

The Summary of Amendment of the Civil and Commercial Code

The amendment of the Civil and Commercial Code ("CCC") was promulgated on 3 March 2008 and the provisions thereof will come into force on 1 July 2008. The significant amendments of CCC are as follows.

Part A Incorporation

Items	Current	Amendment
Number of promoters (S. 1097)	At least seven promoters	At least <u>three</u> promoters
Number of shareholders (S.1237(4))	At least seven shareholders	At least <u>three</u> shareholders
Time taken for incorporation	Approximately two weeks	One day (S. 1111/1)

Part B Liability of directors and/or company

The amendment of the CCC determines that a director registered with the Ministry of Commerce ("MoC") and/or a company whose objectives have been registered with the MoC cannot refuse their liability to a third party who has acted in good faith (S. 1023/1).

Part C Shareholders' Meeting

Items	Current	Amendment
Summon general meeting (S.1175)	<ul style="list-style-type: none"> - Publish* at least twice in a local newspaper; or - Send by post*. <p>*<u>Remark</u>: Seven days in advance of the date of meeting.</p>	<ul style="list-style-type: none"> - Publish* at least <u>once</u> in a local newspaper; and - Sent by <u>registered</u> mail* <p>*<u>Remark</u>: Seven days in advance of the date of meeting.</p>
Summon a meeting for special resolution (S.1175)	Same procedure as above.	Same procedure as above except that it will be required <u>14 days</u> in advance of the date of the meeting.
Procedure for special resolution (S.1194)	<p>Two successive shareholders' meetings.</p> <ul style="list-style-type: none"> (i) First meeting: Resolution requires at least 3/4 of the votes; and (ii) Second meeting: Resolution requires at least 2/3 of the votes. 	<p><u>One</u> shareholders' meeting: Resolution requires at least 3/4 of the votes.</p>

Part D Payment of dividend

Item	Current	Amendment
Notification of payment of dividend (S.1204)	<ul style="list-style-type: none"> - Send a letter to each shareholder; or - Publish twice at least in a local newspaper. 	<ul style="list-style-type: none"> - Send a letter to each shareholder; and - Publish <u>once</u> at least in a local newspaper <u>if the company has issued share certificates to bearer</u>.

Part E Reduction of Capital

Item	Current	Amendment
Procedure for reduction of capital (S.1226)	<ul style="list-style-type: none"> - Publish seven times at least in a local newspaper; - Send a notice to all creditors; and - Wait for any objection from creditors for three months from the date of notification. 	<ul style="list-style-type: none"> - Publish <u>once</u> at least in a local newspaper; - Send a notice to all creditors; and - Wait for any objection from creditors for <u>30</u> days from the date of notification.

Part F Amalgamation

Item	Current	Amendment
Procedure for amalgamation (S. 1240)	<ul style="list-style-type: none"> - Publish seven times at least in a local newspaper; - Send notice by registered mail to all creditors; and - Wait for any objection from creditors for six months from the date of notification. 	<ul style="list-style-type: none"> - Publish <u>once</u> at least in a local newspaper; - Send a notice (<u>registered mail not required</u>) to all creditors; and - Wait for any objection from creditors for <u>60 days</u> from the date of notification.

Part G Removal of company name

The amendment of the CCC stipulates that a competent officer has authority to take a company's name off the register if it is believed that the company does not carry on any business or does not have a liquidator during the process of liquidation or does not file any liquidation report. According to the amendment of the CCC, there are certain legal procedures to follow with regard to the removal of a company's name.

Part H Conversion to a company

There are additional provisions in the amendment of the CCC regarding the conversion of a registered partnership or a limited partnership into a company.

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