

CIRCULAR DATED 9 APRIL 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

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

If you have sold or transferred all your shares in the issued share capital of Trek 2000 International Ltd (the "**Company**"), you should immediately forward this Circular and the enclosed Notice of Annual General Meeting and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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



TREK 2000 INTERNATIONAL LTD

(Incorporated in the Republic of Singapore)
(Company Reg. No. 199905744N)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING 2024

IN RELATION TO

- 1. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**
- 2. THE PROPOSED GRANT OF SHARE OPTIONS TO MR. TAN JOON YONG, WAYNE, A CONTROLLING SHAREHOLDER, UNDER THE TREK 2000 INTERNATIONAL LTD EMPLOYEES SHARE OPTION SCHEME 2023**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 23 April 2024 at 9.00 a.m.

Date and time of Annual General Meeting : 26 April 2024 at 9.00 a.m.

(The AGM will be held by Electronic Means)

CONTENTS

	PAGE
DEFINITIONS	3
 LETTER TO SHAREHOLDERS	
1. INTRODUCTION.....	9
2. PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE	9
3. TAKEOVER IMPLICATIONS UNDER THE CODE	20
4. PROPOSED GRANT OF OPTION TO MR. TAN JOON YONG, WAYNE	22
5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	30
6. DIRECTORS' RECOMMENDATIONS.....	31
7. ANNUAL GENERAL MEETING.....	31
8. APPROVALS AND RESOLUTIONS.....	31
9. ACTION TO BE TAKEN BY SHAREHOLDERS.....	31
10. ABSTENTION FROM VOITING.....	32
11. DIRECTORS' RESPONSIBILITY STATEMENT	32
12. DOCUMENTS AVAILABLE FOR INSPECTION.....	33
APPENDIX	34

DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context requires otherwise:

- "2017 Circular"** : The Company's Circular to Shareholders dated 14 June 2017, issued in connection with the 2017 EGM
- "2017 EGM"** : The Extraordinary General Meeting of the Company convened on 29 June 2017
- "2023 AGM"** : The Annual General Meeting of the Company convened on 28 June 2023
- "2023 EGM"** : The Extraordinary General Meeting of the Company convened on 28 June 2023
- "2024 AGM"** : The Annual General Meeting of the Company to be held on 26 April 2024
- "ACRA"** : Accounting and Corporate Regulatory Authority of Singapore
- "AGM"** : The Annual General Meeting of the Company
- "Approval Date"** : The date of the forthcoming AGM at which the proposed renewal of the Share Buy-Back Mandate is approved
- "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 30% or more;
- (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
- "Associated Company"** : A company in which at least twenty per centum (20%) but no more than fifty per centum (50%) of its shares are held by the Company
- "Award"** : An award of Shares pursuant to Trek 2000 International Ltd Employee Share Option Scheme 2023

DEFINITIONS

"Board" or "Board of Directors"	:	The board of Directors of the Company
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 1 April 2024
"Code"	:	The Singapore Code on Take-overs and Mergers
"Companies Act"	:	The Companies Act 1967 of Singapore as amended, modified or supplemented from time to time
"Company"	:	Trek 2000 International Ltd
"Constitution"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"Controlling Shareholder"	:	A person who holds directly or indirectly 15% or more of the total voting rights in the Company Shares excluding Treasury Shares and subsidiary holdings, if any, in the Company (unless otherwise determined by the SGX-ST) or who in fact exercises control over the Company
"CPF"	:	Central Provident Fund
"Directors"	:	The directors of the Company as at the date of this Circular
"EPS"	:	Earnings per Share
"Exercise Price"	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 8 of the Option Rules, or such adjusted price as may be applicable pursuant to Rule 12 of the Option Rules
"Executive Director"	:	A director of the Company who performs an executive function
"FY"	:	Financial year ended or, as the case may be, ending 31 December
"Group"	:	The Company and its subsidiaries
"Group Executive Management"	:	Executive Directors and Key Management Personnels of the Company
"Key Management Personnels"	:	Key Management Personnels are responsible for planning, directing and controlling the activities, directly or indirectly, of the Company
"Latest Practicable Date"	:	5 June 2023 being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The listing manual of the SGX-ST, as amended, modified, or supplemented from time to time

DEFINITIONS

"Market Day"	:	A day on which the SGX-ST is open for securities trading
"Market Price"	:	The average of the last dealt price for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offering Date 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 up to the nearest whole cent in the event of fractional prices
"Member" or "Shareholder"	:	The registered holders of the Shares, except that where the registered holder is CDP, the term "Shareholders" or "Members" shall, in the relation to such Shares, mean the Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those Shares
"New Shares"	:	The new shares which may be allotted and issued from time to time pursuant to the exercise of an Option under the Trek 2000 ESOS 2023
"Non-Executive Director"	:	A director of the Company other than one who performs an executive function (including an Independent Director)
"Notice of AGM"	:	The notice of the AGM set out on page XX of this Circular
"NTA"	:	Net tangible assets
"Offering Date"	:	The date on which an Option is granted pursuant to a Letter of Offer
"Options"	:	Options to subscribe for Shares to be granted pursuant to the Trek 2000 ESOS for the time being subsisting
"Option Committee"	:	The committee comprising all the members of the Remuneration Committee of the Company from time to time, as may be duly authorised and appointed by the Board to administer the Trek 2000 ESOS 2023
"Option Rules"	:	The rules of Trek 2000 ESOS 2023
"Ordinary Resolution"	:	The ordinary resolution as set out in the Notice of AGM
"Participant"	:	An eligible person selected by the Option Committee to participate in the Option Scheme in accordance with the rules thereof
"Proxy Form"	:	The proxy form in respect of the AGM as set out in this Circular
"relevant intermediary"	:	Means:-

DEFINITIONS

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets licence to provide custodial services for securities under the SFA and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Central Provident Fund Board holds those shares in the capacity of an intermediary.
- "Remuneration Committee"** : The Remuneration Committee comprised of Independent Non-Executive Directors of the Company
- "relevant intermediary"** : Means:-
- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets licence to provide custodial services for securities under the SFA and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Central Provident Fund Board holds those shares in the capacity of an intermediary.
- "S\$" and "cents"** : Singapore dollars and cents, respectively
- "Securities Account"** : 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"** : The Securities and Futures Act, Chapter 289 of Singapore as amended, modified or supplemented from time to time

DEFINITIONS

"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Buy-Back"	:	The buy-back of Shares by the Company in accordance with the terms set out in this Circular as well as the relevant provisions of the Companies Act and the Listing Manual
"Share Buy-Back Mandate"	:	The general mandate to be given by Shareholders to authorise the Directors to effect Share Buy-Backs
"Shareholders"	:	Persons who are registered as holders of the Shares in the register of members of the Company, or where CDP is the registered holder, the term " Shareholders " shall, in relation to such Shares, mean the Depositors who have Shares entered against their names in the Depository Register
"Shares"	:	Ordinary shares in the capital of the Company
"SIC"	:	Securities Industry Council
"Subsidiary Holdings"	:	Shares held by subsidiaries of the Company in accordance with the Companies Act
"Substantial Shareholder"	:	A person who holds directly or indirectly 5% or more of the issued share capital in the Company
"Treasury Shares"	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Companies Act applies and have been held by the Company continuously since such Shares were so purchased
"Trek 2000 ESOS 2023"	:	The Proposed Trek 2000 International Ltd Employee Share Option Scheme 2023
"US\$" and "cents"	:	United States dollars and cents, respectively
"%" or "per cent"	:	Percentage or per centum

Unless otherwise specifically provided, the following exchange rate is used throughout this Circular:

USD 1.00 : SGD 1.3605

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.

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

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

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

DEFINITIONS

Any reference in this Circular 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 any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

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

LETTER TO SHAREHOLDERS

TREK 2000 INTERNATIONAL LTD

(Incorporated in the Republic of Singapore)

(Company Registration No. 199905744N)

Directors:

Tan Joon Yong, Wayne (*Executive Chairman, Executive Director and Group President*)
Lun Chee Leong (*Independent Non-Executive Director*)
Kwek Swee Heng (*Independent Non-Executive Director*)
Christopher Wong Siang Yew (*Independent Non-Executive Director*)

Registered Office:

30 Loyang Way
#07-13/14/15
Loyang Industrial Estate
Singapore 508769

9 April 2024

To: The Shareholders of the Company

Dear Sir/Madam,

1. INTRODUCTION

1.1 AGM

The Directors wish to refer Shareholders to:

- (i) the Notice of AGM dated 9 April 2024, accompanying the Annual Report 2023;
- (ii) the ordinary resolution to seek Shareholders' approval for the proposed renewal of the Share Buy-Back Mandate;
- (iii) the Rules of Trek 2000 ESOS 2023; and
- (iv) the ordinary resolution to seek Shareholders' approval for the proposed grant of Share Option to Mr. Tan Joon Yong, Wayne, a Controlling Shareholder, under the Trek 2000 ESOS 2023.

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to the followings:

- (i) Proposed renewal of Share Buy-Back Mandate; and
- (ii) Proposed grant of Share Options to Mr. Tan Joon Yong, Wayne, a Controlling Shareholder, under Trek 2000 ESOS 2023.

2. PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Background

At the forthcoming AGM of the Company to be held on 26 April 2024, the Directors are seeking the approval of the Shareholders for the proposed renewal of Share Buy-Back Mandate ("**Proposal**").

LETTER TO SHAREHOLDERS

The Share Buy-Back Mandate was first approved by Shareholders at the 2017 EGM. The authority conferred pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time during the period commencing from the 2017 EGM and expiring on the date when the next AGM is held, or the date by which the next AGM is required by law to be held, or when the authority conferred is revoked or varied in any general meeting of the Company, whichever is earlier.

The existing Share Buy-Back Mandate will expire on the date of the Company's 2024 AGM. Accordingly, the Directors of the Company are seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate at the 2024 AGM.

Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by the Companies Act, the Listing Manual, the Company's Constitution and such other laws and regulations as may for the time being be applicable.

2.2 Rationale

The renewal of the Share Buy-Back Mandate authorising the Company to purchase its Shares would give the Company the flexibility to undertake Share Buy-Backs up to the 10% limit described in Section 2.3 below at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force.

