

CIRCULAR DATED 14 JUNE 2024

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

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

Unless otherwise defined, capitalised terms appearing on the cover of this Circular shall have the same meanings as defined herein.

If you have sold or transferred all your shares in the capital of the GDS Global Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s) which are not deposited with the CDP, you should at once forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The securities offered are issued by the Company, whose shares are listed for quotation on the Catalist Board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Company intends to list the Rights Shares and the Warrant Shares (each as defined herein), and the Sponsor (as defined herein) will be making an application on behalf of the Company to the SGX-ST for permission to deal in and for the listing of and quotation for the Rights Shares, the Warrant Shares and the new Shares (the “**New Shares**”) which may, from time to time, be allotted and issued pursuant to the vesting of Awards granted under the GDS PSP and the exercise of the Options granted under the GDS ESOS, on the Catalist. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing and quotation for the Rights Shares, the Warrant Shares and the New Shares on Catalist.

Companies listed on Catalist may carry higher investment risks when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

This Circular does not constitute an offer to sell or a solicitation of an offer to buy shares nor shall there be any sale of any shares in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under any securities laws of such jurisdiction. This Circular is issued to Shareholders (as defined herein) solely for the purpose of providing Shareholders with the information pertaining to, and seeking Shareholders' approval for the Proposals (as defined herein) at the EGM. Shareholders are authorised to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The distribution of this Circular into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Circular has been reviewed by the Company's sponsor, SAC Capital Private Limited (the “**Sponsor**”). This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Audrey Mok, SAC Capital Private Limited, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, Telephone: +65 6232 3210.



GDS GLOBAL LIMITED

(Company Registration Number: 201217895H)
(Incorporated in the Republic of Singapore on 19 July 2012)

CIRCULAR TO SHAREHOLDERS

in relation to:

- (1) THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 112,000,000 NEW ORDINARY SHARES (THE “RIGHTS SHARES”) IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.02 PER RIGHTS SHARE, WITH UP TO 224,000,000 FREE DETACHABLE UNLISTED AND TRANSFERABLE WARRANTS (THE “WARRANTS”), ON THE**

BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY AS AT THE RIGHTS ISSUE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED, AND TWO (2) WARRANTS FOR EVERY ONE (1) RIGHTS SHARE VALIDLY SUBSCRIBED;

- (2) THE PROPOSED ADOPTION AND IMPLEMENTATION OF THE GDS PERFORMANCE SHARE PLAN;**
- (3) THE PROPOSED ADOPTION AND IMPLEMENTATION OF THE GDS EMPLOYEE SHARE OPTION SCHEME;**
- (4) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS UNDER THE GDS EMPLOYEE SHARE OPTION SCHEME AT A DISCOUNT;**
- (5) THE PROPOSED PARTICIPATION OF MR. TANG HEE SUNG, A CONTROLLING SHAREHOLDER OF THE COMPANY IN THE GDS PERFORMANCE SHARE PLAN;**
- (6) THE PROPOSED PARTICIPATION OF MR. TANG HEE SUNG, A CONTROLLING SHAREHOLDER OF THE COMPANY IN THE GDS EMPLOYEE SHARE OPTION SCHEME; AND**
- (7) THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE.**

Manager of the Proposed Rights Cum Warrants Issue



SAC Capital Private Limited

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200401542N)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	: 28 June 2024, Friday, at 10.00 a.m. (Singapore time)
Date and time of Extraordinary General Meeting	: 1 July 2024, Monday, at 10.00 a.m. (Singapore time)
Place of Extraordinary General Meeting	: 86 International Road, Singapore 629176, Level 3

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

- “ACRA”** : The Accounting and Regulatory Authority of Singapore
- “Advance Deposit”** : The advance deposit provided by the Undertaking Shareholder to the Company prior to the submission of the additional listing application to be made to the SGX-ST, through the Sponsor, for his subscription of the Undertaken Rights Shares in connection with the Irrevocable Undertaking
- “AGM”** : The annual general meeting of the Company
- “Approval Date”** : The date on which the Share Buyback Mandate is approved
- “ARE”** : The application and acceptance form for Rights Shares with Warrants and Excess Rights Shares with Warrants to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue
- “ARS”** : The application and acceptance form for Rights Shares with Warrants to be issued to purchasers of the provisional allotments of Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue traded on the Catalist through the book-entry (scripless) settlement system
- “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 30.0% 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 30.0% or more
- “Associated Company”** : A company in which at least 20.0% but not more than 50.0% of its issued shares are held by the Company or its subsidiaries and over which the Company has Control

DEFINITIONS

“Associated Employee”	Company	: A confirmed employee (including directors) of an Associated Company selected by the Remuneration Committee to participate in the GDS PSP and/or GDS ESOS in accordance with the GDS PSP Rules and/or GDS ESOS Rules, as the case may be
“ATM”		: Automated teller machine of a Participating Bank
“Average Closing Price”		: The average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the 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 during the relevant five (5)-Market Day period and the day on which the purchases are made
“Award”		: A contingent award of Shares granted under the GDS PSP
“Board”		: The board of Directors of the Company, for the time being
“Business Day” or “Market Day”		: A day on which the SGX-ST is open for trading in securities
“Catalist”		: The Catalist Board of the SGX-ST, the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”		: The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”		: The Central Depository (Pte) Limited
“Chairman of the Meeting”		: The appointed chairman of the EGM
“Circular”		: This circular to Shareholders dated 14 June 2024
“Closing Date”		: The time and date to be determined by the Directors and announced by the Company in due course, being the last time and date for acceptance of and/or Excess Applications and payment, and renunciation and payment of, the Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue
“Code”		: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Companies Act”		: The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”		: GDS Global Limited (Company Registration No. 201217895H) having its registered office at 86 International Road, Singapore 629176
“Constitution”		: The constitution of the Company, as amended, modified or supplemented from time to time

