

CIRCULAR DATED 13 APRIL 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this Circular or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred your shares (“**Shares**”) in the capital of InnoTek Limited (“**Company**”), held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred your Shares represented by physical share certificate(s), you should immediately forward this Circular and the attached Proxy Form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer, for onward transmission to the purchaser or the transferee.

The Notice of Extraordinary General Meeting and Proxy Form have been made available on SGXNet and the Company’s website at <http://innotek.listedcompany.com/agmegm2021.html>. Printed copies of the Notice of Extraordinary General Meeting and the Proxy Form will NOT be despatched to Shareholders.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular has been made available on SGXNet and the Company’s website at <http://innotek.listedcompany.com/agmegm2021.html>. A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via “live” webcast or listening to the EGM proceedings via “live” audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Please refer to paragraph 6 of this Circular and the Company’s Notice of EGM dated 13 April 2021 which has been uploaded together with this Circular on SGXNet for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at the Company’s website at <http://innotek.listedcompany.com/agmegm2021.html>.



INNOTEK LIMITED

(Company Registration No.: 199508431Z)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED ADOPTION OF THE INNOTEK EMPLOYEES’ SHARE OPTION SCHEME 2021 (THE “2021 SCHEME”); AND**
- (2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS UNDER THE 2021 SCHEME AT A DISCOUNT**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	26 April 2021 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	29 April 2021 at 10.30 a.m. (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day)
Place of Extraordinary General Meeting	:	The EGM will be held by way of electronic means

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DEFINITIONS

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

- “2000 Scheme”** : The InnoTek Employees’ Share Option Plan (formerly known as the Magnecomp Employees’ Share Option Plan) which was adopted by the Company on 18 September 2000 and which terminated in February 2006
- “2008 Scheme”** : The InnoTek Employees’ Share Option Scheme II which was adopted by Shareholders at an extraordinary general meeting of the Company held on 30 April 2008 and which terminated in March 2014
- “2008 Scheme Committee”** : A committee comprising Directors duly authorised and appointed by the Board to administer the 2008 Scheme
- “2014 Scheme”** : The InnoTek Employees’ Share Option Scheme 2014 which was adopted by Shareholders at an extraordinary general meeting of the Company held on 28 April 2014 and which terminated in December 2019
- “2014 Scheme Committee”** : A committee comprising Directors duly authorised and appointed by the Board to administer the 2014 Scheme
- “2021 Scheme”** : The InnoTek Employees’ Share Option Scheme 2021, as modified or altered from time to time
- “2021 Scheme Committee”** : The Remuneration Committee of the Company
- “Associate”** : (a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) 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
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and
- (b) In relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

“Auditors”	:	The auditors of the Company for the time being
“Board”	:	The board of directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	:	InnoTek Limited
“Constitution”	:	The constitution of the Company, as amended or modified from time to time
“Control”	:	The capacity to dominate decision making, directly or indirectly in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	A person who (a) holds directly or indirectly fifteen per cent. (15%) or more of the aggregate number of issued Shares (excluding Treasury Shares) in the Company (unless otherwise determined by the SGX-ST that such person is not a controlling shareholder), or (b) in fact exercises Control over the Company
“Date of Grant”	:	The date on which an Option is granted to a Participant pursuant to the Rules of the 2021 Scheme
“Director”	:	A person holding the office of a director of the Company for the time being
“EGM”	:	The Extraordinary General Meeting of the Company, notice of which is set out on pages 40 to 42 of this Circular, to be held on 29 April 2021 at 10.30 a.m. (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day)
“EPS”	:	Earnings per Share
“Grantee”	:	A person to whom an offer of an Option is made
“Group”	:	The Company together with its Subsidiaries
“Independent Director”	:	An independent director of the Company
“Latest Practicable Date”	:	1 April 2021, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended, modified and/or supplemented from time to time

“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive Market Days immediately preceding the Date of Grant of an Option, as determined by the 2021 Scheme Committee by reference to the daily official list or any other publication published by the SGX-ST, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded to the nearest whole cent in the event of fractional prices
“Non-Executive Director”	:	A director of the Company and/or any of its Subsidiaries, as the case may be, who does not perform an executive function
“Notice of EGM”	:	The notice of EGM set out on pages 40 to 42 of this Circular
“NTA”	:	Net tangible assets
“Offer Date”	:	The date on which an offer to grant an Option is made pursuant to the 2021 Scheme
“Option”	:	An option granted under the 2021 Scheme
“Participant”	:	A person who is selected by the 2021 Scheme Committee to participate in the 2021 Scheme in accordance with Rule 4 of the 2021 Scheme
“Rules”	:	The rules of the 2021 Scheme, as amended or modified from time to time, as set out in Appendix A of this Circular
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	:	Securities and Futures Act, Chapter 289, of Singapore, as amended, modified or supplemented from time to time
“SFRS(I) 2”	:	Singapore Financial Reporting Standards (International) 2: Share-based Payment
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the persons named as Depositors in the Depository Register maintained by CDP and whose Securities Accounts are credited with those Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Share Purchases”	:	The purchase or acquisition of issued Shares by the Company in accordance with the Companies Act
“Subsidiaries”	:	Shall have the meaning ascribed to it by Section 5 of the Companies Act
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers
“Treasury Shares”	:	Shares which are purchased by the Company in circumstances in which Section 76H of the Companies Act applies and have been held by the Company continuously since the Treasury Shares were so purchased
“%”	:	Percentage or per centum
“\$” and “cents”	:	Singapore dollars and cents respectively

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. 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 and *vice versa*.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

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

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

References to persons shall, where applicable, include corporations and limited liability partnerships.

INNOTEK LIMITED

(Company Registration No.: 199508431Z)
(Incorporated in the Republic of Singapore)

Directors:

Neal Manilal Chandaria (Non-Executive and Non-Independent Chairman)
Lou Yiliang (Executive Director and CEO)
Steven Chong Teck Sin (Independent Director)
Sunny Wong Fook Choy (Independent Director)
Teruo Kiriya (Independent Director)

Registered Office:

160 Robinson Road
#24-12 SBF Center
Singapore 068914

13 APRIL 2021

To: The Shareholders of InnoTek Limited

Dear Sir/Madam

(1) THE PROPOSED ADOPTION OF THE INNOTEK EMPLOYEES' SHARE OPTION SCHEME 2021 (THE "2021 SCHEME"); AND

(2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS UNDER THE 2021 SCHEME AT A DISCOUNT

1. INTRODUCTION

- 1.1 The Directors propose to convene an EGM to be held on 29 April 2021 to seek Shareholders' approval for (a) the proposed adoption of the InnoTek Employees' Share Option Scheme 2021; and (b) the proposed grant of authority to offer and grant options under the 2021 Scheme at a discount.
- 1.2 The purpose of this Circular is to provide Shareholders with information on, as well as the rationale for, the abovementioned proposals which will be tabled at the EGM.
- 1.3 The SGX-ST takes no responsibility for the accuracy of the statements made, opinions expressed or reports contained in this Circular.

2. THE INNOTEK EMPLOYEES' SHARE OPTION SCHEME 2021

2.1 Background

On 28 April 2014, the Company adopted an employees' share option scheme known as the "InnoTek Employees' Share Option Scheme 2014" ("**2014 Scheme**") to replace the 2008 Scheme.

The rules of the 2014 Scheme provided that the 2014 Scheme would continue to be in force at the discretion of the 2014 Scheme Committee, subject to a maximum period of five (5) years commencing on the first date on which an option is granted under the 2014 Scheme.

As the first options granted under the 2014 Scheme were on 1 December 2014, the 2014 Scheme accordingly expired on 1 December 2019 and the 2014 Scheme Committee can no longer grant further options under the 2014 Scheme. However, the rules of the 2014 Scheme will continue to govern the outstanding options granted under the 2014 Scheme. Please refer to paragraph 2.2 of this Circular for further details on the Company's previous share schemes.