The rationale for the Company to undertake Share Buy-Backs is as follows:

- (a) a Share Buy-Back is one of the ways in which the return on equity of the Company may be improved, thereby enhancing Shareholders' value. Depending on market conditions, the Share Buy-Back Mandate may lead to an enhancement of the EPS and the NTA per Share of the Company;
- (b) the Share Buy-Back Mandate will facilitate the Company's return to Shareholders of surplus cash (if any) which is in excess of the financial needs of the Group in an expedient and cost-effective manner. This will enable the Company to have greater flexibility over its share capital structure and dividend policy;
- (c) the Directors are of the view that Share Buy-Backs by the Company may help to mitigate short-term market volatility in the price of the Shares, off-set the effects of short-term speculation and bolster the confidence of investors and Shareholders in the Company; and
- (d) a share repurchase programme will allow management to effectively manage and minimise the dilution impact (if any) associated with employee share schemes.

The Directors will only engage in Share Buy-Backs when they believe that it would benefit the Company and Shareholders, taking into consideration factors such as the amount of surplus cash available and the prevailing market conditions. In addition, the Directors do not intend to engage in Share Buy-Backs to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, the orderly trading of the Shares, or result in the Company being delisted from the SGX-ST.

2.3 Authority and Limits

The authority and limitations placed on Share Buy-Backs by the Company pursuant to the Share Buy-Back Mandate, if renewed at the forthcoming 2024 AGM, are the same as previously approved by Shareholders at the 2023 AGM and are summarised below:

LETTER TO SHAREHOLDERS

(a) Maximum number of Shares

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

The total number of Shares that may be purchased by the Company pursuant to the renewed Share Buy-Back Mandate is limited to that number of Shares representing not more than **10%** of the total number of issued Shares as at the Approval Date (excluding Treasury Shares and Subsidiary Holdings, if any).

As at the Latest Practicable Date, the Company does not have any Subsidiary Holdings and holds 11,075,000 Treasury Shares.

For illustrative purposes only, on the basis of 313,041,925 Shares in issue as at the Latest Practicable Date excluding the 11,075,000 Treasury Shares and Subsidiary Holdings on or prior to the 2024 AGM, not more than 31,304,192 Shares (representing 10% of the Shares in issue as at that date) may be purchased by the Company pursuant to the renewed Share Buy-Back Mandate.

In the event that any of the Options that have vested are exercised during the period between the Latest Practicable Date and the date of the 2024 AGM, only those new Shares that are allotted and issued by the Approval Date pursuant to the exercise of such vested Options will be taken into account for the purposes of determining the total number of Shares as at the Approval Date. As at the Latest Practicable Date, the outstanding Options is 12,250,000 Shares. In the event that the maximum outstanding Options of 12,250,000 Shares are exercised, not more than 32,529,192 (representing 10% of the Shares in issue as at that date) may be purchased by the Company pursuant to the renewed Share Buy-Back Mandate.

(b) Duration of authority

Share Buy-Backs may be made, at any time and from time to time, by the Company on and from the Approval Date, up to the earliest of:

- (i) the date on which the next AGM is held or required by law to be held;
- (ii) the date on which the authority conferred by the renewed Share Buy-Back Mandate is revoked or varied by Shareholders in general meeting; or
- (iii) the date on which Share Buy-Backs pursuant to the renewed Share Buy-Back Mandate are carried out to the full extent mandated.

(c) Manner of Share Buy-Backs

Share Buy-Backs may be made by way of:

- (i) an on-market purchase ("**On-Market Purchase**") transacted by the Company through the trading system of the SGX-ST or on another securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (ii) an off-market purchase (otherwise than on a securities exchange), effected in accordance with an "equal access scheme" as defined in Section 76C of the Companies Act ("**Off-Market Purchase**").

LETTER TO SHAREHOLDERS

In an Off-Market Purchase, the Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual, the Companies Act and/or other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Companies Act, an Off-Market Purchase effected in accordance with an equal access scheme must satisfy all of the following conditions:

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

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase, it is required to issue an offer document to all Shareholders containing at least the following information:

- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed Share Buy-Back;
 - (iv) the consequences, if any, of Share Buy-Backs by the Company that will arise under the Code or other applicable takeover rules;
 - (v) whether the Share Buy-Back, if made, could affect the listing of the Shares on the SGX-ST;
 - (vi) details of any Share Buy-Backs made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.
- (d) Maximum purchase price

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for a Share in the event of any

LETTER TO SHAREHOLDERS

Share Buy-Back shall be determined by the Directors. However, the purchase price to be paid for the Shares must not exceed:

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

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

For the above purposes:

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

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

2.4 Status of Purchased Shares

Shares which are purchased by the Company shall, unless held as Treasury Shares in accordance with the Companies Act, be deemed to be cancelled immediately on purchase, and all rights and privileges attached to those Shares will expire on cancellation. The total number of issued Shares will be diminished by the number of Shares purchased by the Company and which are not held as Treasury Shares.

2.5 Treasury Shares

Under the Companies Act, Shares purchased by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Companies Act are summarised below:

(a) Maximum holdings

The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares (excluding Treasury Shares).

(b) Voting and other rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a

LETTER TO SHAREHOLDERS

winding up) may be made, to the Company in respect of Treasury Shares. However, an allotment of shares as fully paid bonus shares in respect of the Treasury Shares is allowed. A subdivision or consolidation of any Treasury Share into Treasury Shares of a greater or smaller amount is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(c) Disposal and cancellation

Where Shares are held as Treasury Shares, the Company may at any time (but subject always to the Code):

- (i) sell the Treasury Shares for cash;
- (ii) transfer the Treasury Shares for the purposes of, or pursuant to, any share scheme (whether for employees, directors or otherwise);
- (iii) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Treasury Shares; or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, the percentage of the number of Treasury Shares comprised in the usage against the total number of issued Shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage and the value of the Treasury Shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

The Company may only apply funds for the Share Buy-Backs as provided in the Constitution and in accordance with the applicable laws in Singapore.

Under the Companies Act, any purchase of the Shares may be made out of the Company's capital and/or distributable profits which are available for payment as dividends, so long as the Company is solvent.

The Company may use internal sources of funds and/or external borrowings to finance any Share Buy-Back pursuant to the Share Buy-Back Mandate. The Directors do not propose to exercise the renewed Share Buy-Back Mandate in a manner and to such an extent that it would have a material adverse effect on the working capital requirements of the Group.

2.7 Financial Effects

The financial effects of a Share Buy-Back on the Group and the Company will depend on, *inter alia*, whether the Shares are purchased out of profits and/or capital of the Company, the number

LETTER TO SHAREHOLDERS

of Shares purchased, the price paid for such Shares and whether the Shares purchased are held in treasury or cancelled.

The financial effects on the audited financial statements of the Group and the Company for the financial year ended 31 December 2023 are based on the assumptions set out below:

(a) Purchase out of profits and/or capital

Under the Companies Act, Share Buy-Backs by the Company may be made out of the Company's profits and/or capital, so long as the Company is solvent.

Where the consideration paid by the Company for the Share Buy-Back is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax, stamp duty and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the Share Buy-Back is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced but the issued share capital of the Company will be reduced by the value of the Shares purchased.

Where the Share Buy-Back is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased and the prices at which the Shares are purchased.

(b) Number of Shares purchased

For illustrative purposes only, on the basis of 313,041,925 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued and disregarding 11,075,000 Treasury Shares and Subsidiary Holdings on or prior to the 2024 AGM, the purchase by the Company of up to the maximum limit of 10% of its issued Shares (excluding 11,075,000 Treasury Shares and Subsidiary Holdings) would result in the purchase of 31,304,192 Shares.

(c) Maximum price to be paid for Shares purchased

On-Market Purchase

For illustrative purposes only, in the case of an On-Market Purchase by the Company and assuming that the Company purchases 31,304,192 Shares at the Maximum Price of S\$0.071 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 31,304,192 Shares (excluding related expenses) is approximately S\$2,222,598 (US\$1,662,501).

LETTER TO SHAREHOLDERS

Off-Market Purchase

For illustrative purposes only, in the case of an Off-Market Purchase by the Company and assuming that the Company purchases 31,304,192 Shares at the Maximum Price of S\$0.081 per Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 31,304,192 Shares (excluding related expenses) is approximately S\$2,535,640 (US\$1,896,656).

(d) Illustrative Financial Effects

For illustrative purposes only, and based on the assumptions set out above, the financial effects of the Share Buy-Backs pursuant to the renewed Share Buy-Back Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2023 as if the renewed Share Buy-Back Mandate had been effective on 1 January 2023 are as follows:

(i) **Scenario A: Purchases made entirely out of capital and cancelled**

(US\$'000)	<u>Group</u>			<u>Company</u>		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Market Purchase	Off-Market Purchase		Market Purchase	Off-Market Purchase
As at 31 December 2023						
Profit attributable to Shareholders of the Company	2,690	2,690	2,690	4,096	4,096	4,096
Share capital	37,829	35,168	34,934	37,829	35,168	34,934
Capital reserve	3,676	3,676	3,676	(417)	(417)	(417)
Translation reserve	163	163	163	-	-	-
Retained earnings	(12,237)	(12,237)	(12,237)	(9,122)	(9,122)	(9,122)
Treasury Shares	(996)	-	-	(996)	-	-
Non-controlling interest	855	855	855	-	-	-
Equity attributable to owners of the Company	28,435	26,770	26,536	27,294	25,629	25,395
NTA	29,290	27,625	27,391	27,294	25,629	25,395
Current assets	32,663	31,000	30,766	28,646	26,983	26,749
Current liabilities	5,332	5,332	5,332	2,838	2,838	2,838
Working capital	27,331	25,668	25,434	25,808	24,145	23,911
Total borrowings	-	-	-	-	-	-
Number of Shares excluding Treasury Shares ('000)	313,042	281,738	281,738	313,042	281,738	281,738
Number of Treasury Shares ('000)	11,075	-	-	11,075	-	-
<u>Financial Ratios</u>						
NTA per Share (cents) ⁽¹⁾	9.36	9.81	9.72	8.72	9.10	9.01
Gearing (times) ⁽²⁾	-	-	-	-	-	-
Current ratio (times)	6.13	5.81	5.77	10.09	9.51	9.43
EPS (cents) ⁽³⁾	0.86	0.95	0.95	1.31	1.45	1.45
ROE (%) ⁽⁴⁾	9.46	10.05	10.14	15.01	15.98	16.13

LETTER TO SHAREHOLDERS

Notes:

- (1) NTA per Share equals NTA divided by number of Shares.
 (2) Gearing equals total borrowings divided by Shareholders' equity.
 (3) For illustrative purposes, EPS is calculated based on the number of Shares as at Latest Practicable Date excluding Treasury Shares and Subsidiary Holdings.
 (4) ROE equals profit attributable to Shareholders of the Company divided by Shareholders' equity.