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- “Control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15.0% or more of the total number of Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this section is not a Controlling Shareholder; or
 - (b) in fact exercises control over the Company
- “Date of Grant”** : (a) in respect of the GDS PSP, the date on which an Award is granted pursuant to the GDS PSP Rules; and/or (b) in respect of the GDS ESOS, the date on which an Option is granted pursuant to the GDS ESOS Rules, as the case may be
- “day of making the offer”** : The day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase
- “Deed Poll”** : The deed poll to be executed by the Company constituting the Warrants and containing, among others, provisions for the protection of the rights and interests of the Warrantholders
- “Directors”** : The directors of the Company for the time being, and each a **“Director”**
- “EGM” or “Extraordinary General Meeting”** : The extraordinary general meeting of the Company to be held at 86 International Road, Singapore 629176, Level 3 on 1 July 2024 at 10.00 a.m. (Singapore time), notice of which is set out in pages N-1 to N-8 of this Circular
- “Employee”** : A confirmed employee (including an Executive Director) of the Group selected by the Remuneration Committee to participate in the GDS PSP and/or GDS ESOS in accordance with the GDS PSP Rules and/or GDS ESOS Rules, as the case may be
- “Entitled Depositors”** : Shareholders with Shares standing to the credit of their Securities Account (a) whose registered addresses with CDP are in Singapore as at the Rights Issue Record Date; or (b) who have, not later than 5.00 p.m. (Singapore time) on the date falling three (3) Market Days prior to the Rights Issue Record Date, provided CDP with addresses in Singapore for the service of notices and documents
- “Entitled Scripholders”** : Shareholders whose share certificates are not deposited with CDP as well as transferees who have tendered to the Share Registrar valid transfers of their Shares and the share certificates

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- relating thereto for registration up to the Rights Issue Record Date and (a) whose registered addresses with the Company or the Share Registrar are in Singapore as at the Rights Issue Record Date; or (b) who have, not later than 5.00 p.m. (Singapore time) on the date falling three (3) Market Days prior to the Rights Issue Record Date, provided the Company or the Share Registrar with addresses in Singapore for the service of notices and documents
- “Entitled Shareholders”** : Entitled Depositors and Entitled Scripholders, collectively
- “EPS”** : Earnings per Share
- “Excess Applications”** : Excess applications by Entitled Shareholders of the Rights Shares with Warrants in excess of their provisional allotments of Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue
- “Excess Rights Shares with Warrants”** : Rights Shares with Warrants in excess of Entitled Shareholders’ provisional allotments under the Proposed Rights Cum Warrants Issue
- “Executive Director”** : A director who is an employee of the Group and who performs an executive function
- “Exercise Period”** : The period during which the Warrants may be exercised, commencing on the date of issue of the Warrants and expiring at 5.00 p.m. (Singapore time) on the day immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members and/or the Warrant Register of the Company is closed or is not a Market Day, in which event the Exercise Period shall end on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Warrant Register may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll
- “Exercise Price”** : The price payable in respect of each Warrant Share upon the exercise of a Warrant, being S\$0.06, subject to certain adjustments in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll
- “Existing Share Capital”** : The existing issued and paid-up share capital of the Company of 112,000,000 Shares (including nil treasury shares and subsidiary holdings) as at the Latest Practicable Date
- “Expiry Date”** : The date on which the Warrants expire, being the day immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members and/or the Warrant Register of the Company is closed or is not a Market Day, in which event the Exercise Period shall end on the date prior to the closure of the Register of Members or the immediately preceding Market Day

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“Foreign Purchasers”	: Persons purchasing the Rights traded on the SGX-ST through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore
“Foreign Shareholders”	: Shareholders with registered addresses outside Singapore as at the Rights Issue Record Date and who have not, at least three (3) Market Days prior to the Rights Issue Record Date, provided to the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	: Financial year ending or ended 30 September, as the case may be
“GDS ESOS”	: The proposed GDS Employee Share Option Scheme, as modified or altered from time to time
“GDS ESOS Rules”	: The rules of the GDS ESOS as set out in Appendix C (<i>Rules of the GDS ESOS</i>) to this Circular, as may be modified or altered from time to time, and any reference to a particular GDS ESOS Rule shall be construed accordingly
“GDS PSP”	: The proposed GDS Performance Share Plan, as modified or altered from time to time
“GDS PSP Rules”	: The rules of the GDS PSP as set out in Appendix B (<i>Rules of the GDS PSP</i>) to this Circular, as may be modified or altered from time to time, and any reference to a particular GDS PSP Rule shall be construed accordingly
“Group”	: The Company, its subsidiaries and associated companies (as they may exist from time to time)
“HY”	: Financial period ending or ended 31 March, as the case may be
“Incentive Option”	: An Option granted with the exercise price set at a discount to the Market Price
“Independent Shareholders”	: Shareholders who are independent for the purposes of approving the relevant Proposals
“Irrevocable Undertaking”	: The deed of undertaking dated 31 May 2024 provided by the Undertaking Shareholder to the Company in connection with the Proposed Rights Cum Warrants Issue, as further described in section 2.10 (<i>Irrevocable Undertaking</i>) of this Circular
“Issue Price”	: The issue price of the Rights Shares, being S\$0.02 for each Rights Share
“Latest Practicable Date”	: 3 June 2024, being the latest practicable date prior to the finalisation and release of this Circular
“LPS”	: Loss per Share