The Company is seeking the approval of Shareholders at the EGM to adopt a new employees' share option scheme to be known as the "InnoTek Employees' Share Option Scheme 2021", to replace the 2014 Scheme.

2.2 Details of Previous Share Schemes

2.2.1 2014 Scheme

As mentioned above, the 2014 Scheme had expired on 1 December 2019. However, the terms of the 2014 Scheme continue to apply to options that have been granted under the 2014 Scheme and which remain outstanding. The full rules of the 2014 Scheme were set out in the Appendix to the circular to Shareholders dated 11 April 2014.

As at the Latest Practicable Date, an aggregate of 3,500,000 Shares comprising 1.42% of the Company's total issued and paid-up share capital were issued and allotted pursuant to the exercise of options under the 2014 Scheme and options in respect of a further 8,000,000 Shares are still outstanding. Under the 2014 Scheme, options were granted to 3 participants, as follows: 10,000,000 options were granted to Lou Yiliang, an Executive Director and CEO of the Company, 1,000,000 options were granted to Chew Chee Khiong, Managing Director of Mansfield Group and 1,500,000 options were granted to Kuang Yubin, Chief Operating Officer of Mansfield Group. The 2014 Committee had exercised its discretion under the 2014 Scheme to impose certain performance-linked conditions on some of the options granted, none of which were material.

The following are details of options granted under the 2014 Scheme to Directors:

Name of Director	Date of Grant	No. of Shares comprised in options granted	No. of Shares comprised in options exercised	No. of Shares comprised in options outstanding
Lou Yiliang	19 January 2016	2,000,000	2,000,000	–
Lou Yiliang	9 March 2017	3,000,000	–	3,000,000
Lou Yiliang	29 March 2019	2,500,000	–	2,500,000
Lou Yiliang	21 November 2019	2,500,000	–	2,500,000

No options were granted under the 2014 Scheme to participants who are Controlling Shareholders and their Associates.

The following are details of options granted under the 2014 Scheme to the two other participants:

Name	Date of Grant	No. of Shares comprised in options granted	No. of Shares comprised in options exercised	No. of Shares comprised in options outstanding
Chew Chee Khiong ⁽¹⁾	1 December 2014	1,000,000	–	–
Kuang Yubin ⁽²⁾	6 June 2016	1,500,000	1,500,000	–

Notes:

- (1) The 1,000,000 options granted to Chew Chee Khiong, Managing Director of Mansfield Group, have lapsed. As such, none of those options remain outstanding.
- (2) The 1,500,000 options granted to Kuang Yubin, Chief Operating Officer of Mansfield Group, were exercised on 27 March 2018. As such, none of those options remain outstanding.

2.2.2 2008 Scheme

On 30 April 2008, the Company adopted an employees' share option scheme known as the "InnoTek Employees' Share Option Scheme II" ("**2008 Scheme**") to replace the 2000 Scheme.

The rules of the 2008 Scheme provided that the 2008 Scheme would continue to be in force at the discretion of the 2008 Scheme Committee, subject to a maximum period of five (5) years commencing on the first date on which an option is granted under the 2008 Scheme. The full rules of the 2008 Scheme were set out in Appendix 1 to the circular to Shareholders dated 15 April 2008.

An aggregate of 4,158,000 Shares were issued and allotted pursuant to the exercise of options under the 2008 Scheme. Options were granted to an aggregate of approximately 108 participants under the 2008 Scheme.

The following are details of options granted under the 2008 Scheme to directors at that time:

Name of Director	Date of Grant	No. of Shares comprised in options granted	No. of Shares comprised in options exercised	No. of Shares comprised in options outstanding
Yong Kok Hoon	10 March 2009	490,000	490,000	–
Yong Kok Hoon ⁽¹⁾	23 May 2013	2,000,000	–	–

Note:

(1) The 2,000,000 options granted to Yong Kok Hoon have lapsed. As such, none of those options remain outstanding.

No options were granted under the 2008 Scheme to participants who are Controlling Shareholders and their Associates.

As the first options granted under the 2008 Scheme were on 10 March 2009, the 2008 Scheme was terminated in March 2014. All the options which were granted under the 2008 Scheme have already lapsed.

2.2.3 2000 Scheme

The 2000 Scheme was terminated in February 2006. All the options which were granted under the 2000 Scheme have already lapsed.

2.3 **Rationale for the 2021 Scheme**

The 2014 Scheme expired in December 2019 and the Company is proposing to adopt the 2021 Scheme to replace the 2014 Scheme.

The 2021 Scheme will provide eligible Participants with an opportunity to participate in the equity of the Company as well as to motivate them towards better performance through increased loyalty and dedication to the Company. The 2021 Scheme, which forms an integral and important component of a remuneration and compensation plan, is designed to primarily reward and retain executive directors and employees whose services are crucial to the Group's well-being, development and success.

By implementing the Scheme, the Company will continue to be able to attract, retain and provide incentive to Participants to encourage greater dedication and loyalty by enabling the Company to give recognition for past contributions and services as well as motivating Participants generally to contribute towards the Group's long-term prosperity. The 2021 Scheme will continue to enhance the Company's competitiveness in attracting and retaining employees, especially employees who have the requisite knowledge, technical skills and experience whom the Company believes could contribute to the development and growth of the Group.

2.4 Summary of the Rules of the 2021 Scheme

The following is a summary of the principal terms of the 2021 Scheme and is qualified in its entirety by reference to the more detailed information of the 2021 Scheme as set out in the Rules of the 2021 Scheme in the Appendix A to this Circular.

2.4.1 Size of the Scheme

The maximum total number of Shares in respect of which Options may be granted under the 2021 Scheme, when added to the number of Shares issued and/or issuable or transferred/transferable in respect of (a) all Options granted under the 2021 Scheme and (b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed fifteen per cent. (15%) of the issued share capital of the Company (excluding Shares held by the Company as Treasury Shares) from time to time.

The Company currently does not have any other employee share incentive or award scheme in force.

For illustrative purposes, the Company has 228,305,000 issued Shares (excluding Treasury Shares) as at the Latest Practicable Date. Accordingly, taking into consideration that there are no other share option or share schemes of the Company in force, the total number of Shares in respect of which Options may be granted under the 2021 Scheme would be 34,245,750 as at the Latest Practicable Date, representing fifteen per cent. (15%) of the issued share capital of the Company.

The size of the 2021 Scheme is intended to accommodate the potential pool of Participants arising from a broad base of eligible Participants, and to support the use of Options in the Company's overall long-term compensation strategy. The Company is of the view that the size of the 2021 Scheme is reasonable, after taking into account the issued share capital of the Company, the contributions by its Directors (other than Non-Executive Directors and Independent Directors who are not eligible to participate in the 2021 Scheme in accordance with paragraph 2.4.2 below) and employees, the number and potential increase in number of employees and the grant of the Options over the duration of the Scheme. In order for the 2021 Scheme to achieve its objective, the 2021 Scheme must be of a sufficient size to allow an adequate number of Options to be issued to existing and future Directors and employees.

The number of Options offered must also be significant enough to constitute a meaningful reward for contribution to the Group. However, this does not mean that the 2021 Scheme Committee will issue Options up to the prescribed limit. The 2021 Scheme Committee will exercise its discretion in deciding the number of Options to be granted to each employee, which will depend on, *inter alia*, the employee's performance and value to the Group.

2.4.2 Eligibility

Under the Rules of the 2021 Scheme, employees of the Group (including Directors but excluding Non-Executive Directors and Independent Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date, and are not undischarged bankrupts at the relevant time, shall be eligible to participate in the 2021 Scheme at the absolute discretion of the 2021 Scheme Committee.