(ii) Scenario B: Purchases made entirely out of capital and held as Treasury Shares

(US\$'000)	<u>Group</u>			<u>Company</u>		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Market Purchase	Off-Market Purchase		Market Purchase	Off-Market Purchase
As at 31 December 2023						
Profit attributable to Shareholders of the Company	2,690	2,690	2,690	4,096	4,096	4,096
Share capital	37,829	37,829	37,829	37,829	37,829	37,829
Capital reserve	3,676	3,676	3,676	(417)	(417)	(417)
Translation reserve	163	163	163	-	-	-
Retained earnings	(12,237)	(12,237)	(12,237)	(9,122)	(9,122)	(9,122)
Treasury Shares	(996)	(2,661)	(2,895)	(996)	(2,661)	(2,895)
Non-controlling interest	855	855	855	-	-	-
Equity attributable to owners of the Company	28,435	26,770	26,536	27,294	25,629	25,395
NTA	29,290	27,625	27,391	27,294	25,629	25,395
Current assets	32,663	31,000	30,766	28,646	26,983	26,749
Current liabilities	5,332	5,332	5,332	2,838	2,838	2,838
Working capital	27,331	25,668	25,434	25,808	24,145	23,911
Total borrowings	-	-	-	-	-	-
Number of Shares excluding Treasury Shares ('000)	313,042	281,738	281,738	313,042	281,738	281,738
Number of Treasury Shares ('000)	11,075	42,379	42,379	11,075	42,379	42,379
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	9.36	9.81	9.72	8.72	9.10	9.01
Gearing (times) ⁽²⁾	-	-	-	-	-	-
Current ratio (times)	6.13	5.81	5.77	10.09	9.51	9.43
EPS (cents) ⁽³⁾	0.86	0.95	0.95	1.31	1.45	1.45
ROE (%) ⁽⁴⁾	9.46	10.05	10.14	15.01	15.98	16.13

Notes:

- (1) NTA per Share equals NTA divided by number of Shares.
 (2) Gearing equals total borrowings divided by Shareholders' equity.
 (3) For illustrative purposes, EPS is calculated based on the number of Shares as at Latest Practicable Date excluding Treasury Shares and Subsidiary Holdings.
 (4) ROE equals profit attributable to Shareholders of the Company divided by Shareholders' equity.

LETTER TO SHAREHOLDERS

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited FY2023 numbers and is not necessarily representative of the future financial performance of the Group or the Company.

Although the renewed Share Buy-Back Mandate would authorise the Company to buy back up to 10% of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings), the Company may not necessarily buy back or be able to buy back the entire 10% of the total number of its issued Shares (excluding Treasury Shares and Subsidiary Holdings), or buy back or be able to buy back up to the maximum number of its issued Shares that it can hold in treasury as illustrated above. The Company may, subject to the requirements of the Companies Act, cancel all or part of the Shares repurchased and/or hold all or part of the Shares repurchased as Treasury Shares and Subsidiary Holdings, at its discretion.

The Directors will be prudent in exercising the renewed Share Buy-Back Mandate in the best interests of the Company and Shareholders and do not propose to exercise the mandate to such an extent that it will have a material adverse impact on the financial position of the Group or the Company. Share Buy-Backs will only be effected after assessing the relative impact of a Share Buy-Back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and the performance of the Shares).

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or tax implications arising from a Share Buy-Back by the Company, or who may be subject to tax in their respective jurisdictions, should consult their own professional advisers.

2.9 Reporting Requirements

(a) Notification to ACRA

Within 30 days of the passing of a Shareholders' resolution to approve any Share Buy-Back, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within 30 days of a Share Buy-Back on the SGX-ST or otherwise. Such notification in the form as may be prescribed by ACRA shall include details of the date of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled or held as Treasury Shares and Subsidiary Holdings, the Company's issued share capital before and after the Share Buy-Back, the amount of consideration paid by the Company for the Share Buy-Back, whether the Shares were purchased out of profits or the capital of the Company, and such other information as may be prescribed from time to time.

(b) Notification to the SGX-ST

The Listing Manual specifies that a listed company shall report all Share Buy-Backs to the SGX-ST no later than 9.00 a.m. (i) in the case of an On-Market Purchase, on the Market Day following the day of purchase of any of its shares, and (ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer.

Such an announcement (which must be in the form prescribed in the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as Treasury Shares, the purchase price per Share or the highest and lowest prices paid for such

LETTER TO SHAREHOLDERS

Shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the Shares, the number of Shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding Treasury Shares and Subsidiary Holdings after the purchase, and the number of Treasury Shares held and the number of Subsidiary Holdings after the purchase.

2.10 No Share Buy-Backs during Price Sensitive Developments

The Listing Manual does not expressly prohibit any purchase of its own shares by a listed company during any particular time(s). However, as the Company would be regarded as an "insider" in relation to any proposed purchase of its Shares, the Company will not engage in any Share Buy-Backs pursuant to the renewed Share Buy-Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced.

In particular, in line with the best practices on securities dealings in the Listing Manual, if the Company is not required to announce quarterly financial statements, the Company will not engage in any Share Buy-Backs during the period of one (1) month immediately before the announcement of the Company's half-year or full-year results, and ending on the date of announcement of the relevant results.

In the event that the Company is required to announce quarterly financial statements, the Company will not engage in any Share Buy-Backs during the period of two (2) weeks immediately before the announcement of the Company's results for each of the first three quarters of the financial year or one (1) month before the announcement of the Company's full year financial statements, and ending on the date of announcement of the relevant results.

2.11 Listing status of the Company's securities

The Listing Manual requires a listed company to ensure that at least 10% of the equity securities (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

The "public", as defined in the Listing Manual, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, 96,234,149 Shares, representing approximately 30.7% of the total number of issued Shares (excluding Treasury Shares, Subsidiary Holdings, preference shares & convertible equity securities), are in the hands of the public.

Assuming that the Company purchases its Shares up to the maximum 10% limit pursuant to the renewed Share Buy-Back Mandate from the public and the Shares bought back are cancelled, the resultant percentage of Shares held in the hands of the public would be reduced to approximately 23.1%. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held by the public which would permit the Company to undertake Share Buy-Backs up to the full 10% limit pursuant to the renewed Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading of the Shares.

LETTER TO SHAREHOLDERS

In undertaking any Share Buy-Backs, the Directors will use their best efforts to ensure that the Company does not affect a Share Buy-Back which would result in the number of Shares remaining in the hands of the public falling to such a level as to (i) cause market illiquidity, (ii) adversely affect the orderly trading of the Shares, or (iii) adversely affect the listing status of the Shares on the SGX-ST.

2.12 Previous Share Buy-Backs

In the last 12 months preceding the Latest Practicable Date, the Company acquired 50,000 Shares pursuant to the share purchase mandate renewed at the 2023 AGM. The Shares purchased in previous years are kept as Treasury Shares and the number of Treasury Shares remain unchanged since the Latest Practicable Date.

3. TAKEOVER IMPLICATIONS UNDER THE CODE

3.1 Provisions under the Code

(a) Obligation to Make a Take-over Offer

Under Appendix 2 of the Code, any increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him as a result of any Share Buy-Back will be treated as an acquisition for the purposes of Rule 14 of the Code.

Pursuant to Rule 14 of the Code, a Shareholder and persons acting in concert with him will incur an obligation to make a mandatory take-over offer for the Company if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of six (6) months.

Consequently, depending on the number of Shares purchased by the Company and the Company's total number of issued Shares at that time, a Shareholder or a group of Shareholders acting in concert could, in certain circumstances, obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14 of the Code.

(b) Persons Acting In Concert

Under the Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert with each other under the Code:

- (i) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, companies of which such companies are associated companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights, all with each other. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first mentioned company;

LETTER TO SHAREHOLDERS

- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (iii) the following persons and entities:
 - (1) an individual;
 - (2) the close relatives of (1);
 - (3) the related trusts of (1);
 - (4) any person who is accustomed to act in accordance with the instructions of (1);
 - (5) any companies controlled by any of (1), (2), (3) or (4); and
 - (6) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

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

(c) Effect of Rule 14 and Appendix 2 of the Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 ("**Take-over Obligation**") if, as a result of the Company purchasing Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or, if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2, a Shareholder who is not acting in concert with the Directors, will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such a Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

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

LETTER TO SHAREHOLDERS

4. PROPOSED GRANT OF SHARE OPTIONS TO MR. TAN JOON YONG, WAYNE, A CONTROLLING SHAREHOLDER, UNDER TREK 2000 ESOS 2023

4.1. Summary of Trek 2000 ESOS 2023

4.1.1 Purpose

The Trek 2000 ESOS 2023 was adopted by the Company at the 2023 EGM with the purpose of incentivising Group Executive Management. Previously, the Company had an employee share option scheme known as the “Trek 2000 International Ltd Employee Share Option Scheme 2011” (hereinafter referred to as the “2011 ESOS”). The 2011 ESOS expired on 7 November 2021. Since the expiry of the 2011 ESOS on 7 November 2021, no options to take up unissued Shares of the Company have been granted under the 2011 ESOS. The Company had granted 10,250,000 Share Options under Trek 2000 ESOS 2023 in 2023.

The Directors believe that the Trek 2000 ESOS 2023 will serve as a powerful incentive in retaining and motivating qualified Group Executive Management to optimise their performance standards and increase their efficiency. In addition, the Trek 2000 ESOS 2023 will provide the Company with the necessary flexibility and effectiveness to reward, retain and motivate these employees to achieve superior performance. The Trek 2000 ESOS 2023 will also aim to continue to foster a greater ownership culture within the Group, which directly aligns the interest of employees with that of the Shareholders, and to improve performance and sustainable growth for the Company in the changing business environment.

The rules of the Trek 2000 ESOS 2023 are set out in the Appendix of this Circular.

4.1.2 Eligibility

The Trek 2000 ESOS 2023 is made eligible for Group Executive Management, who has attained the legal age of 21 years on or before the Offering Date and are not undischarged bankrupts, at the absolute discretion of the Option Committee.

For the avoidance of doubt, Non-Executive Directors and, Directors and employees of the Company’s Associated Companies are not eligible to participate in the Trek 2000 ESOS 2023.

4.1.3. Options

Options represent the right of a Participant to subscribe for Shares in consideration for the Exercise Price upon the exercise of the Option.

An Option offered to a Participant may only be accepted by the Participant within 30 days after the relevant Offering Date and not later than 5.00 p.m. on the 30th day from such Offering Date. The grant of an Option must be accepted by completing, signing and returning of the acceptance form accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Option Committee may require. The Option is deemed not accepted until the Company is in actual receipt of the acceptance form.