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- “LQN”** : The listing and quotation notice from the SGX-ST for the dealing in, listing of, and quotation for, the Rights Shares, the Warrant Shares and the New Shares on the Catalist
- “Manager”** : The manager of the Proposed Rights Cum Warrants Issue, SAC Capital Private Limited
- “Market Price”** : The average of the last dealt prices 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 Date of Grant 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
- “Market Purchase”** : Purchases transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose
- “MAS”** : The Monetary Authority of Singapore
- “Maximum Percentage”** : The total number of Shares that may be purchased or acquired which shall not exceed 10.0% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the AGM at which the Share Buyback Mandate is approved, unless: (a) the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (b) the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be.
- “Maximum Price”** : Purchase price to be paid for a Share as determined by the Directors which must not exceed in the case of a Market Purchase, 105.0% of the Average Closing Price, and in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price, in either case, excluding related expenses of the purchase
- “Maximum Scenario”** **Subscription** : Based on the Existing Share Capital (assuming no new Shares are issued on or prior to the Rights Issue Record Date) and assuming that all of the Entitled Shareholders subscribe and pay for their pro-rata entitlements of Rights Shares with Warrants, the Company will allot and issue 112,000,000 Rights Shares with

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		224,000,000 Warrants (exercisable into 224,000,000 Warrant Shares)
“Minimum Scenario”	Subscription	: Based on the Existing Share Capital (assuming no new Shares are issued on or prior to the Rights Issue Record Date) and assuming that (a) none of the Shareholders except for the Undertaking Shareholder subscribes for their respective pro-rata entitlements to the Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue; and (b) only the Undertaking Shareholder subscribes for his pro-rata entitlement to the Rights Shares with Warrants (being 23,500,000 Rights Shares with Warrants) under the Proposed Rights Cum Warrants Issue in relation to Shares held by him as at the Rights Issue Record Date and makes an excess application and pays for up to 17,960,000 Excess Rights Shares with Warrants which are not subscribed or applied for by Shareholders other than himself at the Closing Date, and taking into consideration the scaling down of the subscription by the Undertaking Shareholder for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants so that the Undertaking Shareholder will not incur a mandatory general offer obligation under Rule 14 of the Code for all the Shares of the Company, the Company will allot and issue 14,248,216 Rights Shares with 28,496,432 Warrants (exercisable into 28,496,432 Warrant Shares).
		The number of Rights Shares to be issued to the Undertaking Shareholder in the Minimum Subscription Scenario will be scaled down in accordance with the terms of the Irrevocable Undertaking, details of which are as set out in section 2.10 (<i>Irrevocable Undertaking</i>) of this Circular
“NAV”		: Net asset value
“New Shares”		: New Shares which may, from time to time, be allotted and issued pursuant to the vesting of Awards granted under the GDS PSP and the exercise of the Options granted under the GDS ESOS
“Non-executive Director”		: A director of the Company and/or its subsidiaries, other than one who performs an executive function
“Notice of EGM” or “Notice of Extraordinary Meeting”	General	: The notice of EGM which is set out in pages N-1 to N-8 of this Circular
“NTA”		: Net tangible assets
“Offer Information Statement”		: The offer information statement, together with the ARE, the ARS, the PAL and all other accompanying documents (where applicable, including any supplementary or replacement document thereof) to be issued by the Company and to be lodged with the SGX-ST, acting as an agent on behalf of the MAS, in connection with the Proposed Rights Cum Warrants Issue
“Off-Market Purchase”		: Purchase (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in

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	Section 76C of the Companies Act, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules
“Option”	: The right to subscribe for Shares granted or to be granted pursuant to the GDS ESOS
“Ordinary Resolution”	: An ordinary resolution proposed for approval in this Circular
“PAL”	: The provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotment of Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue
“Participant”	: (a) in respect of the GDS PSP, a person who has been or will be granted an Award pursuant to the GDS PSP; and/or (b) in respect of the GDS ESOS, a person who has been or will be granted an Option pursuant to the GDS ESOS, as the case may be
“Participating Banks”	: The banks that will be participating in the Proposed Rights Cum Warrants Issue by making available their ATMs and Accepted Electronic Services to Entitled Depositors and Purchasers for acceptances of the Rights Shares with Warrants and/or Excess Applications
“Performance Period”	: In relation to a performance-related Award, a period, the duration of which is to be determined by the Remuneration Committee on the Date of Grant, during which the pre-determined performance condition(s) is (are) to be satisfied
“performance-related Awards”	: A performance-related Award granted under the GDS PSP where performance conditions are pre-determined
“Proposals”	: The Proposed Rights Cum Warrants Issue, the Proposed GDS PSP, the Proposed GDS ESOS, the Proposed GDS ESOS Discount, the Proposed Participation of Mr. Tang Hee Sung in the GDS PSP, the Proposed Participation of Mr. Tang Hee Sung in the GDS ESOS and the Proposed Adoption of the Share Buyback Mandate, each a “Proposal”
“Proposed Adoption of the Share Buyback Mandate”	: The proposed adoption of the Share Buyback Mandate
“Proposed GDS ESOS”	: The proposed adoption and implementation of the GDS ESOS
“Proposed GDS ESOS Discount”	: The proposed grant of authority to offer and grant Options under the GDS ESOS at a discount
“Proposed GDS PSP”	: The proposed adoption and implementation of the GDS PSP
“Proposed Participation of Mr. Tang Hee Sung in the GDS ESOS”	: The proposed participation of Mr. Tang Hee Sung, a Controlling Shareholder of the Company, in the GDS ESOS