Non-Executive Directors (including Independent Directors) will not be eligible to participate in the 2021 Scheme.

Controlling Shareholders and their Associates will not be eligible to participate in the 2021 Scheme.

2.4.3 Maximum Entitlement

The aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the 2021 Scheme shall be determined at the absolute discretion of the 2021 Scheme Committee.

In reaching its decisions, the 2021 Scheme Committee shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the Grantee, and may, at their discretion, set performance targets for Grantees to fulfil.

2.4.4 Grant of Options

The 2021 Scheme Committee may offer to grant Options to Grantees at any time during the period when the 2021 Scheme is in force, except that no Options shall be granted during the period commencing one (1) month before the announcement of the Company's half-year and full-year financial statements. In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers to grant Options may only be made on or after the second Market Day from the date on which such announcement is made.

2.4.5 Acceptance of Options

An Option offered to a Grantee shall be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth (30th) day from such Offer Date by completing, signing and returning the relevant acceptance form accompanied by payment of S\$1.00 as consideration. If a grant of an Option is not accepted in the foregoing manner, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares.

Options are personal to Grantees and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the 2021 Scheme Committee's prior written approval, but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 11.8 of the Rules in the event of the death of such Grantee.

2.4.6 Exercise Price

Subject to any adjustments, the exercise price for each Share shall be determined by the 2021 Scheme Committee, in its absolute discretion, at:

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, provided that:
 - (i) the maximum discount for each Share shall not exceed twenty per cent. (20%) of the Market Price (or such other percentage or amount as may be determined by the 2021 Scheme Committee and permitted by the SGX-ST); and
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grant of Shares under the 2021 Scheme at a discount not exceeding the maximum discount as aforesaid.

2.4.7 Exercise Period and Exercise of Options

Options granted with the exercise price set at the Market Price shall only be exercisable after the first (1st) anniversary of the Date of Grant of such Option whereas Options granted with the exercise price set at a discount to the Market Price shall only be exercisable after the second (2nd) anniversary of the Date of Grant of such Option.

An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by giving the relevant written exercise notice to the Company accompanied by a remittance for the full amount of the aggregate exercise price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the 2021 Scheme Committee may require.

Special provisions in the 2021 Scheme dealing with the lapse or earlier exercise of Options apply in certain circumstances, including but not limited to (a) the termination of the Participant's employment in the Group; (b) the misconduct or bankruptcy of the Participant; (c) the death of the Participant; (d) a take-over of the Company; or (e) the winding-up of the Company, are set out in the Rules of the 2021 Scheme.

2.4.8 Release of Shares

Subject to such necessary consents or other required action of any competent authority under any regulations or enactments for the time being in force and subject to compliance with the terms of the 2021 Scheme and the Constitution of the Company, the Company shall as soon as practicable but in any event within one month (or such other period as may be permitted by the Listing Manual) after the exercise of an Option, allot and issue the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the 2021 Scheme Committee may deem fit.

If the Company holds any Treasury Shares, the Company may instead of the issue of new Shares, deliver Shares to Participants upon exercise of their Options by way of the transfer of Treasury Shares to the Participants. The Company currently does not have in force a share purchase mandate. In the event that a share purchase mandate is adopted whilst the 2021 Scheme is in force, in determining whether to purchase Shares for delivery, the 2021 Scheme Committee will take into account factors such as (but not

limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

2.4.9 Rights of Options and Shares Acquired

The Options do not provide the Participants with any right to participate in any dividends, distributions and/or offers of further securities made by the Company and/or to attend and vote at any general meetings of the Company unless the Options have been exercised.

Shares allotted and issued and/or transferred upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights (including voting rights), allotments or other distributions, the record date for which is prior to the date such Option is exercised.

2.4.10 Variation of Capital

If a variation in the issued ordinary share capital of the Company (whether in the event of a bonus issue or other circumstances such as rights issue, capital reduction, subdivision, consolidation of Shares, distribution or otherwise) shall take place, the exercise price, class and/or number of Shares comprised in the Option to the extent unexercised and/or the number and/or class of Shares over which Options may be granted under the 2021 Scheme shall be adjusted by the 2021 Scheme Committee at its sole and absolute discretion. Notwithstanding the foregoing, any determination by the 2021 Scheme Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must (except in relation to a bonus issue) be confirmed in writing by the Auditors to be fair and reasonable. No such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

Unless the 2021 Scheme Committee considers an adjustment to be appropriate, the following shall not be regarded as a circumstance requiring adjustment:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force;
- (c) the issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; and
- (d) the increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the exercise of any Options granted pursuant to the 2021 Scheme).

2.4.11 Administration of the 2021 Scheme

The 2021 Scheme shall be administered by the 2021 Scheme Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the 2021 Scheme Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him.

The 2021 Scheme Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the 2021 Scheme) for the implementation and administration of the 2021 Scheme as they think fit including, but not limited to:

- (a) imposing restrictions on the number of Options that may be granted within each financial year; and
- (b) amending performance targets if by so doing, it would be a fairer measure of performance for a Participant or for the 2021 Scheme as a whole.

The 2021 Scheme Committee shall further have the power, from time to time, to impose additional conditions (not being inconsistent with the 2021 Scheme) in respect of the exercise of any Options granted to a Participant pursuant to the 2021 Scheme.

The 2021 Scheme Committee shall comprise the Remuneration Committee of the Company, which consists of the following individuals as at the Latest Practicable Date: Sunny Wong Fook Choy (Chairman of the Remuneration Committee), Teruo Kiriya (Member of the Remuneration Committee) and Steven Chong Teck Sin (Member of the Remuneration Committee).

2.4.12 Modification of the 2021 Scheme

Subject to the Rules, any or all the provisions of the 2021 Scheme may be modified and/or altered at any time and from time to time by resolution of the 2021 Scheme Committee, except that:

- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants shall not be made except with the prior approval of independent Shareholders in general meeting; and
- (c) no modification or alteration shall be made except in compliance with the Listing Manual or such other stock exchange on which the Shares are quoted or listed and such other regulatory authorities as may be necessary.

The opinion of the 2021 Scheme Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option or be to the advantage of the Participants shall be final and conclusive.

Written notice of any modification or alteration made in accordance with the above shall be given to all Participants.

2.4.13 Duration of the 2021 Scheme

The 2021 Scheme shall continue to be in force at the discretion of the 2021 Scheme Committee, subject to a maximum period of ten (10) years commencing on the date on which the 2021 Scheme is adopted by independent Shareholders at a general meeting.

2.4.14 Listing of Shares

On 12 April 2021, the Company obtained the approval-in-principle from the SGX-ST for the listing of and quotation on the SGX-ST of the new Shares to be allotted and issued pursuant to the 2021 Scheme (“**Option Shares**”), subject to, *inter alia*, the independent shareholders’ approval for the 2021 Scheme and the Company’s compliance with the SGX-ST’s listing requirements and guidelines.

Shareholders should take note that the receipt of the approval-in-principle from the SGX-ST is not to be taken as an indication of the merits of the 2021 Scheme, the Option Shares, the Company, its subsidiaries and their securities.

2.5 **Rationale for Grant of Options at a Discount**

Under the 2021 Scheme, the exercise price of Options granted will be determined by the 2021 Scheme Committee. The 2021 Scheme Committee may grant Options with or without a discounted exercise price. In the event that Options are granted at a discount, the discount shall not exceed twenty per cent. (20%) of the Market Price.

The ability to offer Options at a discount to the Market Price of the Shares will give the Company flexibility in structuring the Options granted, and ensures that the Company maintains the competitiveness of its compensation strategy. The Company may utilise the Options as a means to reward Participants for their outstanding performance as well as to motivate them to continue to excel and attract new talent into the Company. Being able to grant Options at a discount allows the Company to acknowledge a Participant’s contributions where such means is more meaningful than paying a cash bonus, as these Options operate as a form of cashless reward from the Company with a greater potential for capital appreciation than Options granted at Market Price. This serves as an additional method available to the Company for compensating employees rather than through salaries, salary increments and cash bonuses as it enables the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for the Shareholders.