4.1.4 Participants

The selection of a Participant and the number of Shares which are the subject of each Option to be granted to a Participant shall be determined at the absolute discretion of the Option Committee, which shall take into account, *inter alia*, the seniority of his position, performance, length of service and potential for future development of the employee.

LETTER TO SHAREHOLDERS

4.1.5 Exercise Price

Subject to any adjustment, the Exercise Price of Options granted will be determined by the Option Committee, in its absolute discretion, on the Offering Date at:

- (i) a price equal to the Market Price; or
- (ii) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed twenty per centum (20%) of the Market Price.

In determining whether to give a discount and the quantum of such discount in respect of the Exercise Price, the Option Committee may take into account factors such as the performance of the Group, the individual performance of the participant, his contribution to the success and development of the Group, and the prevailing market and economic conditions.

4.1.6 Grant of Options at a Discounted Price

Under the Trek 2000 ESOS 2023, the Exercise Price of the Options granted will be determined by the Option Committee. The Option Committee has the discretion to grant Options at a discounted Exercise Price. In the event that the Options are granted at a discount, the discount shall not exceed twenty per centum (20%) of the Market Price provided that the prior approval of the Shareholders of the Company in general meeting shall have approved the discount for the duration of the Trek 2000 ESOS 2023. For the avoidance of doubt, approval of Shareholders was obtained at the 2023 EGM and shall be required to be obtained only once and, shall unless revoked, authorise the making of offers and grants of Options under the Trek 2000 ESOS 2023 at such discount for the duration of the Trek 2000 ESOS 2023.

Options granted with a discount under the Trek 2000 ESOS 2023 are subject to a longer vesting period of two years compared to one year for Options granted at the Market Price. Holders of such Options will be encouraged to have a long-term view of the Company, thereby promoting staff and employee retention, and reinforcing their commitment to the Company.

4.1.7 Exercise Period

An Option granted with Exercise Price that is set at the Market Price shall be exercisable at any time by the Participant after the first anniversary of the Offering Date, provided that the Option shall be exercised before the tenth anniversary of the relevant Offering Date or such earlier date as may be determined by the Option Committee, failing which the unexercised Option shall immediately lapse and, become null and void.

An Option granted with Exercise Price that is set at a discount to the Market Price shall be exercisable at any time by the Participant after the second anniversary of the Offering Date, provided that the Option shall be exercised before the tenth anniversary of the relevant Offering Date or such earlier date as may be determined by the Option Committee, failing which the unexercised Option shall immediately lapse and, become null and void.

4.1.8 Size and Duration of the Trek 2000 ESOS 2023

The total number of Shares which may be delivered pursuant to the exercise of Options granted under the Trek 2000 ESOS 2023 on any date, when added to the number of Shares issued and issuable in respect of such other share-based incentive schemes of the Company, including but not limited to the Trek 2000 ESOS 2023, shall not exceed fifteen per centum (15%) of the total issued share capital (excluding Treasury Shares and subsidiary holdings, if any) from time to time of the Company on the day preceding that date.

The Trek 2000 ESOS 2023 shall continue in force at the discretion of the Option Committee, subject to a maximum period of 10 years commencing on the date on which the Trek 2000 ESOS 2023 is adopted by the Company in general meeting, provided always that the Trek 2000 ESOS 2023 may

LETTER TO SHAREHOLDERS

continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

4.1.9 Operation of the Trek 2000 ESOS 2023

Subject to the prevailing legislation and rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants in relation to the exercise of an Option by way of:-

- (i) an issue of new Shares; and/or
- (ii) the delivery of existing Shares (including Treasury Shares).

In determining whether to issue new Shares or to deliver existing Shares to Participants upon exercise of their Options, the Company may take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or delivering existing Shares (including Treasury Shares).

Subject to such consents or other required actions of 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), compliance with the Option Rules and the Constitution of the Company, the Company shall within one (1) month after the exercise of an Option by a Participant allot or transfer existing Shares to the Participant and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Option Committee may deem fit.

New Shares allotted and issued, and existing Shares procured by the Company for transfer on the exercise of an Option shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

4.1.10 Adjustment Events under the Trek 2000 ESOS 2023

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place:-

- (i) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised;
- (ii) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (iii) the class and/or number of Shares in respect of which additional options may be granted to Participants,

shall be adjusted by the Option Committee in such manner as the Option Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, any adjustment must be confirmed in writing by the Auditor of the Company for the time being (acting as experts and not as arbitrators) to be in their opinion, fair and reasonable. For this purpose, "Record Date" means 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 (as the case may be).

The following (whether singly or in combination) shall not be regarded as events requiring adjustments:

LETTER TO SHAREHOLDERS

- (i) the issue of securities as consideration for an acquisition of any assets by the Company or in connection with a private placement of securities; or
- (ii) any 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 acquire new Shares in the capital of the Company (including the issue and allotment of Shares pursuant to the Trek 2000 ESOS 2023 or any other share-based incentive schemes implemented by the Company); or
- (iii) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) of such Shares undertaken by the Company on the SGX-ST during the period while a share purchase mandate granted by Shareholders (or any renewal thereof) is in force.

Notwithstanding the foregoing, no adjustments shall be made if as a result, a Participant would receive a benefit that a Shareholder does not receive.

4.1.11 Modification or Alterations to the Trek 2000 ESOS 2023

The rules of the Trek 2000 ESOS 2023 may be modified or amended by resolution of the Option Committee from time to time subject to any necessary approvals of the SGX-ST (and any other stock exchange on which the Shares may be listed or quoted) and such other regulatory authorities as may be necessary except that:

- (i) any proposed modification or amendment, which would be to the advantage of the Participants under the Trek 2000 ESOS 2023 shall be subject to the prior approval of the Shareholders in general meeting;
- (ii) no modification or amendment shall be made which would adversely affect the rights attached to Options granted prior to such modification or alteration except with the prior consent in writing of such number of Participants under the Trek 2000 ESOS 2023 who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all Shares which would be available under the Trek 2000 ESOS 2023; and
- (iii) no modification or amendment shall be made including repricing of exercise price and replacement of existing Options, without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.

Notwithstanding anything to the contrary contained in the paragraph above, the Option Committee may at any time by resolution and without any other formality (save for the prior approval of the SGX-ST when necessary) modify or amend the rules of the Trek 2000 ESOS 2023 in any way to the extent necessary to cause the Trek 2000 ESOS 2023 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).

4.1.12 Administration of the Trek 2000 ESOS 2023

The Trek 2000 ESOS 2023 shall be administered by the Option Committee, which shall administer the Trek 2000 ESOS 2023 in its absolute discretion with such powers and duties as are conferred on it by the Board from time to time provided that no member of the Option Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him. The Directors will abstain from making any recommendation as a Director and, if applicable, abstain from voting as a member of the Option Committee, when the grant of Options to him is being considered.

LETTER TO SHAREHOLDERS

The Option Committee shall have the power, from time to time, to make and vary such rules and regulations or impose terms and conditions necessary, desirable or expedient for the implementation and administration of the Trek 2000 ESOS 2023 as it may think fit.

Any decision of the Option Committee made pursuant to any provision of the Trek 2000 ESOS 2023 (other than a matter to be certified or confirmed by the Auditor of the Company for the time being, acting as experts and not as arbitrators), shall be final and binding (including any decisions pertaining to quantum of discount applicable to an Option or to disputes as to interpretation of the Trek 2000 ESOS 2023 or any regulation, rule or procedure thereunder or as to any rights under the Trek 2000 ESOS 2023).

4.1.13 Taxes, Costs and Expenses relating to the Trek 2000 ESOS 2023

All taxes (including income tax, if applicable) arising from the grant and/or disposal of Shares pursuant to the exercise of Options granted to any Participant under the Trek 2000 ESOS 2023 shall be borne by that Participant.

Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Options in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the subaccount with a CDP Depository Agent or CPF investment account with a CPF agent bank.

Save for the above, all other fees, costs and expenses incurred by the Company in relation to the Trek 2000 ESOS 2023 shall be borne by the Company.

4.1.14 Financial Effects of the Trek 2000 ESOS 2023

The following sets out the financial effects of the Trek 2000 ESOS 2023:

(i) Share Capital

The Trek 2000 ESOS 2023 will result in an increase in the Company's issued Shares only where new Shares are issued to Participants. The number of new Shares issued will depend on, *inter alia*, the number of Shares comprised in the Options granted under the Trek 2000 ESOS 2023. In any case, the Trek 2000 ESOS 2023 provides that the total number of new Shares to be issued under the Trek 2000 ESOS 2023 on any date, when added to the number of Shares issued and issuable in respect of such other share-based incentive schemes of the Company, including but not limited to the Trek 2000 ESOS 2023, will be subject to the maximum limit of fifteen per centum (15%) of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings, if any) preceding the date of exercise of the Option.

If, instead of issuing New Shares to Participants, existing Shares are purchased for delivery to Participants or Treasury Shares are transferred and delivered to Participants in lieu of issuing New Shares or no Options are exercised, the Trek 2000 ESOS 2023 will have no impact on the Company's issued share capital.

(ii) NTA

The issue of new Shares upon the exercise of Options is likely to result in an increase of the Company's consolidated NTA by the aggregate Exercise Price of the new Shares issued. On a per Share basis, the effect on the NTA of the Company is accretive if the Exercise Price is above the NTA per Share but dilutive otherwise.

(iii) EPS

The Trek 2000 ESOS 2023 will have a dilutive impact on the Company's consolidated EPS following the increase in the number of issued Shares of the Company to the extent that new Shares are allotted and issued pursuant thereto.

LETTER TO SHAREHOLDERS

However, the impact arising from the Trek 2000 ESOS 2023 on the Company's consolidated EPS is not expected to be material in any given financial year.

4.2 Proposed Grant of Share Options to Mr. Tan Joon Yong, Wayne

4.2.1 Proposed Grant to Mr. Tan Joon Yong, Wayne

The objectives of the Trek 2000 ESOS 2023 apply equally to our Group Executive Management who are Controlling Shareholders or Associates of Controlling Shareholders. The Company believes that all deserving and eligible Participants should be motivated, regardless of whether they are Controlling Shareholders or Associates of Controlling Shareholders, and it is in the Company's interest to ensure Participants who are actively contributing to the Group are given the incentive to continue to remain with the Group and contribute towards the Group's future progress and development. The participation of Mr. Tan Joon Yong, Wayne ("Mr. Tan") in the Trek 2000 ESOS 2023 was approved by Shareholders at the 2023 EGM.