DEFINITIONS

- “Proposed Participation of Mr. Tang Hee Sung in the GDS PSP”** : The proposed participation of Mr. Tang Hee Sung, a Controlling Shareholder of the Company, in the GDS PSP
- “Proposed Rights Warrants Issue”** : The proposed renounceable non-underwritten rights cum warrants issue of up to 112,000,000 Rights Shares in the capital of the Company at the Issue Price of S\$0.02 per Rights Share, with up to 224,000,000 free detachable unlisted and transferable Warrants, on the basis of one (1) Rights Share for every one (1) existing ordinary Share in the capital of the company as at the Rights Issue Record Date, fractional entitlements to be disregarded, and two (2) Warrants for every one (1) Rights Share validly subscribed
- “Proxy Form”** : The proxy form in respect of the EGM as set out on pages P-1 to P-4 of this Circular
- “Public Shareholders”** : Shareholders who are persons other than:
- (a) the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries, and
 - (b) the associates of such persons named in (a)
- “Purchaser”** : A purchaser of the Rights traded on the SGX-ST through the book-entry (scripless) settlement system
- “Record Date”** : The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
- “Register of Members”** : The register of members of the Company
- “Relevant Period”** : The period commencing from the date on which the EGM is held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, or when Share Buybacks pursuant to a Share Buyback Mandate are carried out to the full extent mandated, or the date the said mandate is varied or revoked by the Company in general meeting (whereupon it will lapse, unless renewed at such meeting
- “Remuneration Committee”** : The remuneration committee of the Company, being the committee duly authorised, appointed and nominated by the Board from time to time to administer the GDS PSP and/or the GDS ESOS, as the case may be
- “Rights”** : Rights to subscribe for one (1) Rights Share with Warrants for every one (1) Share held as at the Rights Issue Record Date, fractional entitlements to be disregarded
- “Rights Issue Announcement”** : The announcement released by the Company on 31 May 2024 in relation to the Proposed Rights Cum Warrants Issue

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- “Rights Issue Record Date”** : A time and date to be determined by the Directors and announced by the Company in due course, being the time and date at and on which the Register of Members and share transfer books of the Company will be closed to determine the provisional allotments of Entitled Shareholders under the Proposed Rights Cum Warrants Issue and, in the case of Entitled Depositors, at and on which date their provisional allotments of Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue are determined
- “Rights Shares”** : Up to 112,000,000 new Shares to be allotted and issued by the Company pursuant to the Proposed Rights Cum Warrants Issue, each a **“Rights Share”**
- “Securities Account”** : A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
- “Securities and Futures Act” or “SFA”** : The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
- “SFRS”** : Singapore Financial Reporting Standards
- “SGXNet”** : A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST)
- “SGX-ST”** : The Singapore Exchange Securities Trading Limited
- “Share Buyback”** : Buyback of Shares by the Company pursuant to the Share Buyback Mandate
- “Share Buyback Mandate”** : A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set out in the Companies Act and the Catalist Rules
- “Shareholders”** : Registered holders of ordinary shares in the capital of the Company, except where the registered holder is CDP, in which case the term **“Shareholders”** shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
- “Share Registrar”** and/or **“Warrant Agent”** : The share registrar and warrant agent of the Company, Boardroom Corporate & Advisory Services Pte. Ltd. having its registered address at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632
- “Shares”** : Ordinary shares in the issued and paid-up share capital of the Company

