.46	16.36
Gearing (%)*	0.65	0.68	0.69	-	-	-
Earnings per Share based on weighted average number of shares (US cents per share)	2.24	2.24	2.24	n.m	n.m	n.m

Scenario B: Shares purchased and held as treasury shares

	Before purchase US\$'000	Group After Market purchase US\$'000	After Off- Market purchase US\$'000	Before purchase US\$'000	Company After Market purchase US\$'000	After Off- Market purchase US\$'000
As at 31 December 2017						
Share capital	1,501	1,456	1,456	1,501	1,456	1,456
Share premium	180,012	141,970	141,970	180,012	141,970	141,970
Treasury shares	-	45	45	-	45	45
Other reserves	(68,974)	(41,675)	(43,210)	3,509	30,808	29,273
Retained earnings	403,984	403,984	403,984	65,354	65,354	65,354
Capital and reserves attributable to equity holders of the Company	516,523	505,780	504,245	250,376	239,633	238,098
Minority Interest	1,133	1,133	1,133	-	-	-
Total equity	517,656	506,913	505,378	250,376	239,633	238,098
Non-current assets	376,437	376,437	376,437	849	849	849
Current assets	848,419	837,676	836,141	250,823	240,080	238,545
Current liabilities	(651,101)	(651,101)	(651,101)	(977)	(977)	(977)
Non-current liabilities	(56,099)	(56,099)	(56,099)	(319)	(319)	(319)
Net assets (net of minority interest)	517,656	506,913	505,378	250,376	239,633	238,098
Total borrowings	404,477	404,477	404,477	-	-	-
Cash and cash equivalent	69,593	58,850	57,315	155	-	-
Profit after tax attributable to equity holders of the Company	33,631	33,631	33,631	n.m	n.m	n.m
Number of Shares outstanding as at 31 December 2017 ('000)	1,500,667	1,455,647	1,455,647	1,500,667	1,455,647	1,455,647
Weighted average number of Shares outstanding during the year ended 31 December 2017 ('000)	1,500,667	1,500,667	1,500,667	1,500,667	1,500,667	1,500,667

Financial Ratios

Net asset value per Share based on issued share capital as at 31 December 2017 (US cents per share)	34.42	34.75	34.64	16.68	16.46	16.36
Gearing (%) ⁽¹⁾	0.65	0.68	0.69	-	-	-
Earnings per Share based on weighted average number of shares (US cents per share)	2.24	2.24	2.24	n.m	n.m	n.m

Notes:

⁽¹⁾ Gearing (%) is defined as Total borrowings less Cash and cash equivalents divided by Total equity⁽²⁾ Shareholders should note that the financial effects illustrated above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Group and the Company as at 31 December 2017, and are not representative of the Group's future financial performance.⁽³⁾ Although the Share Purchase Mandate would authorise the Company to buy back up to 3% of the Company's issued Shares, the Company may not necessarily buy back all 3% of the issued Shares in full.**3.8 Taxation**

Shareholders who are in doubt as to their respective tax positions or tax implications of Share purchases or acquisitions by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

3.9 Listing Status

- 3.9.1 The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares are in the hands of the public. The “**public**”, as defined under the Listing Manual, are persons other than:
- (i) the Directors, chief executive officer and Substantial Shareholders, or controlling shareholders of the Company or its subsidiaries; and
 - (ii) the associates of such persons named in (i).
- 3.9.2 As at the Latest Practicable Date, there are 221,380,900 Shares in the hands of the public representing approximately 14.75% of the issued Shares of the Company. Assuming that the Company purchases its Shares up to the full 3% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 176,360,877 Shares, representing 12.12% of the remaining issued Shares of the Company (on the assumption that the purchased Shares are cancelled and not held as treasury shares). As such, the Company will continue to remain in compliance with Rule 723 of the Listing Manual even if the Company purchases its Shares up to the full 3% limit pursuant to the Share Purchase Mandate.
- 3.9.3 In undertaking any purchases of its Shares, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the share purchase(s) will not:
- (i) affect the listing status of the Shares on the SGX-ST;
 - (ii) cause market illiquidity; or
 - (iii) affect the orderly trading of the Shares.
- 3.9.4 While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because a listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after any matter of a price sensitive nature has occurred or has been the subject of a consideration and/or decision of the board of directors of the Company until the price sensitive information has been publicly announced. The Group has adopted a Best Practice Code – Trading in Company’s Securities. As per the policy, the Company, its Directors, its officers and all employees of the Group are prohibited from dealing in the Company’s shares during the period commencing two (2) weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one month immediately preceding the announcement of the Company’s financial statements for its annual (full-year) results, and ending one business day after the date of the announcement of the relevant results.