Further, because Options granted with a discount under the 2021 Scheme are subject to a longer vesting period (two years) than those granted at the Market Price (one year), holders of such Options are encouraged to have a long term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

The Company believes that the maximum twenty per cent. (20%) discount to the Market Price of the Shares is sufficient to allow for flexibility in the 2021 Scheme, while minimising the potential dilutive effect to the Shareholders arising from the 2021 Scheme.

2.6 **Financial Effects**

2.6.1 Share capital

The 2021 Scheme will result in an increase in the Company’s number of issued Shares to the extent that new Shares will be allotted and issued upon the exercise of the Options granted under the 2021 Scheme. This number of new Shares issued will in turn depend on, *inter alia*, the number of new Shares comprised in the Options, the number of Options that are exercised and the exercise price of the Options.

If Treasury Shares are delivered to the Participants, the 2021 Scheme would have no effect on the number of issued Shares. Similarly, there would be no change to the number

of issued Shares if the relevant Options are not exercised. The Company has 18,351,000 Treasury Shares as at the Latest Practicable Date.

The Company does not have a share buyback mandate as at the Latest Practicable Date.

2.6.2 NTA

The issue of Shares upon the exercise of the Options will increase the Company's and the Group's consolidated NTA by the aggregate exercise price of the Shares issued. On a per Share basis, the effect on the NTA of the Company is accretive if the exercise price is above the Company's and the Group's consolidated NTA per Share, but dilutive if otherwise. If Treasury Shares are delivered to the Participants, the 2021 Scheme would not result in a reduction of the Company's and the Group's consolidated NTA.

2.6.3 EPS

The 2021 Scheme will have a dilutive impact on the Company's and the Group's consolidated EPS, following the increase in the Company's number of issued Shares to the extent that new Shares are allotted and issued pursuant thereto.

2.6.4 Potential Cost of Options

The 2021 Scheme is considered a share-based payment that falls under the scope of SFRS(I) 2, which is related to share-based payments and took effect for all listed companies beginning 1 January 2018. The Options, if settled by way of the issue of New Shares or through the use of Treasury Shares (i.e. purchase of existing Shares), would be accounted for as equity-settled share based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Options will be recognised as a charge to the income statement over the period between the Date of Grant and the vesting date (the "**Vesting Period**"). The total amount of the charge over the Vesting Period is determined by reference to the fair value of each Option granted at the Date of Grant and the number of Shares vested at the vesting date, with a corresponding credit to reserve account. The amount of the charge to the income statement also depends on whether or not the performance target attached to an Option is measured by reference to the market price of the Shares. This is known as a market condition. At each reporting date, the number of Options that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense in the income statement and as a corresponding adjustment to the reserve account over the remaining Vesting Period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions. No expense is recognised for Options that do not ultimately vest, except for Options where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

After the vesting date, no adjustment to the charge to the income statement is made.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

3.1 Directors' Interest

The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Lou Yiliang	16,082,700	7.1	11,902,800	5.26
Neal Manilal Chandaria	–	–	–	–
Steven Chong Teck Sin	–	–	–	–
Sunny Wong Fook Choy	–	–	–	–
Teruo Kiriya	–	–	–	–

3.2 Substantial Shareholders' Interests

The interests of the substantial Shareholders in the Shares as recorded in the Register of substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Advantec Holding SA ⁽¹⁾	22,571,000	9.97	60,811,300	26.87
Trustee of Chandaria Trust I ⁽²⁾	–	–	83,832,300	37.04
Lou Yiliang ⁽³⁾	16,082,700	7.1	11,902,800	5.26

Notes:

- (1) Advantec Holding SA is deemed to be interested in 60,811,300 Shares held through the following:
 - (i) Raffles Nominees (Pte) Ltd in respect of 40,811,300 Shares; and
 - (ii) UOB Bank Nominees Pte Ltd in respect of 20,000,000 Shares.
- (2) Trustee of Chandaria Trust I is deemed to be interested in 83,382,300 Shares held by Advantec Holding SA as well as a further 450,000 Shares held by Metchem Engineering SA, both of which are wholly-owned by the Chandaria Trust I.
- (3) Lou Yiliang is deemed to be interested in the 11,902,800 Shares held by Philip Securities Pte. Ltd.

4. DIRECTORS' RECOMMENDATIONS

4.1 The Proposed Adoption of the 2021 Scheme and the Proposed Grant of Authority to Offer and Grant Options under the 2021 Scheme at a Discount

Under Rules 4.2 and 4.3 of the 2021 Scheme, Non-Executive Directors (including Independent Directors) and Controlling Shareholders and their Associates are not eligible to participate in the 2021 Scheme. Having considered, *inter alia*, the rationale for the 2021 Scheme, the Directors (save for Mr. Lou Yiliang, being a Director (other than a Non-Executive Director) who will be eligible to participate in, and is therefore interested in the 2021 Scheme) are of the opinion that the proposed adoption of the 2021 Scheme is in the best interests of the Company. Accordingly, the Directors (save for Mr. Lou Yiliang) recommend that Shareholders vote in favour of Resolution 1 and Resolution 2 relating to the proposed adoption of the 2021 Scheme and the grant of authority to offer and grant Options under the 2021 Scheme at a discount respectively as set out in the Notice of EGM.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 40 to 42 of this Circular, will be held on 29 April 2021 at 10.30 a.m. by way of electronic means (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without any modifications, the resolutions set out in the Notice of EGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

6.1 Appointment of Proxies

Shareholders who wish to vote on the resolutions at the EGM must appoint the Chairman of the EGM as their proxy by downloading, printing and completing the Proxy Form in accordance with the instructions printed thereon, which have been uploaded together with the Notice of EGM and this Circular on SGXNET and the Company's website and which may also be accessed at the Company's website at <http://innotek.listedcompany.com/agmegm2021.html>.

The physical Proxy Form can be submitted by post or as a clearly readable image sent by email no later than 10.30 a.m. on 26 April 2021, seventy-two (72) hours before the time appointed for the EGM. If the physical Proxy Form is sent by post, the Proxy Form must be posted to and received at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623. If sent by email, the Proxy Form must be sent by email to the following email address: **AGM.TeamE@boardroomlimited.com**.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least seventy-two (72) hours before the time fixed for the EGM.

6.2 Abstention from Voting

Any Shareholder who is eligible to participate in the 2021 Scheme (such as employees of the Company and its Subsidiaries) must abstain from voting at the EGM in respect of Resolution 1 and Resolution 2 relating to the proposed adoption of the 2021 Scheme and the grant of authority to offer and grant Options under the 2021 Scheme at a discount respectively. Such Shareholder should also not accept nominations as proxies or otherwise for voting at the EGM in respect of Resolution 1 and Resolution 2 unless specific instructions have been given in the Proxy Form on how the Shareholders wish their votes to be cast for Resolution 1 and/or Resolution 2.

Mr. Lou Yiliang, being the Chief Executive Officer ("**CEO**") and a Director (other than a Non-Executive Director), will be eligible to participate in the 2021 Scheme. Additionally, there are senior employees of the Company including the Vice President, General Manager, and employees at the senior managerial, managerial and supervisor levels ("**Senior Employees**"), who are eligible to participate in the 2021 Scheme. As such, Mr. Lou Yiliang and the Senior Employees who are Shareholders of the Company must abstain from voting at the EGM in respect of Resolution 1 and Resolution 2 relating to the proposed adoption of the 2021 Scheme and the grant of authority to offer and grant Options under the 2021 Scheme at a discount respectively. They will also not accept nominations as proxies or otherwise for voting at the EGM in respect of Resolution 1 and Resolution 2 unless specific instructions have been given in the Proxy Form on how the Shareholders wish their votes to be cast for Resolution 1 and/or Resolution 2.