DEFINITIONS

“Sponsor”	:	The continuing sponsor of the Company, SAC Capital Private Limited
“SRS”	:	Supplementary Retirement Scheme
“SRS Approved Banks”	:	Approved banks in which SRS Investors hold their accounts under the SRS
“SRS Investors”	:	Investors who have previously purchased Shares under the SRS
“Substantial Shareholder”	:	Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the Securities and Futures Act, being a person who: (a) has an interest or interests in one (1) or more voting Shares in the Company; and (b) the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares in the Company
“TERP”	:	The theoretical market price of each Share assuming the completion of the Proposed Rights Cum Warrants Issue, and is computed based on the Closing Price of S\$0.077 per Share for Shares traded on the Catalist on 30 May 2024, being the last full market day on which the Shares were traded immediately preceding the Rights Issue Announcement, and assuming that the maximum of 112,000,000 Rights Shares are issued pursuant to the Proposed Rights Cum Warrants Issue. For the avoidance of doubt, the theoretical ex-rights price computation does not include the Warrant Shares to be issued from the exercise of the Warrants
“time-based Awards”	:	A time-based Award granted under the GDS PSP where certain time-based service conditions are pre-determined
“Transfer Form”	:	A transfer form as prescribed by the Company from time to time for the transfer of Warrant(s)
“Transferor”	:	A Warrantholder who intends to transfer his or her Warrant(s)
“Undertaken Rights Shares”	:	The 23,500,000 Rights Shares with Warrants and up to 17,960,000 Excess Rights Shares with Warrants which the Undertaking Shareholder has undertaken to subscribe and pay in full for on the terms and subject to the conditions set out in the Irrevocable Undertaking, as further described in section 2.10 (<i>Irrevocable Undertaking</i>) of this Circular
“Undertaking Shareholder”	:	Mr. Tang Hee Sung, the Non-executive Non-independent Chairman of the Board and the Controlling Shareholder, who has given the Irrevocable Undertaking in favour of the Company and the Manager in connection with the Proposed Rights Cum Warrants Issue
“Unit Share Market”	:	The unit share market of the SGX-ST

DEFINITIONS

- “VWAP”** : Volume weighted average price
- “Warrantheolders”** : In relation to any Warrant, the person or persons for the time being registered in the Warrant Register as the holder or joint holders of the Warrant, and **“Warrantheolder”** shall be construed accordingly
- “Warrant Register”** : The register of Warrantheolders required to be maintained pursuant to Deed Poll
- “Warrants”** : Up to 224,000,000 free detachable unlisted and transferable Warrants in registered form to be issued by the Company together with the Rights Shares pursuant to the Proposed Rights Cum Warrants Issue, and (where the context so admits) such additional warrants as may be required or permitted to be issued by the Company pursuant to the terms and conditions of the warrants to be set out in the Deed Poll (any such additional warrants to rank *pari passu* with the Warrants to be issued together with the Rights Shares and for all purposes to form part of the same series of warrants constituted by the Deed Poll), each a **“Warrant”**, with each Warrant entitling the holder thereof to subscribe for one (1) Warrant Share at the Exercise Price, subject to the terms and conditions to be set out in the Deed Poll
- “Warrant Shares”** : Up to 224,000,000 new Shares to be allotted and issued by the Company upon the exercise of the Warrants, subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll, each a **“Warrant Share”**

Currencies, Units and Others

- “%”** : Per centum or percentage
- “S\$”** and **“cents”** : Singapore dollars and cents respectively, the lawful currency of Singapore

The terms **“Depositor”**, **“Depository”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms **“subsidiaries”** and **“relevant intermediary”** shall have the meanings ascribed to them respectively in the Companies Act.

The term **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act.

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

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

DEFINITIONS

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

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

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

The legal advisers appointed by the Company in relation to Singapore law for the purpose of this Circular is Morgan Lewis Stamford LLC.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, plans, prospects, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements. The actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by the Group.

No person has been authorised to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. Nothing contained in this Circular is, or may be relied upon as, a promise or representation as to the future performance, financial position or policies of the Company and/or the Group. The delivery of this Circular shall not, under any circumstance, constitute a continuing representation, or give rise to any implication or suggestion, that there has not been or there will not be any change in the affairs of the Company and/or the Group or in the information herein since the Latest Practicable Date. Where any such changes occur after the Latest Practicable Date, the Company may make an announcement of the same on SGXNet. Shareholders should take note of any such announcement and shall, upon the release of such an announcement, be deemed to have notice of such changes.

The distribution of this, and other relevant documents, may be prohibited or restricted by law in certain jurisdictions. Shareholders are required to inform themselves of and to observe any such prohibitions and restrictions. It is the responsibility of the Shareholders in such jurisdictions to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any government, exchange control or other consents which may be required, the compliance with all necessary formalities which are required to be observed and/or payment of any issue, transfer or other taxes due in such jurisdiction.

Where the Company is of the view that the distribution of this Circular and/or any other relevant document to any Shareholder in any jurisdiction(s) may infringe any relevant foreign law or necessitate compliance with conditions or requirements which the Company regards as onerous or impracticable by reason of costs, delay or otherwise, the Company will not distribute this Circular and other relevant documents to Shareholders with registered addresses in such jurisdiction(s).

This Circular and/or any other related documents may not be used for the purposes of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation.

Shareholders are advised to consult their stockbroker, bank manager, solicitor, accountant, tax or other professional adviser(s) immediately if they are in any doubt as to any aspect of the transactions contemplated under this Circular. It is emphasised that none of the Company or any other persons involved in the transactions contemplated under this Circular accepts responsibility for any tax effects of, or such liabilities resulting therefrom.