3.10 Implications under the Takeover Code

- 3.10.1 The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following the purchase of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Takeover Code (“**Rule 14**”). Consequently, depending on the number of Shares purchased by the Company and the total number of Shares issued by the Company at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate control of the Company and could become obliged to make an offer under Rule 14.
- 3.10.2 Under the Takeover 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 control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert:
- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, and any company whose associated companies include any of the foregoing companies;
 - (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
 - (iii) an individual, his close relatives, his related trusts and any person who is accustomed to act in accordance with his instructions, companies controlled by any of foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid for the purchase of voting rights.

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

- 3.10.3 The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a general offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Takeover Code ("**Appendix 2**").
- 3.10.4 In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a general offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of (6) six months.
- 3.10.5 Under Appendix 2, a Shareholder who is not acting in concert with the Directors will not be required to make a general offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of (6) six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the proposed Share Purchase Mandate, unless so required under the Cayman Companies Law.
- 3.10.6 Shareholders (including Directors) and their concert parties who hold more than 50% of the Company's voting rights are under no obligation to make a general offer under Rule 14 if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring its Shares.
- 3.10.7 The interests of the Directors and Substantial Shareholders of the Company, and where applicable, their relationship with respect to each other, are set out in Paragraph 4 below.
- 3.10.8 Although the terms of the Share Purchase Mandate allow the Company to purchase up to 45,020,023 Shares (representing 3% of the issued share capital of the Company as at the Latest Practicable Date), such purchase of Shares would be further subject to a sub-limit of 22,510,011 Shares (representing 1.5% of the issued share capital of the Company as at the Latest Practicable Date) within any period of (6) six months.
- 3.10.9 Accordingly, based on the number of Shares held by the Directors and Substantial Shareholders of the Company and their concert parties, as at the Latest Practicable Date, the purchase by the Company of the maximum limit of 3% of its issued share capital would not cause:
- (i) the voting rights of any Director or Substantial Shareholder and their concert parties to increase to 30% or more; or
 - (ii) in respect of a Director or Substantial Shareholder and their concert parties who holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder to increase by more than 1% in any period of (6) six months.
- 3.10.10 The Cheo Family Directors have undertaken to simultaneously reduce their collective interest by 1 Share for every 2 Shares purchased by the Company.
- 3.10.11 As at the Latest Practicable Date, taking into account the arrangements in Paragraph 3.10.9 and 3.10.10, the Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer under the Takeover Code in the event that the Company purchases the maximum number of Shares under the Share Purchase Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers before they acquire any Shares in the Company during the period when the Share Purchase Mandate is in force.

3.11 **Previous Share Purchases or Acquisitions**

The Company has not purchased any Shares during the twelve (12) months period preceding the Latest Practicable Date.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (a) the Company purchases the maximum limit of 1.5% of the issued share capital of the Company in the (6) months period commencing from the Approval Date, (b) the Company purchases the maximum limit of 3% of the issued share capital of the Company, (c) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, and (d) that the purchased Shares are cancelled and not held as treasury shares, will be as follows:

	<u>Before Share Purchase</u>			<u>After Share Purchase</u>		
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (No. of Shares)	Total Interest %	In the first (6) six months period (%)	At the end of the Relevant Period (%)
Directors						
Dr Cheo Tong Choon @ Lee Tong Choon	-	727,200,719 ⁽⁶⁾	727,200,719	48.46	48.44 ⁽¹⁰⁾	48.41 ⁽¹⁰⁾
Michelle Cheo Hui Ning	2,163,600	712,069,219 ⁽⁷⁾	714,232,819	47.59	47.56 ⁽¹⁰⁾	47.52 ⁽¹⁰⁾
Bianca Cheo Hui Hsin	2,460,100	713,595,219 ⁽⁸⁾	716,055,319	47.72	47.68 ⁽¹⁰⁾	47.65 ⁽¹⁰⁾
Wong Lai Wan	224,000	-	224,000	0.01	0.02	0.02
Robert Loke Tan Cheng	-	-	-	-	-	-
Dr Foo Say Mui (Bill)	-	-	-	-	-	-
Tan Sri Datuk Dr Ong Soon Hock	30,000	-	30,000	0.00	0.00	0.00
Datuk Dr Fawzia Binti Abdullah	-	-	-	-	-	-
Substantial Shareholders						
Eighteen Tenth Nineteen Forty Four Inc.	361,048,720 ⁽¹⁾	-	361,048,720	24.06	24.43	24.80
Dr. TC Pierre (Cayman Islands) Inc.	-	411,296,719 ⁽¹⁾⁽²⁾	411,296,719	27.41	27.82	28.26
T.C. Stone Limited	205,432,000 ⁽³⁾	-	205,432,000	13.69	13.90	14.11
J.J. Mibisa Holdings (BVI) Inc.	-	205,432,000 ⁽³⁾	205,432,000	13.69	13.90	14.11
Dr Cheo Tong Choon @ Lee Tong Choon	-	727,200,719 ⁽⁶⁾	727,200,719	48.46	48.44 ⁽¹⁰⁾	48.41 ⁽¹⁰⁾
Michelle Cheo Hui Ning	2,163,600	712,069,219 ⁽⁷⁾	714,232,819	47.59	47.56 ⁽¹⁰⁾	47.52 ⁽¹⁰⁾
Bianca Cheo Hui Hsin	2,460,100	713,595,219 ⁽⁸⁾	716,055,319	47.72	47.68 ⁽¹⁰⁾	47.65 ⁽¹⁰⁾
Sara Cheo Hui Yi	-	712,069,219 ⁽⁷⁾	712,069,219	47.45	47.41 ⁽¹⁰⁾	47.37 ⁽¹⁰⁾
Cheo Jian Jia	312,500	712,069,219 ⁽⁷⁾	712,381,719	47.47	47.43 ⁽¹⁰⁾	47.39 ⁽¹⁰⁾
Cheo Seng Jin	186,124,900 ⁽⁵⁾	-	186,124,900	12.40	12.59	12.79
Chung Amy	18,366,500	68,406,300 ⁽⁹⁾	86,772,800	5.78	5.87	5.96
Ong Tuan Hong	82,351,220	-	82,351,220	5.49	5.57	5.66

Notes:

- (1) The shareholders of Eighteen Tenth Nineteen Forty Four Inc. ("**1810**") include Dr. T.C. Pierre (Cayman Islands) Inc. (95.31%) which is wholly owned by SG Kleinwort Hambros Trust Company (Channel Islands) Limited as trustee of The TC Peter MD Settlement for its beneficiaries, including Michelle Cheo Hui Ning, Bianca Cheo Hui Hsin, Sara Cheo Hui Yi and Cheo Jian Jia. Dr Cheo Tong Choon @ Lee Tong Choon is the Settlor of the Trust.
- (2) The shareholders of Unity Investment Inc. ("**Unity**") include Dr T.C. Pierre (Cayman Islands) Inc. (82.85%) which is wholly owned by SG Kleinwort Hambros Trust Company (Channel Islands) Limited as trustee of The TC Peter MD Settlement for its beneficiaries, including Michelle Cheo Hui Ning, Bianca Cheo Hui Hsin, Sara Cheo Hui Yi and Cheo Jian Jia. Dr Cheo Tong Choon @ Lee Tong Choon is the Settlor of the Trust. Accordingly, Dr. T.C. Pierre (Cayman Islands) Inc. is deemed to have an interest in 50,247,999 shares held by Unity.
- (3) The shareholders of T.C. Stone Limited. ("**TCS**") is wholly owned by J.J. Mibisa Holdings (BVI) Inc. which in turn is wholly owned by SG Kleinwort Hambros Trust Company (Channel Islands) Limited as trustee of The TC Peter MD Settlement for its beneficiaries, including Michelle Cheo Hui Ning, Bianca Cheo Hui Hsin, Sara Cheo Hui Yi and Cheo Jian Jia. Dr Cheo Tong Choon @ Lee Tong Choon is the Settlor of the Trust.
- (4) Choon Heng Transport & Warehousing Pte Ltd ("**CHTWPL**") is wholly owned by Cheo Holdings Pte. Ltd. ("**CHPL**") which includes Cheo Tiong Heng @ Lee Tiong Heng (32.57%) and Chung Amy (43.50%) as shareholders. Cheo Tiong Heng @ Lee Tiong Heng shall ensure that the CHTWPL shall vote with respect to the 51,528,500 shares, on certain matters in accordance with the wishes of J.J. Mibiansa Holdings Pte Ltd owned by MOI Chemicals Ltd which is wholly owned by SG Kleinwort Hambros Trust Company (Channel Islands) Limited as trustee of The TC Peter MD Settlement for its beneficiaries, including Michelle Cheo Hui Ning, Bianca Cheo Hui Hsin, Sara Cheo Hui Yi and Cheo Jian Jia. Dr Cheo Tong Choon @ Lee Tong Choon is the Settlor of the Trust.
- (5) Cheo Seng Jin has assigned voting rights of 43,812,000 shares to SG Kleinwort Hambros Trust Company (Channel Islands) Limited as trustee of The TC Peter MD Settlement for its beneficiaries, including Michelle Cheo Hui Ning, Bianca Cheo Hui Hsin, Sara Cheo Hui Yi and Cheo Jian Jia. Dr Cheo Tong Choon @ Lee Tong Choon is the Settlor of the Trust.
- (6) Deemed interest for Dr Cheo Tong Choon @ Lee Tong Choon arises from the shares held by his spouse; and shares held by 1810 (Note 1), Unity. (Note 2), TCS (Note 3), CHTWPL (Note 4) and Cheo Seng Jin (Note 5).
- (7) Deemed interest for Michelle Cheo Hui Ning, Cheo Jian Jia and Sara Cheo Hui Yi arise from the shares held by 1810 (Note 1), Unity (Note 2), TCS (Note 3), CHTWPL (Note 4) and Cheo Seng Jin (Note 5).