For the reasons set out in paragraph 4.2.2 below, it is proposed that authority be given to the Committees to grant an Option to him on the following terms:

- (i) Proposed Date of Grant of Option : Anytime within three (3) months from the date of the AGM.
- (ii) Number of Shares comprised in the proposed Option : Up to 1,000,000 Shares (representing 0.32% of the total issued Shares, excluding Treasury Shares and Subsidiary Holdings, if any, as at the Latest Practicable Date). As at the Latest Practicable Date, this is approximately 3.2% of the total number of shares available under the Trek 2000 ESOS 2023.
- (iii) Exercise Price per Share : Market Price or a price which is set at a discount to the Market Price, as in Paragraph 4.1.5.
- (iv) Exercise Period : For Shares issued at Market Price, the period from the day after the second anniversary of the Offer Date to the day falling before the tenth anniversary of the Offer Date.

For Shares issued at a discount to the Market Price, the period from the third anniversary of the Offer Date to the day falling before the tenth anniversary of the Offer Date.

4.2.2 Rationale for Grant of Options to Mr. Tan

Mr. Tan joined the Company in 2016 and was the founder and director of Cloud Stringers (S) Pte Ltd, a subsidiary of the Company, since 2012. He is currently the Controlling Shareholder, Executive Chairman, Executive Director and Group President of the Company. Mr. Tan is responsible for the continued success of the Group and his roles include formulating various corporate policies and business strategies, and strengthening the management structure of the Group.

Under his leadership, the Group achieves a positive financial performance for financial year 2023. For financial year ended 31 December 2023, the Group achieved a sales revenue of US\$16.8 million and net profit of US\$2.7 million.

The Option Committee does not have a fixed formula for determining Mr. Tan's participation in the Trek 2000 ESOS 2023 and the number of Options that he is entitled. However, the number of Options to be made available to Mr. Tan will be subject to the maximum limit under Rule 845 of the

LETTER TO SHAREHOLDERS

Listing Manual. The Option Committee when deciding on the number of Options proposed to be granted to Mr. Tan takes into account Mr Tan's scope of responsibilities, the effectiveness of his overall strategies, the business and financial performance of the Group, his past and potential contributions, and the prevailing remuneration package of Mr Tan, including the Options that have been granted to Mr. Tan previously.

The Options to be granted are intended to form part of the remuneration package of Mr. Tan. The proposed period for granting the Options will also allow the Remuneration Committee sufficient time to assess the performance of Mr. Tan and give the Remuneration Committee the flexibility of a staggered grant that will also serve to enhance his long-term commitment to the Company.

The Company is of the view that the grant of Options to Mr. Tan is likely to further motivate him to contribute towards the success of the Group and enhance Shareholders' value. The Remuneration Committee is of the view that the remuneration package (including the proposed grant of Options) of Mr. Tan is fair given his contributions to the Company.

The grant of the Options on the terms as set out above (including its size) is consistent with the purposes of the Trek 2000 ESOS 2023 and will comply with the Rules of the Trek 2000 ESOS 2023 and Rule 845 of the Listing Manual. The proposed grant of the Options to Mr. Tan constitutes part of the Company's overall plan for the remuneration of all Participants under the framework for allocation of Options under the Trek 2000 ESOS 2023.

4.2.3 Mr. Tan's Interests in Shares and Options Granted

As at the Latest Practicable Date, Mr. Tan's interests in Shares and Share Options granted under Trek 2000 ESOS 2023 are as follows:

Shares

	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%⁽¹⁾</u>	<u>No. of Shares</u>	<u>%</u>
Tan Joon Yong, Wayne	63,160,750	20.18	44,314,267	14.16	107,475,017	34.34

Options

	<u>Number of Share Options Granted under Trek 2000 ESOS 2023</u>		<u>Date of Grant</u>
	<u>No. of Shares</u>	<u>%</u>	
Tan Joon Yong, Wayne	1,000,000		5 September 2023

Note:

- (1) Mr. Tan is deemed to be interested in the shares held by his wife, Soh MeiQi Petrina (1,839,250 shares), mother, Ang Poh Tee (4,975,017 shares), and siblings, Tan Joon Wei, Winn (12,500,000 shares), Tan Li Ping, Lydia (12,500,000 shares) and Will Tan Joon Loong (12,500,000 shares) by virtue of Section 7 of the Companies Act, Cap 50.

4.2.4. Safeguards

Pursuant to Rule 853 of the Listing Manual, specific approval of independent Shareholders is required for the participation of any individuals who are Controlling Shareholder(s) and/or their Associates in the Trek 2000 ESOS 2023. Shareholders who are eligible to participate in the Trek

LETTER TO SHAREHOLDERS

2000 ESOS 2023 must abstain from voting on any resolution relating to the Trek 2000 ESOS 2023. For avoidance of doubt, Mr. Tan's participation in the Trek 2000 ESOS 2023 was approved in the 2023 EGM.

When it is proposed that Options be granted under the Trek 2000 ESOS 2023 to eligible Group Employees who are Controlling Shareholder(s) or Associates of Controlling Shareholder(s), in accordance with the requirements of the Listing Manual, the actual number and terms of the Options to be granted to each such person (as the case may be) are subject to the approval of independent Shareholders in a separate resolution. Accordingly, the Company is of the view that there are safeguards against any abuse of the Trek 2000 ESOS 2023 resulting from the participation of Controlling Shareholder(s) or their Associates.

Under Rule 845 of the Listing Manual, the aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of all Options granted under the Trek 2000 ESOS 2023 and in respect of all other share-based incentive schemes of the Company then in force (if any) shall not exceed 15% of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) from time to time. For avoidance of doubt, in respect of any Option which has lapsed or forfeited (in whole or in part), such number of Shares which comprised the unexercised portion of such Option shall not count towards the limit.

The aggregate number of Shares over which the Options may be granted to the Controlling Shareholder(s) and/or their Associates under the Trek 2000 ESOS 2023 (as the case may be) shall not exceed 25% of the total number of Shares made available under the Trek 2000 ESOS 2023.

The aggregate number of Shares over which Options may be granted to each Controlling Shareholder or an Associate of a Controlling Shareholder under the Trek 2000 ESOS 2023 shall not exceed 10% of the total number of Shares made available under the Trek 2000 ESOS 2023.

As at the Latest Practicable Date, the number of issued Shares of the Company is 313,041,925 (excluding Treasury Shares and Subsidiary Holdings). Save for the Trek 2000 ESOS 2001, Trek 2000 ESOS 2011 and Trek 2000 ESOS 2023, the Company does not have any employee share scheme or employee share option scheme in place.

Based on the foregoing:

The aggregate number of Shares available for which further Options may be granted under the Trek 2000 ESOS 2023 is 30,270,038. This is derived from 46,956,288 Shares (representing the 15% overall grant limit as at the Latest Practicable Date), less 16,686,250 Shares over which the Company has issued or are issuable under Trek 2000 ESOS 2001, Trek 2000 ESOS 2011, and Trek 2000 ESOS 2023.

For illustrative purposes, assuming that the proposed grant of Option to Mr. Tan in respect of the 1,000,000 Shares is approved, the aggregate number of Shares comprised in the Options granted to Mr. Tan under the Trek 2000 ESOS 2023 since its inception would be 2,000,000 Shares ("**Mr. Tan's Option Shares**"). Accordingly, the aggregate number of Shares remaining available for which further Options may be granted under the Trek 2000 ESOS 2023 to Controlling Shareholder and his associates shall not exceed 5,567,509. This is derived from 7,567,509 Shares (representing 25% of the Shares available for which Options may be granted under Trek 2000 ESOS 2023) less Mr Tan's Option Shares.

Further, the maximum number of Shares remaining available for which further Options may be granted under the Trek 2000 ESOS 2023 to Mr. Tan shall not exceed 1,027,003. This is derived from 3,027,003 Shares (representing 10% of the Shares available for which Options may be granted under the Trek 2000 ESOS 2023) less Mr Tan's Option Shares.

LETTER TO SHAREHOLDERS

The grant of Option in respect of the 1,000,000 Shares and on the terms set out above to Mr. Tan is therefore within the various limits prescribed under Trek 2000 ESOS 2023 and in accordance with Rule 845 of the Listing Manual.

Accordingly, the Company is of the view that there are safeguards in place against any abuse of the Trek 2000 ESOS 2023 resulting from the participation of Mr. Tan.

4.2.5 Cost of Options

The Singapore Financial Reporting Standards (International) 2 (“**SFRS(I) 2**”) relating to share base payments took effect for all listed companies beginning 1 January 2018. Under SFRS(I) 2, the recognition of an expense in respect of Options granted under the Trek 2000 ESOS 2023 is required. The expense will be based on the fair value of the Options at each date of grant of the Options and will be recognised over the vesting period. This fair value is normally estimated by applying the option pricing model at the date of grant of the Options, taking into account the terms and conditions of the grant of the Options and recognised as a charge to the Company’s consolidated profit and loss statement (“**P&L**”) over the period from the date of grant of the Options to the vesting date (the “**Vesting Period**”), with a corresponding credit to the Company’s reserve account.

Before the end of the Vesting Period and at the end of each accounting year, the estimate of the number of Options that are expected to vest in each Participant by the vesting date is revised, and the impact of the revised estimate is recognised in the consolidated P&L with a corresponding adjustment to the Company’s reserve account. After the vesting date, no adjustment of the charge to the consolidated P&L is made.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the Company’s Register of Directors’ Shareholdings and the Register of Substantial Shareholders respectively, are as follows:

	Direct Interest		Deemed Interest		Number of Shares comprised in outstanding Options
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	
Directors					
Tan Joon Yong, Wayne ⁽²⁾	63,160,750	20.18	44,314,267	14.16	1,000,000
Lun Chee Leong	-	-	-	-	-
Kwek Swee Heng ⁽³⁾	-	-	745,800	0.24	-
Christopher Wong Siang Yew	-	-	-	-	-
Substantial Shareholders					
Kioxia Corporation ⁽⁴⁾⁽⁵⁾⁽⁶⁾	44,212,359	14.12	8,500,000	2.72	-
CTI II Limited	27,500,000	8.78	-	-	-
Creative Technology Ltd ⁽⁷⁾	-	-	27,500,000	8.78	-
Ron Sim Chye Hock	28,374,600	9.06	-	-	-

Notes:

- (1) Based on a total issued share capital of 313,041,925 Shares (excluding 11,750,000 Treasury Shares and Subsidiary Holdings) as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

- (2) Mr. Tan is deemed to be interested in the shares held by his wife, Soh MeiQi Petrina (1,839,250 shares), mother, Ang Poh Tee (4,975,017 shares), and siblings, Tan Joon Wei, Winn (12,500,000 shares), Tan Li Ping, Lydia (12,500,000 shares) and Will Tan Joon Loong (12,500,000 shares) by virtue of Section 7 of the Companies Act, Cap 50
- (3) Kwek Swee Heng is deemed interested in the 745,800 Shares held by his wife, Lim Siew Kwan, by virtue of Section 7 of the Companies Act.
- (4) Kioxia Corporation is deemed interested in the 8,500,000 Shares held by its wholly-owned subsidiary, Kioxia Singapore Pte. Ltd.
- (5) Toshiba Corporation holds approximately 40.2% of the voting rights in Kioxia Corporation and, is deemed to be interested in the 44,212,359 Shares held by Kioxia Corporation and 8,500,000 Shares held by Kioxia Singapore Pte. Ltd.
- (6) BEPC Pangea Cayman, LLP holds approximately 49.90% of the voting rights in Kioxia Corporation and, is deemed to be interested in 44,212,359 Shares held by Kioxia Corporation and 8,500,000 Shares held by Kioxia Singapore Pte. Ltd.
- (7) Creative Technology Ltd ("**CTL**") is deemed interested in the 27,500,000 Shares held by its wholly-owned subsidiary, CTI II Limited, by virtue of Section 7 of the Companies Act.
- (8) None of the Substantial Shareholders acted in concert with the Directors in the acquisition of their shareholdings.