LETTER TO SHAREHOLDERS

GDS GLOBAL LIMITED

(Company Registration Number: 201217895H)
(Incorporated in the Republic of Singapore on 19 July 2012)

Directors:

Tang Hee Sung (*Non-executive Non-independent Chairman*)
Lee Pei Fang (*Executive Director*)
Aw Eng Hai (*Lead Independent Non-executive Director*)
Cheam Heng Haw, Howard (*Independent Non-executive Director*)
Doreen Yew Lai Leng (*Independent Non-executive Director*)

Registered Office:

86 International Road
Singapore 629176

14 June 2024

To: The Shareholders of GDS Global Limited

Dear Sir / Madam

- (1) **THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 112,000,000 NEW ORDINARY SHARES (THE “RIGHTS SHARES”) IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.02 PER RIGHTS SHARE, WITH UP TO 224,000,000 FREE DETACHABLE UNLISTED AND TRANSFERABLE WARRANTS (THE “WARRANTS”), ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY AS AT THE RIGHTS ISSUE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED, AND TWO (2) WARRANTS FOR EVERY ONE (1) RIGHTS SHARE VALIDLY SUBSCRIBED;**
- (2) **THE PROPOSED ADOPTION AND IMPLEMENTATION OF THE GDS PERFORMANCE SHARE PLAN;**
- (3) **THE PROPOSED ADOPTION AND IMPLEMENTATION OF THE GDS EMPLOYEE SHARE OPTION SCHEME;**
- (4) **THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS UNDER THE GDS EMPLOYEE SHARE OPTION SCHEME AT A DISCOUNT;**
- (5) **THE PROPOSED PARTICIPATION OF MR. TANG HEE SUNG, A CONTROLLING SHAREHOLDER OF THE COMPANY IN THE GDS PERFORMANCE SHARE PLAN;**
- (6) **THE PROPOSED PARTICIPATION OF MR. TANG HEE SUNG, A CONTROLLING SHAREHOLDER OF THE COMPANY IN THE GDS EMPLOYEE SHARE OPTION SCHEME; AND**
- (7) **THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE.**

1. INTRODUCTION

1.1. Purpose

The Directors are convening an EGM to be held on 1 July 2024 to seek Shareholders' approval for the following proposals:

- (a) the Proposed Rights Cum Warrants Issue (“**Ordinary Resolution 1**”);

LETTER TO SHAREHOLDERS

- (b) the Proposed GDS PSP (“**Ordinary Resolution 2**”);
 - (c) the Proposed GDS ESOS (“**Ordinary Resolution 3**”);
 - (d) the Proposed GDS ESOS Discount (“**Ordinary Resolution 4**”);
 - (e) the Proposed Participation of Mr. Tang Hee Sung in the GDS PSP (“**Ordinary Resolution 5**”);
 - (f) the Proposed Participation of Mr. Tang Hee Sung in the GDS ESOS (“**Ordinary Resolution 6**”); and
 - (g) the Proposed Adoption of the Share Buyback Mandate (“**Ordinary Resolution 7**”),
- (collectively, the “**Proposals**”).

The purpose of this Circular is to provide Shareholders with information relating to the Proposals and to seek Shareholders’ approval for the Proposals at the EGM.

1.2. **Inter-conditionality**

Shareholders should note that:

- (a) the passing of each of Ordinary Resolutions 1 and 7 is independent of the approval of the other Proposals;
- (b) the passing of Ordinary Resolution 5 is conditional on the passing of Ordinary Resolution 2 as the Proposed Participation of Mr. Tang Hee Sung in the GDS PSP will require the Proposed GDS PSP to first be approved; and
- (c) the passing of Ordinary Resolutions 4 and 6 are conditional on the passing of Ordinary Resolution 3 as the Proposed GDS ESOS Discount and the Proposed Participation of Mr. Tang Hee Sung in the GDS ESOS will require the Proposed GDS ESOS to first be approved.

Accordingly, (i) if the Proposed GDS PSP is not approved, the Proposed Participation of Mr. Tang Hee Sung in the GDS PSP will not be approved; and (ii) if the Proposed GDS ESOS is not approved, the Proposed GDS ESOS Discount and the Proposed Participation of Mr. Tang Hee Sung in the GDS ESOS will not be approved.

1.3. **Disclaimer**

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

If a Shareholder is in any doubt about the contents of this Circular or as to the course of action he/she/it should take, he/she/it should consult his/her/its stockbroker, bank manager, solicitor, accountant, tax or other professional adviser(s) immediately.

2. **THE PROPOSED RIGHTS CUM WARRANTS ISSUE**

2.1. **Background**

On 31 May 2024, the Company announced that it is proposing to undertake a renounceable non-underwritten rights cum warrants issue (the “**Proposed Rights Cum Warrants Issue**”) of up to

LETTER TO SHAREHOLDERS

112,000,000 new ordinary shares (the “**Shares**”) in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.02 (the “**Issue Price**”) per Rights Share, with up to 224,000,000 free detachable unlisted and transferable warrants (the “**Warrants**”), on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Rights Issue Record Date to be determined by the Directors, fractional entitlements to be disregarded, and two (2) Warrants for every one (1) Rights Share validly subscribed (the “**Rights Issue Announcement**”). The Proposed Rights Cum Warrants Issue is subject to, among others:

- (a) the execution of the Deed Poll;
- (b) the receipt of the listing and quotation notice (“**LQN**”) from the SGX-ST for the dealing in, listing of, and quotation for, the Rights Shares, the Warrant Shares and the New Shares on the Catalist (and such approval not having been withdrawn or revoked on or prior to the completion of the Proposed Rights Cum Warrants Issue) and if such approval is granted subject to conditions, such conditions being acceptable to the Company and having been complied with;
- (c) the issue and allotment of the Rights Shares, the Warrants and the Warrant Shares having been approved by the Shareholders at the EGM;
- (d) the lodgement of the Offer Information Statement, together with all other accompanying documents with the SGX-ST, acting as agent on behalf of the MAS;
- (e) the subscription for, and the allotment and issue of, the Rights Shares, the Warrants and the Warrant Shares not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company; and
- (f) all other necessary consents, approval and waivers from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights Cum Warrants Issue and to give effect to the Proposed Rights Cum Warrants Issue being obtained and not having been revoked or amended before the completion of the Proposed Rights Cum Warrants Issue.