7. 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 adoption of the 2021 Scheme, and the proposed grant of authority to offer and grant options under the 2021 Scheme at a discount, and 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.

8. LEGAL ADVISER

For the purposes of this Circular, Wong Tan & Molly Lim LLC has been appointed as the legal adviser to the Company in relation to Singapore law.

9. DISCLOSURE PURSUANT TO RULE 704(16)(B) OF THE LISTING MANUAL

Pursuant to Rule 704(16)(b), the Company shall, in the results of EGM announcement, indicate the names of the Directors, Controlling Shareholders and the Associates of such persons who are required to abstain from voting on the resolutions pursuant to Listing Rule 859, the individual resolutions which they are required to abstain from voting and the number of shares held by each of them.

The Company shall also, in the EGM announcement, include a statement that all shareholders who are eligible to participate in the Scheme have abstained from voting on all resolutions relating to the Scheme (other than a resolution relating to the participation, or grant of Options to, directors and employees of the Company's parent company and subsidiaries, if applicable).

10. DISCLOSURE IN ANNUAL REPORT

The Company shall disclose the following in its annual report:

- (a) the names of the members of the 2021 Scheme Committee; and
- (b) the information required in the table below for the following Participants:
 - (i) Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates;
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who receive five per cent. (5%) or more of the total number of Options available under the Scheme;

Name of Participant	Options granted during financial year under review (including terms)	Aggregate options granted since commencement of Scheme to end of financial year under review	Aggregate options exercised since commencement of Scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review
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- (c) the names of and number and terms of Options granted to each director or employee of the parent company and its subsidiaries who receive five per cent. (5%) or more of the total number of Options available to all directors and employees of the parent company and its subsidiaries, during the financial year under review;
- (d) the aggregate number of Options granted to the directors and employees for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review; and
- (e) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted.

11. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 160 Robinson Road #24-12 SBF Center Singapore 068914 during normal business hours from the date of this Circular up to (and including) the date of the EGM:

- (a) the Constitution of the Company;
- (b) the Rules of the 2021 Scheme; and
- (c) the Annual Report of the Company for the financial year ended 31 December 2020.

Yours faithfully
For and on behalf of the
Board of Directors of
InnoTek Limited

Neal Manilal Chandaria
Chairman

APPENDIX A

RULES OF THE INNOTEK EMPLOYEES' SHARE OPTION SCHEME 2021

1. Name of the Scheme

The Scheme shall be known as the **"InnoTek Employees' Share Option Scheme 2021"**.

2. Definitions

2.1 In the Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"2014 Scheme"	The InnoTek Employees' Share Option Scheme 2014 which was adopted by Shareholders at an extraordinary general meeting of the Company held on 28 April 2014 and which terminated in December 2019
"Associate"	Shall have the meaning ascribed to it in the Listing Manual as amended from time to time
"Auditors"	The auditors of the Company for the time being
"Board"	The board of directors of the Company for the time being
"CDP"	The Central Depository (Pte) Limited
"Committee"	A committee comprising directors of the Company, duly authorised, appointed and nominated by the Board to administer the Scheme
"Companies Act"	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Company"	InnoTek Limited, a company incorporated in the Republic of Singapore
"Control"	The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of the Company
"Controlling Shareholder"	A person who (a) holds directly or indirectly fifteen per cent. (15%) or more of the aggregate number of issued Shares (excluding Treasury Shares) (unless otherwise determined by the SGX-ST), or (b) in fact exercises Control over the Company
"CPF"	The Central Provident Fund
"Director"	A person holding the office of director for the time being, of the Company

“Date of Grant”	The date on which an Option is granted to a Participant pursuant to Rule 7.1
“Exercise Period”	The period for the exercise of an Option, being (i) a period commencing after the first (1st) anniversary of the Date of Grant and expiring on the fifth (5th) anniversary of such Date of Grant in the case of an Option granted with the Exercise Price set at the Market Price; and (ii) a period commencing after the second (2nd) anniversary of the Date of Grant and expiring on the fifth (5th) anniversary of such Date of Grant in the case of an Option granted with the Exercise Price set at a discount to the Market Price
“Exercise Price”	The price at which an Option Holder shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9 (subject to any adjustment pursuant to Rule 10)
“Grantee”	A person to whom an offer of an Option is made
“Group”	The Company together with its Subsidiaries
“Listing Manual”	The Listing Manual of the SGX-ST, as amended, modified and/or supplemented from time to time
“Market Day”	A day on which the SGX-ST is open for trading of securities
“Market Price”	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive Market Days immediately preceding the Date of Grant of an Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded to the nearest whole cent in the event of fractional prices
“Non-Executive Director”	A director of the Company and/or its Subsidiaries, as the case may be, who does not perform an executive function
“Offer Date”	The date on which an offer to grant an Option is made pursuant to the Scheme
“Option”	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Scheme
“Option Holder”	The holder of an Option
“Option Shares”	Shares obtained pursuant to an exercise of the Options

“Participant”	A person who is selected by the Committee to participate in the Scheme in accordance with these provisions
“Record Date”	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
“Rules”	The rules of the Scheme, as the same may be amended from time to time
“Scheme”	The InnoTek Employees’ Share Option Scheme 2021, as modified or altered from time to time
“Securities and Futures Act”	Securities and Futures Act, Chapter 289, of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	The Singapore Exchange Securities Trading Limited
“Shareholders”	The registered holders of the Shares or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares”	Ordinary shares in the capital of the Company
“Subsidiary”	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Companies Act
“Treasury Shares”	Shares which are purchased by the Company in circumstances in which Section 76H of the Companies Act applies and have been held by the Company continuously since the Treasury Shares were so purchased
“%”	Percentage or per centum
“\$” or “S\$”	Singapore dollars

- 2.2 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.
- 2.3 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any statutory modification thereof, and used in this Scheme, shall have the meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, as the case may be.
- 2.4 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.
- 2.5 References to persons shall, where applicable, include corporations and limited liability partnerships.

- 2.6 Any reference to a time of day and dates in this Scheme shall be a reference to Singapore time and dates unless otherwise stated.

3. Objectives of the Scheme

The purpose of the Scheme is to provide an opportunity for Participants who have contributed significantly to the growth and performance of the Group and who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company as well as to motivate them towards better performance through increased loyalty and dedication to the Company. The Scheme, which forms an integral and important component of a remuneration and compensation plan, is designed to primarily reward and retain executive directors and employees whose services are crucial to the Group's well-being, development and success.

The Company believes that the retention of outstanding employees within the Group is paramount to the Group's long-term objective of pursuing continuous growth and expansion in its business and operations. The Group also acknowledges that it is important to preserve financial resources for future business developments and to withstand difficult times.

The Scheme is formulated with those objectives in mind. It is hoped that through the Scheme, the Company would be able to remain an attractive and competitive employer and to attract, retain and provide incentive to Participants to encourage greater dedication and loyalty by enabling the Company to give recognition for past contributions and services as well as motivating Participants generally to contribute towards the Group's long-term prosperity. The Scheme will continue to enhance the Company's competitiveness in attracting and retaining employees, especially employees who have the requisite knowledge, technical skills and experience whom the Company believes could contribute to the development and growth of the Group.