⁽⁸⁾ Deemed interest for Bianca Cheo Hui Ning arises from the shares held by her spouse; and shares held by 1810 (Note 1), Unity (Note 2), TCS (Note 3), CHTWPL (Note 4) and Cheo Seng Jin (Note 5).

⁽⁹⁾ Deemed interest for Chung Amy arises from 68,406,300 shares held by CHTWPL (Note 4) which is wholly owned by CHPL.

⁽¹⁰⁾ **The Cheo Family Directors have undertaken to simultaneously reduce their collective interest by 1 Share for every 2 Shares purchased by the Company.**

Shareholders should note that the figures in the above table are set out for illustrative purposes only and calculated on the assumption that there is no change in the number of Shares held or deemed to be held by the Directors.

5 ANNUAL GENERAL MEETING

The AGM, notice of which is set out on pages 122 to 127 of the Annual Report, will be held on 26 April 2018 at 10:30 a.m., at Genting 1 Ballroom, Level 1, Genting Hotel Jurong, 2 Town Hall Link, Singapore 608516. Shareholders' approval for the Proposals is being sought at the AGM. The resolution relating to the proposed amendment of the Articles is contained in the Notice of AGM as Special Resolution 12 and the resolution relating to the renewal of the Share Purchase Mandate is contained in the Notice of AGM as Ordinary Resolution 11.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend and vote at the AGM on their behalf should complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the AGM if he wishes to do so.

7. DIRECTORS' RECOMMENDATIONS

Having fully considered the rationale for the proposed amendment to the Articles as set out in Paragraph 2 of this Appendix and the proposed renewal of the Share Purchase Mandate as set out in Paragraph 3 of this Appendix, the Directors believe that the proposed amendment to the Articles and the proposed renewal of the Share Purchase Mandate is in the interest of the Company and recommend that Shareholders vote in favour of Special Resolution 12 and Ordinary Resolution 11.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

Yours faithfully,

For and on behalf
of the Board of Directors of
MEWAH INTERNATIONAL INC.

Dr Cheo Tong Choon @ Lee Tong Choon
Chairman and Executive Director

ANNEX

The proposed amendments to the Articles which are significantly different from the existing Articles are set out below. It is proposed that the following provisions in the Articles be amended in the following manner where text in strikethrough indicates deletions from and underlined text indicates additions to the Articles.

"22 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all unpaid calls and instalments upon the share in respect of which such moneys 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 a Member or deceased Member. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.

56 Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. ~~General meetings may be held in any part of the world as may be determined by the Board.~~ The Company shall hold all its general meetings in Singapore (unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation) or such other jurisdiction as permitted and/or required by the Statutes or as required under the Listing Rules of the Designated Stock Exchange.

65 (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting (i) on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Article 83) or by proxy shall have one vote and the chairman of the meeting shall determine which proxy shall be entitled to vote where a Member (other than the Depository) is represented by two proxies, and (ii) on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder or which he represents and in respect of which all calls due to the Company have been paid, but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. If required by the listing rules of the Designated Stock Exchange, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the Designated Stock Exchange).