6. DIRECTORS' RECOMMENDATIONS

The Directors, having fully considered the rationale for the Mandates, are of the opinion that the proposed Mandates are in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions relating to the proposed Mandates at the 2024 AGM.

7. ANNUAL GENERAL MEETING

The 2024 AGM, notice of which is enclosed with the Annual Report will be held on Friday, 26 April 2024 at 9.00 a.m., for the purpose of considering and, if thought fit, passing the resolutions set out in the Notice of the AGM.

8. APPROVALS AND RESOLUTIONS

Shareholders' approval for the proposed Mandates is sought at the 2024 AGM. The respective resolutions relating to each of the proposed Mandates are contained in the Notice of AGM as Ordinary Resolution 8 and 9 respectively.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders of the Company are invited to attend the 2024 AGM physically in person. There will be no option for members to participate at the 2024 AGM virtually. The 2023 Annual Report, Circular to Shareholders dated 9 April 2024, Notice of AGM and the accompanying Proxy Form will be sent to members by electronic means via SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Shareholders will need an internet browser and PDF reader to view these documents. Printed copies of the Notice of 2024 AGM and the accompanying Proxy Form will be sent to members via post. Printed copies of the 2023 Annual Report and Circular to Shareholders dated 9 April 2024 will not be sent to members. Shareholders who wish to obtain a printed copy of the 2023 Annual Report and Circular to Shareholders dated 1 April 2024 should request the same by post to the registered office of the Company at 30 Loyang

LETTER TO SHAREHOLDERS

Way, #07-13/14/15 Loyang Industrial Estate, Singapore 508769 or by email to fy2023agm@trek2000.com.sg no later than at 9.00 a.m. on 19 April 2024. The printed copy will be mailed to Shareholders before the AGM upon receiving the request of the Shareholders.

Shareholders who are unable to attend the 2024 AGM and who wish to appoint a proxy to attend and vote at the 2024 AGM on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 30 Loyang Way, #07-13/14/15 Loyang Industrial Estate, Singapore 508769, or by email to fy2023agm@trek2000.com.sg not less than 72 hours before the time fixed for the 2024 AGM.

The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting in person at the 2024 AGM if he subsequently wishes to do so. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the 2024 AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the 2024 AGM.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register as at 72 hours before the AGM.

10. ABSTENTION FROM VOTING

Mr. Tan and his associates, and Group Executive Management who participate in the Trek 2000 ESOS 2023 shall abstain from voting in respect of ordinary resolutions 7 and 8 as set out in the Notice of AGM. The Company shall disregard any votes cast on resolutions 7 and 8 by Mr. Tan and his associates, and Group Executive Management who participate in the Trek 2000 ESOS 2023. In compliance with Rule 704(16)(b) of the Listing Manual, the Company will publish the details of parties who are required to abstain from voting in respect of the aforementioned ordinary resolutions (including the number of Shares held by such parties) immediately after the 2024 AGM.

In addition, Mr. Tan and his associates, and Group Executive Management who participate in the Trek 2000 ESOS 2023 shall also decline to accept appointment as proxy/proxies for any Shareholder to vote in respect of the aforesaid resolutions unless the Shareholders appointing them have indicated clearly how their votes are to be casted in respect of the said ordinary resolutions.

11. 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 Mandates, 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.

LETTER TO SHAREHOLDERS

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 30 Loyang Way, #07-13/14/15 Loyang Industrial Estate, Singapore 508769 during normal office hours from the date of this Circular up to and including the date of the 2024 AGM:

- (a) the Constitution;
- (b) Rules of Trek 2000 ESOS 2023; and
- (c) the Annual Report of the Company for the financial year ended 31 December 2023.

Yours faithfully

For and on behalf of the Board of Directors of
TREK 2000 INTERNATIONAL LTD

Tan Joon Yong, Wayne
Executive Chairman, Executive Director and Group President

LETTER TO SHAREHOLDERS

APPENDIX

RULES OF THE TREK 2000 INTERNATIONAL LTD EMPLOYEE SHARE OPTION SCHEME 2023

1. NAME OF THE SCHEME

This Scheme shall be called the "Trek 2000 International Ltd Employee Share Option Scheme 2023" (the "Trek 2000 ESOS 2023").

2. DEFINITIONS

For the purposes of this Appendix, the following definitions apply throughout unless the context requires otherwise:

- "Acceptance Period"** : The period within which an Option may be accepted, as described in Rule 7.2.
- "ACRA"** : Accounting and Corporate Regulatory Authority of Singapore
- "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 30% or more;
- (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
- "Associated Company"** : A company in which at least twenty per centum (20%) but no more than fifty per centum (50%) of its shares are held by the Company
- "Auditor"** : The Auditor of the Company for the time being
- "Board" or "Board of Directors"** : The Board of Directors of the Company
- "CDP" or "Depository"** : The Central Depository (Pte) Limited
- "Circular"** : This circular to Shareholders dated 13 June 2023

LETTER TO SHAREHOLDERS

"Companies Act"	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"Company"	:	Trek 2000 International Ltd
"Constitution"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"Controlling Shareholder"	:	A person who holds directly or indirectly 15% or more of the total voting rights in the Company Shares excluding Treasury Shares and Subsidiary Holdings, if any, in the Company (unless otherwise determined by the SGX-ST) or who in fact exercises control over the Company
"Directors"	:	The directors of the Company as at the date of this Circular
"Exercise Price"	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 8 of the Option Rules, or such adjusted price as may be applicable pursuant to Rule 12 of the Option Rules
"Executive Director"	:	A director of the Company who performs an executive function
"Grantee"	:	The person to whom an offer of an Option is made
"Group"	:	The Company and its subsidiaries
"Group Executive Management"	:	Executive Directors and Key Management Personnels of the Company
"Key Management Personnels"	:	Key Management Personnels are responsible for planning, directing and controlling the activities, directly or indirectly, of the Company
"Letter of Offer"	:	Shall have the meaning ascribed to it in Rule 6.3
"Market Day"	:	A day on which the SGX-ST is open for securities trading
"Market Price"	:	The average of the last dealt price for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offering Date 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 up to the nearest whole cent in the event of fractional prices

LETTER TO SHAREHOLDERS

"Member" or "Shareholder"	:	The registered holders of the Shares, except that where the registered holder is CDP, the term "Shareholders" or "Members" shall, in the relation to such Shares, mean the Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those Shares
"Non-Executive Director"	:	A director of the Company other than one who performs an executive function (including an Independent Director)
"Offering Date"	:	The date on which an Option is granted pursuant to a Letter of Offer
"Options"	:	Options to subscribe for Shares to be granted pursuant to the Trek 2000 ESOS for the time being subsisting
"Option Committee"	:	The committee comprising all the members of the Remuneration Committee of the Company from time to time, as may be duly authorised and appointed by the Board to administer the Trek 2000 ESOS 2023
"Option Period"	:	The period for the exercise of an Option as set out in Rule 9.1 or 9.2 (as the case may be)
"Ordinary Resolution"	:	The ordinary resolution as set out in the Notice of EGM
"Participant"	:	An eligible person selected by the Option Committee to participate in the Option Scheme in accordance with the rules thereof
"relevant intermediary"	:	Means:- <ol style="list-style-type: none">(a) banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;(b) a person holding a capital markets licence to provide custodial services for securities under the SFA and who holds shares in that capacity; or(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Central Provident Fund Board holds those shares in the capacity of an intermediary.

LETTER TO SHAREHOLDERS

" Remuneration Committee "	:	The Remuneration Committee comprised of Independent Non-Executive Directors of the Company
" S\$ " and " cents "	:	Singapore dollars and cents, respectively
" Securities Account "	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
" SGX-ST "	:	Singapore Exchange Securities Trading Limited
" Shareholders "	:	Persons who are registered as holders of the Shares in the register of members of the Company, or where CDP is the registered holder, the term " Shareholders " shall, in relation to such Shares, mean the Depositors who have Shares entered against their names in the Depository Register
" Shares "	:	Ordinary shares in the capital of the Company
" SIC "	:	Securities Industry Council
" Subsidiary Holdings "	:	Shares held by subsidiaries of the Company in accordance with the Companies Act
" Trek 2000 ESOS 2023 "	:	The Proposed Trek 2000 International Ltd Employee Share Option Scheme 2023
" US\$ " and " cents "	:	United States dollars and cents, respectively
" % " or " per cent "	:	Percentage or per centum

Unless otherwise specifically provided, the following exchange rate is used throughout this Circular:

USD 1.00 : SGD 1.3605

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. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular 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 any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

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

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

LETTER TO SHAREHOLDERS

3. OBJECTIVES

The objectives of the Trek 2000 ESOS 2023 are as follows:

- (a) to motivate Participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are important to the long-term growth and prosperity of the Group;
- (c) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders;
- (d) to align the interests of the Participants with the interests of the Shareholders; and
- (e) to develop a participatory style of management which promotes greater commitment and dedication, and instill loyalty and a stronger sense of identification with the long-term growth and prosperity of the Group.

4. ELIGIBILITY

4.1. Subject to the absolute discretion of the Option Committee, Group Executive Management who:

- (a) have attained the legal age of 21 years on or before the Offering Date; and
- (b) are not undischarged bankrupts,

shall be eligible to participate in the Trek 2000 ESOS 2023. For the avoidance of doubt, Non-Group Executive Management and Non-Executive Directors are not eligible to participate in the Trek 2000 ESOS 2023.