4. Eligibility

- 4.1 Employees of the Group (including Directors but excluding Non-Executive Directors and Independent Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date, and are not undischarged bankrupts at the relevant time, shall be eligible to participate in the Scheme at the absolute discretion of the Committee.
- 4.2 Non-Executive Directors (including Independent Directors) are not eligible to participate in the Scheme.
- 4.3 Controlling Shareholders and Associates of Controlling Shareholders are not entitled to participate in the Scheme.
- 4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any other company within the Group.
- 4.5 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

5. Maximum Entitlement

- 5.1 Subject to Rules 4, 6, and 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Scheme shall be determined at the absolute discretion of the Committee.

- 5.2 In reaching its decisions, the Committee shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the Grantee, and may, at their discretion, set performance targets for Grantees to fulfil.

6. Limitations on Size of the Scheme

- 6.1 The maximum total number of Shares in respect of which Options may be granted under the Scheme, when added to the number of Shares issued and/or issuable or transferred/transferable in respect of (a) all Options granted under the Scheme and (b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed fifteen per cent. (15%) of the issued share capital of the Company (excluding Shares held by the Company as Treasury Shares) from time to time.

7. Grant of Options

- 7.1 The Committee may, save as provided in Rules 4, 5 and 6, offer to grant Options to Grantees at any time during the period when the Scheme is in force, except that no Options shall be granted during the period commencing one (1) month before the announcement of the Company's half-year and full-year financial statements. In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers to grant Options may only be made on or after the second Market Day from the date on which such announcement is made.
- 7.2 An offer to grant an Option shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Appendix B, subject to such amendments as the Committee may determine from time to time.

8. Acceptance of Options

- 8.1 An Option offered to a Grantee pursuant to Rule 7 shall be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth (30th) day from such Offer Date by:
- (a) completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Appendix C, subject to such amendments as the Committee may determine from time to time, accompanied by payment of S\$1.00 as consideration or such other amount (the "**Consideration**") and such other documentation as the Committee may require, and
 - (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.
- 8.2 If a grant of an Option is not accepted in the manner as provided in Rule 8.1, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 which does not strictly comply with the Rules of the Scheme.
- 8.4 Options are personal to Grantees and Option Holders to whom they are offered or granted as the case may be, and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the

Option Holder's duly appointed personal representative as provided in Rule 11.8 in the event of the death of such Option Holder.

- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 1,000 Shares. The Committee shall, within fifteen (15) Market Days of receipt of the Acceptance Form and Consideration, acknowledge receipt of the same.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null, void and of no effect and the relevant Option Holder shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period;
 - (b) the Grantee dies prior to his acceptance of the Option;
 - (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;
 - (d) the Grantee being a Participant ceases to be in the employment of the Group or (being a Director) ceases to be a Director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. Exercise Price

- 9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share shall be determined by the Committee, in its absolute discretion, at:
- (a) a price equal to the Market Price; or
 - (b) a price which is set at a discount to the Market Price, provided that:
 - (i) the maximum discount for each Share shall not exceed twenty per cent. (20%) of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grant of Shares under the 2021 Scheme at a discount not exceeding the maximum discount as aforesaid.
- 9.2 In making any determination under Rule 9.1 on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:
- (a) the performance of the Company and/or its Subsidiaries, as the case may be;
 - (b) the years of service and individual performance of the eligible Participant;

- (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and
- (d) the prevailing market conditions.

10. Variation of Capital

10.1 Subject to Rule 10.3, if a variation in the issued ordinary share capital of the Company (whether in the event of a bonus issue or other circumstances such as rights issue, capital reduction, subdivision, consolidation of Shares, distribution or otherwise) shall take place, the Exercise Price, class and/or number of Shares comprised in the Option to the extent unexercised and/or the number and/or class of Shares over which Options may be granted under the Scheme shall be adjusted by the Committee at its sole and absolute discretion.

10.2 Unless the Committee considers an adjustment to be appropriate and subject to Rule 10.3:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force;
- (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees or Non-Executive Directors pursuant to a purchase or an option scheme approved by Shareholders in general meeting of the Company, including the 2021 Scheme or any other share-based incentive schemes implemented by the Company;
- (d) an issue of Shares or securities convertible into, or with rights to acquire or subscribe for Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (e) the increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the exercise of any Options granted pursuant to the Scheme),

shall not normally be regarded as a circumstance requiring adjustment.

10.3 Notwithstanding the provisions of Rule 10.1:

- (a) no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive; and
- (b) any determination by the Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must (except in relation to a bonus issue) be confirmed in writing by the Auditors to be fair and reasonable.

10.4 Upon any adjustment required to be made pursuant to this Rule 10, the Company shall notify each Option Holder (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the new Exercise Price thereafter in effect and the

class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

11. Exercise Period

11.1 Options granted with the Exercise Price set at the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by an Option Holder after the first anniversary of the Date of Grant of such Option but prior to the expiry of such Option, or such earlier date as may be determined in accordance with these Rules, failing which all unexercised Options shall immediately lapse and become null and void and the Option Holder shall have no claim against the Company.

11.2 Options granted with the Exercise Price set at a discount to the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by an Option Holder after the second anniversary of the Date of Grant of such Option but prior to the expiry of such Option, or such earlier date as may be determined in accordance with these Rules, failing which all unexercised Options shall immediately lapse and become null and void and the Option Holder shall have no claim against the Company.

11.3 Subject to these Rules, Options granted under the Scheme will have a life span of five (5) years from the respective Date of Grant.

11.4 An Option shall, to the extent unexercised, immediately lapse and become null and void and the Option Holder shall have no claim against the Company:

- (a) upon the bankruptcy of the Option Holder or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or
- (b) in the event of misconduct on the part of the Option Holder, as determined by the Committee in its absolute discretion.

11.5 If an Option Holder ceases to be employed by the Group by reason of his:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age; or
- (d) retirement before that age with the consent of the Committee, or for any other reason approved in writing by the Committee,

he may, at the absolute discretion of the Committee exercise any unexercised Option within the relevant Exercise Period for such Option and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If an Option Holder ceases to be employed by a Subsidiary:

- (a) by reason of the Subsidiary, by which he is principally employed, ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or
- (b) for any other reason, provided the Committee gives its consent in writing,

he may, at the absolute discretion of the Committee, exercise any unexercised Options within the relevant Exercise Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

- 11.7 For the purposes of Rule 11.5, Rule 11.6 and Rule 11.10, an Option Holder shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.
- 11.8 If an Option Holder dies and at the date of his death holds any unexercised Options, such Options may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Option Holder within the relevant Exercise Period and upon the expiry of such period, the Options shall immediately lapse and become null and void.
- 11.9 If an Option Holder, who is also a Director, or a director of a Subsidiary, ceases to be a Director or a director of a Subsidiary, as the case may be, for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Exercise Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.
- 11.10 Save as provided in Rules 11.5, 11.6 and 11.9, if an Option Holder ceases for any reason whatsoever to be employed by the Group, any unexercised Options shall lapse and become null and void on the earlier of:
- (a) the date falling one (1) month from the date on which the Option Holder is deemed in accordance with Rule 11.7 to have ceased to be employed by the Group; and
 - (b) the relevant date of expiry of the Exercise Period relating to such Options.

Any Options which are not exercisable in accordance with Rules 11.1 and 11.2 on the date on which an Option Holder is deemed in accordance with Rule 11.7 to have ceased to be employed by the Group shall immediately lapse and become null and void on such date.

12. Exercise of Options, Allotment, and Listing of Shares

- 12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by an Option Holder giving notice in writing to the Company during the Exercise Period in or substantially in the form set out in Appendix D (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option. The Option Holder shall fully exercise his or her Options before the expiry of such Options. Options not exercised prior to the expiry of the Option shall be null and void.
- 12.2 Subject to the Companies Act and the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of an Option by an Option Holder by way of:
- (a) an issue and allotment of new Shares; and/or

- (b) subject to applicable laws, the transfer of existing Shares, including any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as Treasury Shares.