(2) Subject to Article 65(1), a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:-

- (a) by the chairman of such meeting; or
- (b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all shares conferring that right; or
- (e) where the Depository is a Member, by at least three proxies representing the Depository.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.

68 A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately. The Chairman of the meeting may and, if required by the listing rules of the Designated Stock Exchange or if so directed by the meeting shall appoint scrutineer(s) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

158A. (1) Without prejudice to the provisions of Article 158 but subject otherwise to the Statutes and any regulations made thereunder and (where applicable) only when allowed under the listing rules of the Designated Stock Exchange relating to electronic communications, any notice or document (including, without limitation, any accounts, balance sheets, financial statements, circular or reports) which is required or permitted to be given, sent or served under the Statutes or under this Constitution by the Company, or by the Board, to a member or officer or Auditor of the Company may be given, sent or served using electronic communications (including by electronic mail or short message service):

- (a) to the current address of that person;
- (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.

in accordance with the provisions of this Constitution, the Statutes, the listing rules of the Designated Stock Exchange and/or any other applicable regulations or procedures.

(2) For the purposes of Article 158A(1), a Member shall be implied to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.

(3) Notwithstanding Article 158A(2) above, the Board may, at its discretion, at any time by notice in writing give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and such Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

(4) Notwithstanding Articles 158A(2) and 158A(3) 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 Designated Stock Exchange.

(5) Where a document is sent by electronic communications, the Company shall inform the Member as soon as practicable of how to request a physical copy of that document from the Company. The Company shall provide a physical copy of that document upon such request.

(6) Where the Company uses website publication as the form of electronic communications, the Company shall separately provide a physical notification to Members notifying 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 assessed; and
- (e) how to access the document.

159 Any notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof; and
- (b) if given, sent or served or delivered in any other manner contemplated by these Articles, electronic communications:
 - (i) to the current address of a person pursuant to Article 158A(1)(a), shall be deemed to have been ~~duly given, sent or served or delivered~~ at the time of ~~personal~~ transmission of the electronic communication by the email server or facility operated by the Company, its service ~~or provider or agent~~, to the current address of such person (notwithstanding any delayed receipt, non-delivery or, ~~as the case may~~ "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 listing rules of the Designated Stock Exchange; and
 - (ii) by making it available on a website pursuant to Article 158A(1)(b), shall be, ~~at the time of the relevant despatch or transmission or publication;~~ 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 listing rules of the Designated Stock Exchange,

and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof.

~~167 (1) For so long as the shares of the Company are listed on the Designated Stock Exchange, each Director shall, upon his appointment to the Board, give an undertaking to the Company that, for so long as he remains a Director, he shall forthwith notify the Secretary of the particulars of the shares beneficially owned by him at the time of his appointment and of any change in such particulars.~~

~~— (2) For so long as the shares of the Company are listed on the Designated Stock Exchange, each Member shall, (a) upon becoming a substantial shareholder of the Company, (b) for so long as he remains a substantial shareholder of the Company, upon a change in the percentage level of his interest or interests in the Company and (c) upon ceasing to be a substantial shareholder of the Company, give the Secretary a notice in writing of (i) the particulars of the shares beneficially owned by him, or (ii) the particulars of the change in interests (including the date of change and the circumstances by reason of which that change has occurred), or (iii) the particulars of the date and circumstances of the cessation of substantial shareholding, as the case may be, within two (2) business days after (aa) becoming a substantial shareholder, (bb) the date of change in the percentage level of his interests, or (cc) the date of cessation, as the case may be. For the purposes of this Article 167(2), the term “substantial shareholder” shall have the same meaning ascribed to it in Section 81(1) and 81(2) of the Singapore Companies Act, the term “interest” or “interests” shall have the same meaning ascribed to it in Section 7 of the Singapore Companies Act and the term “percentage level” shall have the meaning ascribed to it in Section 83(3) of the Singapore Companies Act. The requirement to give notice under this Article 167(2) shall not apply to the Depository.~~

~~— (3) For so long as the shares of the Company are listed on the Designated Stock Exchange, the provisions of Section 92 of the Singapore Companies Act, giving the Company power to require disclosure of beneficial interest in its shares, shall apply.~~

~~— (4) Notwithstanding anything to the contrary in this Article, this Article shall no longer apply upon Section 42 of the Securities and Futures (Amendment) Act 2009 of Singapore coming into force.~~