An application will be made to the SGX-ST through the Sponsor on behalf of the Company for permission to deal in and for the listing of and quotation for the Rights Shares and the Warrant Shares on the Catalist pursuant to the Proposed Rights Cum Warrants Issue, and the New Shares. The Company will make the necessary announcement on SGXNet upon the receipt of the LQN by the SGX-ST.

The Company has appointed SAC Capital Private Limited as the manager of the Proposed Rights Cum Warrants Issue (the “**Manager**”). For the avoidance of doubt, the Proposed Rights Cum Warrants Issue will not be underwritten by the Manager.

2.2. **Basis of the Proposed Rights Cum Warrants Issue**

The Proposed Rights Cum Warrants Issue will be made on a pro-rata, renounceable and non-underwritten basis of one (1) Rights Share for every one (1) existing Share held by the Entitled Shareholders as at the Rights Issue Record Date, with two (2) Warrants for every one (1) Rights Share validly subscribed, fractional entitlements to be disregarded.

2.3. **Size of the Proposed Rights Cum Warrants Issue**

As at the date of the Latest Practicable Date, the issued and paid-up share capital of the Company comprises 112,000,000 Shares (the “**Existing Share Capital**”). The Company has no treasury

LETTER TO SHAREHOLDERS

shares, subsidiary holdings, existing warrants or other convertible securities as at the Latest Practicable Date.

Based on the Existing Share Capital (assuming no new Shares are issued on or prior to the Rights Issue Record Date) and on the assumption that:

- (a) all of the Entitled Shareholders subscribe and pay for their respective pro-rata entitlements of the Rights Shares with Warrants, the Company will allot and issue 112,000,000 Rights Shares with 224,000,000 Warrants (exercisable into 224,000,000 Warrant Shares) under the Proposed Rights Cum Warrants Issue (the **“Maximum Subscription Scenario”**). The resultant enlarged share capital in the Maximum Subscription Scenario would comprise 224,000,000 Shares, with the 112,000,000 Rights Shares representing 50.0% of the enlarged share capital (assuming that none of the Warrants are exercised); or
- (b)
 - (i) none of the Shareholders except for Mr. Tang Hee Sung, the Non-Executive Non-independent Chairman of the Board and the Controlling Shareholder (the **“Undertaking Shareholder”**) subscribes for their respective pro-rata entitlements to the Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue; and
 - (ii) only the Undertaking Shareholder subscribes for his pro-rata entitlement to the Rights Shares with Warrants (being 23,500,000 Rights Shares with Warrants) under the Proposed Rights Cum Warrants Issue in relation to Shares held by him as at the Rights Issue Record Date and makes an excess application and pays for up to 17,960,000 Excess Rights Shares with Warrants which are not subscribed or applied for by Shareholders other than himself at the Closing Date,

issuing such number of Rights Shares and Excess Rights Shares to the Undertaking Shareholder will result in the Undertaking Shareholder incurring a mandatory general offer obligation under Rule 14 of the Code for all the Shares of the Company. Accordingly, pursuant to the Irrevocable Undertaking, his subscription for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants shall be scaled down in such manner so as to avoid placing him in such a position. Accordingly, under the Minimum Subscription Scenario, the number of Rights Shares with Warrants to be issued to the Undertaking Shareholder shall be scaled down to 14,248,216 Rights Shares with Warrants, resulting in the Undertaking Shareholder holding 37,748,216 Shares upon completion of the Proposed Rights Cum Warrants Issue, representing approximately 29.90%¹ of the enlarged issued and paid-up share capital of the Company (assuming that none of the Warrants are exercised). As a result, the Company will allot and issue 14,248,216 Rights Shares with 28,496,432 Warrants (exercisable into 28,496,432 Warrant Shares) under the Proposed Rights Cum Warrants Issue in the minimum subscription scenario (the **“Minimum Subscription Scenario”**) and the resultant enlarged share capital in the Minimum Subscription Scenario would comprise 126,248,216 Shares, with the 14,248,216 Rights Shares representing approximately 11.29% of the enlarged share capital (assuming that none of the Warrants are exercised).

Shareholders should note that under the Minimum Subscription Scenario, the collective shareholding interests of Shareholders (other than the Undertaking Shareholder) will be diluted from 79.02% to 70.10%, assuming that no new Shares are issued on or prior to the Rights Issue Record Date.

¹ The extent of the scaling down of the subscription of pro-rata entitlement and/or excess application by the Undertaking Shareholder shall be in such manner to be agreed at the discretion of the Company, the Manager and the Undertaking Shareholder depending on the level of subscription for the Rights Shares with Warrants. Please refer to terms of the Irrevocable Undertaking as set out in section 2.10 (*Irrevocable Undertaking*) of this Circular.

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The Proposed Rights Cum Warrants Issue cannot be withdrawn after the commencement of ex-rights trading.