12.3 Subject to:

- (a) such consent or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules and the Constitution of the Company,

the Company shall, as soon as practicable after the exercise of an Option by an Option Holder but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot and issue or transfer to the Option Holder the Shares in respect of which such Option has been exercised by the Option Holder and despatch the relevant share certificates to CDP for the credit of the securities account of that Option Holder by ordinary post or such other mode of delivery as the Committee may deem fit.

12.4 The Company shall as soon as practicable after the exercise of an Option, apply to the SGX-ST for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Option Holder pursuant to any adjustment made in accordance with Rule 10.

12.5 The Company will arrange for the Option Shares, which are allotted upon the exercise of an Option by an Option Holder, to be registered through intermediaries.

12.6 Shares allotted and issued and/or transferred upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights (including voting rights), allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.

12.7 Except as set out in Rule 12.3 and subject to Rule 10, an Option does not confer on an Option Holder any right to participate in any new issue of Shares.

12.8 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

12.9 Every Option shall be subject to the condition that no Shares would be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

13. Modifications to the Scheme

13.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alternation may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby

become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options;

(b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of independent Shareholders in general meeting; and

(c) no modification or alteration shall be made without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.

13.2 The Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the rules or provisions of the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST). The opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option or be to the advantage of the Participants shall be final and conclusive.

13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

14. Duration of the Scheme

14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the 2021 Scheme is adopted by independent Shareholders at a general meeting.

14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be granted by the Company hereunder.

14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted in accordance with these Rules, whether such Options have been exercised (whether fully or partially) or not.

15. Take-over and Liquidation of the Company

15.1 In the event of a take-over offer being made for the Company, Option Holders (including Option Holders holding Options which are then not exercisable pursuant to Rules 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rules 11 and 12, but subject to Rule 15.5, be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

(a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Exercise Period relating thereto); and

(b) the relevant date of the expiry of the Exercise Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided Always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Companies Act and, being entitled to do so, gives notice to the Option Holders that it intends to exercise such rights on a specified date, all Options shall remain exercisable by the Option Holders until such specified date or the expiry of the respective Exercise Periods relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void Provided That the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11.3, remain exercisable until the expiry of the Option.

- 15.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another corporation or corporations, Option Holders (including Option Holders holding Options which are then not exercisable pursuant to Rules 11.1 and 11.2) shall notwithstanding Rules 11 and 12, but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon any unexercised Option shall lapse and become null and void.
- 15.3 If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 15.4 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Option Holders (together with a notice of the existence of the provisions of this Clause) and thereupon, each Option Holder (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Option Holder credited as fully paid.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Option Holders, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, an Option Holder holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 If the events stipulated in this Rule 15 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 15, it shall lapse and become null and void.

16. Administration of the Scheme

- 16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him.
- 16.2 The Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as they think fit including, but not limited to:
- (a) imposing restrictions on the number of Options that may be granted within each financial year; and
 - (b) amending performance targets if by so doing, it would be a fairer measure of performance for a Participant or for the Scheme as a whole.
- 16.3 The Committee shall further have the power, from time to time, to impose additional conditions (not being inconsistent with the Scheme) in respect of the exercise of any Options granted to a Participant pursuant to the Scheme.
- 16.4 Any decision of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final and binding in all cases including any disputes as to the interpretation of the Scheme or any rule, regulation, procedure thereunder or as to any rights under the Scheme.

17. Notices

- 17.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses as may be notified by the Company to him in writing.
- 17.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company or at the last known address of the Participant and if sent by post, shall be deemed to have been given on the day following the date of posting.
- 17.3 Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service by post, it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper.

18. Terms of employment unaffected

- 18.1 The terms of employment of a Participant shall not be affected by his participation in the Scheme, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.
- 18.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against the Company, or any Subsidiary.

19. Taxes

All taxes (including income tax) arising from the exercise of any Option granted to any Option Holder under the Scheme shall be borne by that Option Holder.

20. Costs and expenses

20.1 Each Option Holder shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares in CDP's name, the deposit of share certificate(s) with CDP, the Option Holder's securities account with CDP, or the Option Holder's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank (collectively, the "**CDP Charges**").

20.2 Save for the taxes referred to in Rule 19 and such other costs and expenses expressly provided in the Scheme to be payable by the Option Holder, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment of the Shares pursuant to the exercise of any Option shall be borne by the Company.

21. Disclaimer of liability

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing and allotting the Option Shares or in applying for or procuring the listing and quotation for the Option Shares on the SGX-ST.

22. Governing law

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Option Holders, by accepting Options in accordance with the Scheme, and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

23. Disclosure in Annual Report

The Company shall disclose the following in its annual report:

- (a) the names of the members of the Committee; and
- (b) the information required in the table below for the following Participants:
 - (i) Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates;
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) who receive five per cent. (5%) or more of the total number of Options available under the Scheme;

Name of Participant	Options granted during financial year under review (including terms)	Aggregate options granted since commencement of Scheme to end of financial year under review	Aggregate options exercised since commencement of Scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review
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- (c) the names of and number and terms of Options granted to each director or employee of the parent company and its subsidiaries who receive five per cent. (5%) or more of the total number of Options available to all directors and employees of the parent company and its subsidiaries, during the financial year under review;
- (d) the aggregate number of Options granted to the directors and employees for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review; and
- (e) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted.

24. Abstention from Voting

Participants who are Shareholders are to abstain from voting on any Shareholders' resolutions relating to the Scheme.

APPENDIX B

INNOTEK EMPLOYEES' SHARE OPTION SCHEME 2021

LETTER OF OFFER

Serial No: _____

Date:

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the InnoTek Employees' Share Option Scheme 2021 ("**Scheme**"), you have been nominated to participate in the Scheme by the Committee ("**Committee**") appointed by the Board of Directors of InnoTek Limited ("**Company**") to administer the Scheme. Terms as defined in the Rules of the Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option ("**Option**"), to subscribe for and be allotted _____ Shares at a price of S\$_____ per Share.
- 2A. [Without prejudice and in addition to the Rules of the Scheme, the exercise of all or any part of the Option shall be conditional on and subject to: *[insert additional conditions, if applicable]*]
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the Rules of the Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of
InnoTek Limited

Name:
Designation:

APPENDIX C

INNOTEK EMPLOYEES' SHARE OPTION SCHEME 2021

ACCEPTANCE FORM

Serial No: _____

Date:

To: The Committee
InnoTek Employees' Share Option Scheme 2021
InnoTek Limited
160 Robinson Road #24-12 SBF Center
Singapore 068914

Closing Date for Acceptance of Offer	:	_____
Number of Shares Offered	:	_____
Exercise Price for each Share	:	_____
Total Amount Payable	:	_____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the Rules of the Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$_____ per Share. I enclose cash for S\$1.00 in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I further acknowledge and confirm that you have not made any representation to induce me to accept the offer in respect of the said Option and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer. I agree to keep all information pertaining to the grant of the Option to me confidential.

Please Print in Block Letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* *Delete where inapplicable*

Note: Option Shares must be accepted in full or in multiples of 1,000.

APPENDIX D

INNOTEK EMPLOYEES' SHARE OPTION SCHEME 2021

EXERCISE NOTICE

Total number of ordinary shares (" Shares ") offered at S\$_____ per Share (" Exercise Price ") under the Scheme on _____ (Date of Grant)	:	_____
Number of Shares previously allotted thereunder	:	_____
Outstanding balance of Shares to be allotted thereunder	:	_____
Number of Shares now to be subscribed	:	_____

To: The Committee
InnoTek Employees' Share Option Scheme 2021
InnoTek Limited
160 Robinson Road #24-12 SBF Center
Singapore 068914

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for Shares in InnoTek Limited ("**Company**") at S\$_____ per Share.
2. I enclose a *cheque / cashier's order / banker's draft / postal order no. _____ for S\$_____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Rules of the InnoTek Employees' Share Option Scheme 2021 and the Constitution of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the said Shares in the name of The Central Depository (Pte) Ltd ("**CDP**") for credit of my *Securities Account with CDP / Sub-Account with the Depository Agent / CPF Investment Account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

Please Print in Block Letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities Account No. : _____

OR

*Sub-Account No. : _____

*Name of Depository Agent : _____

OR

*CPF Investment Account No. : _____

*Name of Agent Bank : _____

Signature : _____

Date : _____

* *Delete where inapplicable.*

INNOTEK LIMITED

(Company Registration No.: 199508431Z)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be convened and held by way of electronic means on 29 April 2021 at 10.30 a.m. (or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without any modifications, the Resolutions as set out below.