4.2 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share-based incentive scheme implemented by the Company or any other company within the Group (if any).

4.3 Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the terms of eligibility for participation in the Trek 2000 ESOS 2023 may be amended from time to time at the absolute discretion of the Option Committee.

5. LIMITATIONS UNDER THE TREK 2000 ESOS 2023

The aggregate number of Shares for which an Option may be granted on any date under the Trek 2000 ESOS 2023, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Options granted under the Trek 2000 ESOS 2023; and
- (b) all Shares, options or awards granted under any other share option or share-based incentive scheme,

shall not exceed fifteen per centum (15%) of the total issued Shares of the Company (excluding Treasury Shares and subsidiary holdings) on the day preceding the Offering Date.

LETTER TO SHAREHOLDERS

6. GRANT OF OPTIONS

- 6.1 The Option Committee may grant Options at any time during the period when the Trek 2000 ESOS 2023 is in force.
- 6.2 Subject to Rules 4 and 5, the number of Shares which are the subject of each Option to be granted to a Participant under the Trek 2000 ESOS 2023 shall be determined at the absolute discretion of the Option Committee, which shall take into consideration, where applicable, factors such as the seniority of position, performance, length of service and potential for future development of the eligible Group Executive Management.
- 6.3 An offer to grant an Option to a Participant shall be made by way of a letter (the “**Letter of Offer**”) in the form or substantially in the form set out in Schedule 1 of this Circular, subject to such amendments as the Option Committee may determine from time to time.

7. ACCEPTANCE OF OFFER

- 7.1 An option is personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant’s personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Option Committee.
- 7.2 An Option offered to a Participant pursuant to Rule 6 may only be accepted by the Participant within thirty (30) days after the relevant Offering Date and not later than 5.00 p.m. on the 30th day from such Offering Date. The grant of an Option must be accepted by completing, signing and returning of the Acceptance Form in or substantially in the form set out in Schedule 2 of this Circular, subject to such modification as the Option Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Option Committee may require. The Option is deemed not accepted until the Company is in actual receipt of the Acceptance Form.
- 7.3 Unless the Option 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) a grant of an Option is not accepted strictly in the manner as provided in Rule 7.2 within the Acceptance Period;
 - (b) the Grantee dies prior to his acceptance of the Option;
 - (c) the Grantee is adjudicated a bankrupt or enters into a composition with his creditors prior to his acceptance of the Option;
 - (d) the Grantee ceases to be in the employment of the Company 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.
- 7.4 The Company shall be entitled at its absolute discretion to reject any purported acceptance of a grant of an Option made pursuant to this Rule 7 or Exercise Notice (as defined in Rule 11) given pursuant to Rule 11 which does not strictly comply with the terms of this Trek 2000 ESOS 2023.
- 7.5 In the event that the grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

LETTER TO SHAREHOLDERS

8. EXERCISE PRICE

8.1 Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Option Committee at its absolute discretion, and shall be fixed by the Option Committee at:

- (a) the Market Price; or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Option Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed twenty per centum (20%) of the Market Price in respect of that Option.

8.2 In making any determination under Rule 8.1(b) on whether to give a discount and the quantum of such discount, the Option Committee shall be at liberty to take into consideration such criteria as the Option Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of the Company, its subsidiaries and Associated Companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
- (b) the years of service and individual performance of the eligible Group Employee;
- (c) the contribution of the eligible Group Employee to the success and development of the Company and/or the Group; and
- (d) the prevailing market and economic conditions.

8.3 In the event that the Company is no longer listed on the SGX-ST or any other relevant stock exchange or trading in the Shares on the SGX-ST or such stock exchange is suspended for any reason for fourteen (14) days or more, the Exercise Price for each Share in respect of which an Option is exercisable shall be the fair market value of each such Share as determined by the Option Committee in good faith.

9. EXERCISE OF OPTION

9.1 Options granted with the Exercise Price set at 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 a Participant after the first anniversary of the Offering Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offering Date, or such earlier date as may be determined by the Option Committee, failing which all unexercised Options shall immediately lapse and become null and void and he shall have no claim against the Company.

9.2 Options granted with the Exercise Price set at a discount to 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 a Participant after the second anniversary from the Offering Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offering Date, or such earlier date as may be determined by the Option Committee, failing which all unexercised Options shall immediately lapse and become null and void and he shall have no claim against the Company.

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

- (a) subject to Rules 9.4 and 9.5, upon the Participant ceasing to be in the employment of the Company or any of the Companies within the Group for any reason whatsoever; or

LETTER TO SHAREHOLDERS

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

For the purpose of Rule 9.3(a), a Participant 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.

9.4 If a Participant 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 Option Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age;
- (d) retirement before that age with the consent of the Option Committee; or
- (e) for any other reason approved in writing by the Option Committee,

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

9.5 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Option Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

9.6 If a Participant ceases to be a Group Executive Management for any reason whatsoever, he may, at the absolute discretion of the Option Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

10. TAKE-OVER AND WINDING UP OF COMPANY

10.1 Notwithstanding Rule 9 but subject to Rule 10.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise in full or in part any Option held by him and as yet unexercised, in the period commencing on the date on which such offer is made or, if such offer is unconditional, the date on which such 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-month period, at the recommendation of the offeror and with the approvals of the Option Committee and 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 Option Period relating thereto); or
- (b) the date of the expiry of the Option 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 Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of

LETTER TO SHAREHOLDERS

the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire 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 9 remain exercisable until the expiry of the Option Period relating thereto.

- 10.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with Trek 2000 ESOS 2023 for the reconstruction of the Company or its amalgamation with another company or companies, each Participant (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1) shall be entitled, notwithstanding the provisions under Rule 9 but subject to Rule 10.5, to exercise any Option then held by him 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 Option period relating thereto), whereupon the Option shall lapse and become null and void.
- 10.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent that they are unexercised, shall be deemed or become null and void.
- 10.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1) shall be entitled within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto), to exercise any unexercised Option, after which period such unexercised Option shall lapse and become null and void.
- 10.5 If in connection with the making of a general offer referred to in Rule 10.1 or the Trek 2000 ESOS 2023 referred to in Rule 10.2 or the winding-up referred to in Rule 10.4, arrangements are made (which are confirmed in writing by the Auditor, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no exercise of an Option (to the extent not yet exercised) shall be made in such circumstances.
- 10.6 To the extent that an Option is not exercised within the periods referred to in this Rule 10, it shall lapse and become null and void.

11. MANNER OF EXERCISE

- 11.1 An Option may be exercised during the Option Period, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiples thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule 3 of this Trek 2000 ESOS 2023 (the "**Exercise Notice**"), subject in each case to such modifications as the Option 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 must have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Option Committee may require. An Option shall be deemed to be exercised upon the receipt by the Company of Exercise Notice duly completed, the relevant documentation required by the Option Committee and the aggregate Exercise price.
- 11.2 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.
- 11.3 Subject to the Companies Act and the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:
- (a) an issue and allotment of new Shares; and/or

LETTER TO SHAREHOLDERS

- (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.

11.4. Subject to:

- (a) such consents or other required actions of 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 of this Trek 2000 ESOS 2023 and the Constitution of the Company,

the Company shall within one (1) month after the exercise of an Option by a Participant in accordance with Rule 11.1, allot or transfer existing Shares to the Participant and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Option Committee may deem fit.

- 11.5. The Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

- 11.6. Shares which are allotted or transferred on the exercise of an Option by a Participant shall be issued or transferred to, in the name of CDP to the credit of the securities account of that Participant maintained with CDP, the securities sub-account maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.

- 11.7. Shares issued and allotted or transferred upon the exercise of an Option shall be subject to all the provisions of the Constitution of the Company, and shall rank in full for all entitlements, excluding dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or before the relevant date of the exercise of the Option, and shall in all other respects rank *pari passu* with other existing Shares then in issue. “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

Except as set out in Rule 11 and subject to Rule 12, an Option does not confer on a Participant any right to participate in any new issue of Shares.

12. ADJUSTMENT EVENTS

- 12.1. If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits, reserves, rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever) shall take place, then:-

- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised;
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

shall be adjusted by the Option Committee in such manner as the Option Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditor (acting only as experts and not as arbitrators), that in their opinion, such adjustment

LETTER TO SHAREHOLDERS

is fair and reasonable. For this purpose, “**Record Date**” means 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 distributors (as the case may be).

- 12.2. The following (whether singly or in combination) shall not be regarded as events requiring adjustments:-
- (a) the issue of securities as consideration for an acquisition of any assets by the Company or in connection with a private placement of securities;
 - (b) any 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 acquire new Shares in the capital of the Company (including the issue and allotment of Shares pursuant to or any other share-based incentive schemes implemented by the Company); or
 - (c) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) of such Shares undertaken by the Company on the SGX-ST during the period while a share purchase mandate granted by Shareholders (or any renewal thereof) is in force.
- 12.3 Notwithstanding Rule 12.1, no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.
- 12.4 Upon any adjustment made, the Company shall notify the Participant (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 number of Shares thereafter comprised in the Option insofar as it is unexercised. Any adjustment shall take effect upon such written notice being given.

13. ADMINISTRATION OF THE TREK 2000 ESOS 2023

- 13.1 The Trek 2000 ESOS 2023 shall be administered by the Option Committee duly authorised and appointed by the Board, in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Option Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him.
- 13.2 The Option Committee shall have the power, from time to time, to make and vary such rules and regulations or impose terms and conditions necessary, desirable or expedient for the implementation and administration of the Trek 2000 ESOS 2023 as it may think fit including, but not limited to, imposing restrictions on the number of Options that may be exercised within particular sections of the relevant Option Period.
- 13.3 Any decision of the Option Committee, made pursuant to any provision of this Trek 2000 ESOS 2023 (other than a matter to be certified or confirmed by the Auditor of the Company for the time being, acting as experts and not as arbitrators), shall be final and binding (including any decisions pertaining to disputes as to interpretation of the Trek 2000 ESOS 2023 or any regulation, rule or procedure thereunder or as to any rights under the Trek 2000 ESOS 2023).