This Notice has been made available on SGXNet and the Company's website and may be accessed at the URL <http://innotek.listedcompany.com/agmegm2021.html>. A printed copy of this Notice will NOT be despatched to members.

Ordinary Resolution 1: The Proposed Adoption of the InnoTek Employees' Share Option Scheme 2021 ("Scheme")

That a new employee share option scheme to be known as the "InnoTek Employees' Share Option Scheme 2021" (the "**Scheme**"), the details and rules of which are set out in the Circular to Shareholders dated 13 April 2021 (the "**Circular**"), be and is hereby approved and adopted substantially in the form set out in the rules of the Scheme, and the Directors of the Company ("**Directors**") be and are hereby authorised:

- (a) to establish and administer the Scheme;
- (b) to modify and/or amend the Scheme from time to time, provided that such modification and/or amendment is effected in accordance with the rules of the Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme; and
- (c) to offer and grant options ("**Options**") in accordance with the rules of the Scheme (as may be modified from time to time) and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the Options under the Scheme, whether granted during the subsistence of this authority or otherwise, provided that the aggregate number of Shares to be issued pursuant to the Scheme when added to the number of Shares issued and/or issuable or transferred/transferable in respect of (a) all Options granted under the Scheme and (b) all Shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed fifteen per cent. (15%) of the issued Shares of the Company (excluding Shares held by the Company as Treasury Shares) from time to time.

Ordinary Resolution 2: Proposed Grant of Authority to Offer and Grant Options under the Scheme at a Discount

That subject to and contingent upon the passing of Ordinary Resolution 1, the Directors of the Company be and are hereby authorised to offer and grant Options in accordance with the rules of the Scheme with exercise prices set at a discount to the Market Price (as defined in the Circular), provided that such discount does not exceed the 20% limit set by the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Linda Sim Hwee Ai
Company Secretary

13 April 2021

Notes:

1. A member (including shareholders which are legal entities) of the Company who is entitled to attend and vote at the EGM is entitled to appoint the Chairman of the Meeting as a proxy to vote in his/her/its stead.
2. The instrument appointing the Chairman of the Meeting as proxy must be duly deposited at the office of the Company's Share Registrar, **Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or sent by email to AGM.TeamE@boardroomlimited.com** not less than 72 hours before the time appointed for the holding of the EGM.

Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, or (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the EGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as a proxy for the EGM (including any adjournment thereof);
- (ii) the processing of the pre-registration for purposes of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live webcast or live audio feed of the EGM proceedings and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) the preparation and compilation of the attendance lists, proxy lists, minutes and any other documents relating to the EGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Participation in the EGM via live webcast or live audio feed:

1. The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will also be made available at the Company's website at <http://innotek.listedcompany.com/agmegm2021.html>.
2. Shareholders will **NOT** be able to attend the EGM in person. All shareholders or their corporate representatives (in the case of shareholders which are legal entities) will be able to participate in the EGM proceedings by accessing a live webcast or live audio feed. To do so, shareholders are required to pre-register their participation in the EGM at this link: <http://smartagm.sg/innotekagmegm2021> ("EGM Registration and Q&A Link") by 10.30 a.m. on 26 April 2021 ("Registration Deadline") for verification of their status as shareholders (or the corporate representatives of such shareholders).
3. Upon successful verification, each such shareholder or its corporate representative will receive an email by 1.00 p.m. on 28 April 2021. The email will contain instructions to access the live webcast or live audio feed of the EGM proceedings. Shareholders or their corporate representatives must not forward the email to other persons. Shareholders or their corporate representatives who have pre-registered by the Registration Deadline in accordance with paragraph 2 above but do not receive an email by 1.00 p.m. on 28 April 2021 should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at (65) 6536 5355 (between 9.00 a.m. to 4.00 p.m. on 28 April 2021).

Voting by proxy

4. Shareholders may only exercise their voting rights at the EGM via proxy voting (see paragraph 5 and 6 below).
5. Shareholders who wish to vote on any or all of the resolutions at the EGM must appoint the Chairman of the Meeting as their proxy to do so on their behalf.
6. The duly executed proxy form must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or sent by email to **AGM.TeamE@boardroomlimited.com** not less than 72 hours before the time appointed for the holding of the EGM.

Submission of questions prior to the EGM

7. Shareholders will not be able to ask questions “live” during the broadcast of this EGM. Shareholders may submit questions related to the resolutions to be tabled at the EGM during pre-registration via the EGM Registration and Q&A Link by 9.30 a.m. on 21 April 2021 so that they may be addressed during the EGM proceedings.
8. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the EGM on SGXNET and the Company’s website within one month after the date of the EGM.

Important reminder

9. **Due to the constantly evolving COVID-19 situation, the Company may be required to change its EGM arrangements at short notice. Shareholders are advised to regularly check the Company’s website or announcements released on SGXNET for updates on the EGM. Further, in light of the current COVID-19 measures, which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

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INNOTEK LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199508431Z)

EXTRAORDINARY GENERAL MEETING ON 29 APRIL 2021 AT 10.30 A.M.

PROXY FORM

(Please see notes overleaf before completing this Form)

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL <http://innotek.listedcompany.com/agmegm2021.html>. A printed copy of this form of proxy will NOT be despatched to members.

IMPORTANT

1. Members who wish to vote on any or all of the resolutions at the Extraordinary General Meeting must appoint the Chairman of the Meeting as their proxy to do so on their behalf.
2. For investors who have used their CPF monies to buy shares in the capital of InnoTek Limited, this proxy form is not valid for use and shall be ineffective for all intent and purposes if used or purported to be used by them. CPF/ SRS investors who wish to appoint the Chairman of the Meeting as their proxy should contact their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 April 2021.

I/We, _____ (Name)
of _____ (Address)
being a member/members of InnoTek Limited (the "**Company**"), hereby appoint the Chairman of the Meeting as *my/our proxy, to attend, speak and vote for *me/us and on *my/our behalf, at the Extraordinary General Meeting of the Company to be convened and held by way of electronic means on Thursday, 29 April 2021 at 10.30 a.m. and at any adjournment thereof in the following manner:

No.	Ordinary Resolutions relating to:	For	Against	Abstain
1	Proposed Adoption of the InnoTek Employees' Share Option Scheme 2021			
2	Proposed Grant of Authority to Offer and Grant Options under the InnoTek Employees' Share Option Scheme 2021 at a Discount			

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the Resolutions as set out in the Notice of EGM. If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that resolution.)

Dated this _____ day of _____ 2021

Total Number of Shares in:	No. of Shares
(a) CDP register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Extraordinary General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting if such member wishes to exercise his/her/its voting rights at the Extraordinary General Meeting.**

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

3. The Chairman of the Meeting as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted **by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623**; or
 - (b) if submitted electronically, be submitted via **email to the Company's Share Registrar at AGM.Teame@boardroomlimited.com**,

in either case, not less than 72 hours before the time set for the meeting.

A member who wishes to submit an instrument of proxy must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
6. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointer, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as a proxy to vote at the Meeting and/or any adjournment thereof, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 13 April 2021.