14. MODIFICATIONS AND ALTERATIONS TO THE TREK 2000 ESOS 2023

- 14.1 The rules of the Trek 2000 ESOS 2023 may be modified or amended by resolution of the Option Committee from time to time subject to any necessary approvals of the SGX-ST (and any other stock exchange on which the Shares may be listed or quoted) and such other regulatory authorities as may be necessary except that:

LETTER TO SHAREHOLDERS

- (a) any proposed modification or amendment, which would be to the advantage of the Participants under the Trek 2000 ESOS 2023 (as confirmed by the Auditor of the Company for the time being, acting as experts and not arbitrators) shall be subject to the prior approval of the Shareholders in general meeting;
 - (b) no modification or amendment shall be made which would adversely affect the rights attached to Options granted prior to such modification or alteration except with the prior consent in writing of such number of Participants under the Trek 2000 ESOS 2023 who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all Shares which would be available under the Trek 2000 ESOS 2023; and
 - (c) no modification or amendment shall be made including repricing of exercise price and replacement of existing Options without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.
- 14.2 Notwithstanding anything to the contrary contained in the paragraph above, the Option Committee may at any time by resolution and without any other formality (save for the prior approval of the SGX-ST when necessary) modify or amend the rules of the Trek 2000 ESOS 2023 in any way to the extent necessary to cause the Trek 2000 ESOS 2023 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).
- 14.3 The Company shall give written notice of any modification or alteration made in accordance with this Rule to be given to all Participants.

15. DURATION OF THE TREK 2000 ESOS 2023

- 15.1 The Trek 2000 ESOS 2023 shall continue in force at the discretion of the Option Committee, subject to a maximum period of 10 years commencing on the date on which the Trek 2000 ESOS 2023 is adopted by the Company in general meeting, provided always that the Trek 2000 ESOS 2023 may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.
- 15.2 Upon the termination of the Trek 2000 ESOS 2023, no additional Options shall be granted by the Company hereunder.
- 15.3 The termination of the Trek 2000 ESOS 2023 shall not affect the rights accrued to Options which have been granted and accepted, whether such Options have been exercised (whether fully or partial) or not.

16. DISCLOSURES IN ANNUAL REPORT

- 16.1 The Company shall disclose the following in its annual report to Shareholders in compliance with the Listing Manual for so long as the Trek 2000 ESOS 2023 continues in operation:-
- (a) the names and members of the Option Committee;
 - (b) in respect of the following Participants of the Trek 2000 ESOS 2023:-
 - (i) Directors of the Company; and
 - (ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the grant of Options granted under the Trek 2000 ESOS 2023 which, in aggregate represent five per centum (5%) or more of the aggregate number of Options under the Trek 2000 ESOS 2023, the following information:

LETTER TO SHAREHOLDERS

Name of Participant	Options granted during the financial year under review (including terms)	Aggregate Options granted since commencement of the Plan to end of financial year under review	Aggregate Options exercised since commencement of the Plan to end of financial year under review	Aggregate Options outstanding as at end of financial year under review
---------------------	--	--	--	--

- (c) in relation to the Trek 2000 ESOS 2023, the following particulars:-
- (i) the number and proportion of Options granted at a discount during the Financial Year in review in respect of every ten per centum (10%) range, up to the maximum quantum of discount granted;
 - (ii) The aggregate number of Options granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the scheme to the end of the financial year under review; and
- (d) such other information as may be required by the Listing Manual or the Companies Act.

16.2 If any of the above is not applicable, an appropriate negative statement shall be included therein.

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 Option 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 Trek 2000 ESOS 2023 or any Option granted hereunder shall not form part of any contract of employment between the Company or any of its subsidiaries (as the case may be) and any Participant and the rights and obligations of any individual under the terms of office or employment with such company within the Group shall not be affected by his participation in the Trek 2000 ESOS 2023 or any right which he may have to participate in it or any rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

18.2 The Trek 2000 ESOS 2023 shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any of its subsidiaries directly or indirectly or give rise to any cause of action at law or in equity against the Company and/or any of its subsidiaries.

LETTER TO SHAREHOLDERS

19. TAXES, COSTS AND EXPENSES

- 19.1 All taxes (including income tax, if applicable) arising from the grant and/or disposal of Shares pursuant to the Options granted to any Participant under the Trek 2000 ESOS 2023 shall be borne by that Participant.
- 19.2 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Options in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the subaccount with a CDP Depository Agent or CPF investment account with a CPF agent bank.
- 19.3 Save for the above, all other fees, costs and expenses incurred by the Company in relation to the Trek 2000 ESOS 2023 shall be borne by the Company.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Option 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 the Shares or applying for or procuring the listing of the Shares on the SGX-ST in accordance with Rule 11.5.

21. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Option Committee and its decision shall be final and binding in all respects.

22. ISSUE OF SHARES CONTRARY TO LAW

Every Option shall be subject to the condition that no Shares would be issued pursuant to the exercise of any Option if such issue would be contrary to 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 having jurisdiction in relation to the issue of Shares hereto.

23. ABSTENTION FROM VOTING

Shareholders and his/her associates, and Group Executive Management, who are eligible to participate in the Trek 2000 ESOS 2023 shall abstain from voting on any resolution relating to the Trek 2000 ESOS 2023.

Group Executive Management and Shareholders, who are eligible to participate in the Trek 2000 ESOS 2023, shall also decline to accept appointment as proxy/proxies for any Shareholder to vote in respect of each of the aforesaid resolutions, unless specific instructions have been given in the proxy instrument by the Shareholder appointing them on how they wish their votes are to be casted for each of such resolutions.

24. GOVERNING LAW

The Trek 2000 ESOS 2023 shall be governed by, and construed in accordance with the laws of the Republic of Singapore. The Participants, by accepting the offer of the grant of Options in accordance with the Trek 2000 ESOS 2023, and the Company irrevocably submits to the exclusive jurisdiction of the Courts of the Republic of Singapore.

LETTER TO SHAREHOLDERS

SCHEDULE 1

TREK 2000 INTERNATIONAL LTD EMPLOYEE SHARE OPTION SCHEME 2023

LETTER OF OFFER

Serial No: []

PRIVATE AND CONFIDENTIAL

Date:

To: [Name]
 [Designation]
 [Address]

Dear Sir/Madam,

Letter of Offer – Trek 2000 International Ltd Employee Share Option Scheme 2023

We have the pleasure of informing you that you have been nominated by the Option Committee to participate in the Trek 2000 International Ltd Employee Share Option Scheme 2023 (the “**Trek 2000 ESOS 2023**”).

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted [] Ordinary Shares in the capital of the Company at the price of S\$ [] to S\$ [] per Share (the “**Option**”). The Option shall be subject to the terms of this Letter of Offer and the Rules of the Trek 2000 ESOS 2023 (as the same may be amended from time to time). You may obtain a copy of the Rules of the Trek 2000 ESOS 2023 from the Company.

The Option may be exercised in accordance with the following vesting schedules:

<u>Number of Ordinary Shares</u>	<u>Exercise Price Per Share</u>	<u>Exerciseable After</u>
----------------------------------	---------------------------------	---------------------------

The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of to any other person except as provided for in the Trek 2000 ESOS 2023.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than [time] on [date], failing which this offer will lapse.

Yours faithfully

Name:
Designation:

LETTER TO SHAREHOLDERS

SCHEDULE 2

TREK 2000 INTERNATIONAL LTD EMPLOYEE SHARE OPTION SCHEME 2023

ACCEPTANCE FORM

Date: []

To: The Option Committee
 Trek 2000 International Ltd
 30 Loyang Way #07-13/14/15
 Loyang Industrial Estate
 Singapore 508769

Closing Date and Time for Acceptance of Offer :
Number of Shares Offered :
Exercise Price Per Share :
Total Amount Payable :

I have read your Letter of Offer dated [] ("**Offering Date**") and agree to be bound by the terms of the Trek 2000 International Ltd Employee Share Option Scheme 2023 and the Letter of Offer. 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 hereby accept the Option to subscribe for [] Ordinary Shares in the share capital of Trek 2000 International Ltd at S\$ [] per Ordinary Share and enclose a *cheque/banker's draft/cashier's order/postal order no. [] for S\$1.00 being payment for the purchase of the Option.

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

I also understand that I shall be responsible for all the fees of CDP and other fees relating to the issue and allotment of the Shares, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP or the participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.

I confirm as at the date hereof:

- (a) I am not less than 21 years old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors; and
- (b) I satisfy the eligibility requirements to participate in the Trek 2000 ESOS 2023 and such other requirements to participate in the Trek 2000 ESOS 2023 as set out in the Rules of the Trek 2000 ESOS 2023.

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to participate in the Trek 2000 ESOS 2023 or accept the offer and that the terms of the Letter of Offer and this Acceptance Form together with the rules of the Trek 2000 ESOS 2023 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.

LETTER TO SHAREHOLDERS

SCHEDULE 2

PLEASE PRINT IN BLOCK LETTERS

Name in Full :

Designation :

Address :

Nationality :

NRIC/Passport Number :

CDP Direct Securities Number :

OR

Name of Address of Depository Agent :
in Full (if applicable)

Sub-account Number with Depository :
Agent

** Delete where inapplicable*

Notes:

1. Option must be accepted in full or in multiples of 1,000 Shares.
2. The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

Signature :

Date :

LETTER TO SHAREHOLDERS

SCHEDULE 3

TREK 2000 INTERNATIONAL LTD EMPLOYEE SHARE OPTION SCHEME 2023

ACCEPTANCE FORM

Date: []

To: The Option Committee
 Trek 2000 International Ltd
 30 Loyang Way #07-13/14/15
 Loyang Industrial Estate
 Singapore 508769

Total Number of Shares (the "Share) at S\$ XXXXX :
per Share under an Option granted on DD/MM/YYYY

Number of Shares previously allotted and issued :
thereunder

Outstanding balance of Shares which may be allotted :
and issued thereunder

Number of Shares now to be subscribed (in multiples :
of 1,000)

Pursuant to your Letter of Offer dated [] (the "**Offering Date**") and my acceptance thereof, I hereby exercise the Option to subscribe for Shares in Trek 2000 International Ltd. (the "**Company**") at S\$ [] per Share.

I hereby request the Company to allot and issue to me the number of Shares specified above in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my Securities Account with a CDP/*Securities Sub-Account with a CDP Depository Agent/*CPF Investment account with a CPF agent bank specified below and to deliver the share certificates relating hereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP/CPF (the "CDP charges") and any stamp duties or other fees in respect thereof:

* (a) Director Securities Account Number :

* (b) Securities Sb-Account Number :

Name of CDP Depository Agent :

* (c) CPF Investment Account Number :

Name of CPF agent bank :

I enclose a *cheque/cashier's order/bank draft/postal order number [] for S\$ [] in payment for the subscription of S\$ [] for the total number of [] Shares and the CDP charges of S\$ [].

LETTER TO SHAREHOLDERS

SCHEDULE 3

I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the Trek 2000 International Ltd Employee Share Option Scheme 2023 (as the same may be amended pursuant to the terms thereof from time to time) and the Constitution of the Company.

I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.

Signature :

Date :