2.4. Principal Terms of the Proposed Rights Cum Warrants Issue

- Basis of Provisional Allotment : The Proposed Rights Cum Warrants Issue is proposed to be made on a renounceable non-underwritten basis to Entitled Shareholders on the basis of one (1) Rights Share for every one (1) existing Share held by the Entitled Shareholders as at the Rights Issue Record Date, with two (2) Warrants for every one (1) Rights Share validly subscribed, fractional entitlements to be disregarded.
- Maximum Number of Rights Shares to be issued : Based on the Existing Share Capital, the Company will issue up to 112,000,000 Rights Shares in the Maximum Subscription Scenario.
- Issue Price of each Rights Share : The Issue Price of each Rights Share will be S\$0.02, payable in full upon acceptance and/or application.
- Discount : The Issue Price of S\$0.02 for each Rights Share represents a discount of approximately:
- (a) 74.0% to the volume weighted average price (the “**VWAP**”) of S\$0.077 per Share and 74.0% to the closing price (“**Closing Price**”) of S\$0.077 per Share for Shares traded on 30 May 2024, being the last full Market Day immediately preceding the date of the Rights Issue Announcement on which Shares were traded on the Catalist; and
 - (b) 58.8% to the theoretical ex-rights price of S\$0.049² (the “**TERP**”) per Share.
- Eligibility to Participate : Please refer to section 2.6 (*Eligibility of Shareholders to Participate in the Proposed Rights Cum Warrants Issue*) of this Circular for the eligibility of Shareholders to participate in the Proposed Rights Cum Warrants Issue.
- Listing of the Rights Shares : The Company will be making an application to the SGX-ST through the Sponsor for permission to deal in, and for the listing and quotation of, among others, the Rights Shares on the Catalist. An appropriate announcement on the outcome of such application will be made on SGXNet in due course.
- Status of Rights Shares : The Rights Shares with Warrants will be payable in full upon acceptance and/or application and when allotted and issued, will rank *pari passu* in

² The TERP is the theoretical market price of each Share assuming the completion of the Proposed Rights Cum Warrants Issue, and is computed based on the Closing Price of S\$0.077 per Share for Shares traded on the Catalist on 30 May 2024, being the last full market day on which the Shares were traded immediately preceding the Rights Issue Announcement, and assuming that the maximum of 112,000,000 Rights Shares are issued pursuant to the Proposed Rights Cum Warrants Issue. For the avoidance of doubt, the theoretical ex-rights price computation does not include the Warrant Shares to be issued from the exercise of the Warrants.

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all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares with Warrants.

Acceptance, Excess Application and Payment : Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or, in the case of Entitled Depositors only, trade (during the provisional allotment trading period prescribed by SGX-ST) their provisional allotments of the Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Proposed Rights Cum Warrants Issue (the “**Excess Rights Shares with Warrants**”).

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at Entitled Shareholders’ provisional allotments of Rights Shares with Warrants and will, together with such Rights Shares with Warrants that are not validly taken up by Entitled Shareholders, the original allottees or their respective renounee(s) or the purchasers of such provisional allotment of Rights Shares with Warrants, any unsold “nil-paid” provisional allotments of Rights Shares with Warrants of Foreign Shareholders and any Rights Shares with Warrants which are not validly taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Rights Shares with Warrants (“**Excess Applications**”) (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company, subject to applicable laws and the Catalist Rules.

In the allotment of Excess Rights Shares with Warrants, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights Cum Warrants Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with Warrants.

The Company will also not make any allotment and issue of any Excess Rights Shares with Warrants that will result in a transfer of Controlling Interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights and for the applications for Excess Rights Shares with Warrants, including the different modes of acceptance or application and payment, will be set out in the Offer Information Statement.

Trading of the Rights Shares : Upon the listing and quotation of the Rights Shares on the Catalist of the SGX-ST, the Rights Shares will be traded on the Catalist of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) in relation to the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP’s “*Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited*”, as the same may be amended from time to time, copies of which are available from CDP. For

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the purposes of trading on the Catalist, each board lot of Shares will comprise 100 Shares.

Trading of Odd Lots of Shares : For the purposes of trading on the Catalist of the SGX-ST, each board lot of Rights Shares will comprise 100 Shares. Following the Proposed Rights Cum Warrants Issue, Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on the Catalist of the SGX-ST are able to trade odd lots of Shares in board lots of one (1) Share on the SGX-ST's Unit Share Market. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share. Shareholders should note that the market for trading of such odd lots of Shares may be illiquid. There is no assurance that Shareholders who hold odd lots of Shares will be able to acquire such number of Shares required to make up a board lot, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST's Unit Share Market.

Scaling Down : Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, scale down the subscription for the Rights Shares with Warrants and/or excess applications for the Excess Rights Shares with Warrants by any of the Entitled Shareholders to:

- (a) avoid placing the relevant Entitled Shareholder and parties acting in concert (as defined under the Singapore Code on Take-overs and Mergers (the "**Code**")) with him/her/it in the position of incurring a mandatory general offer obligation under the Code; and/or
- (b) to avoid the transfer of a controlling interest in the Company, which is prohibited under Rule 803 of the Catalist Rules, unless prior approval of Shareholders is obtained in a general meeting,

as a result of other Shareholders not taking up, whether partly or in full, their provisional allotments of the Rights Shares with Warrants.

Use of SRS Funds : SRS Investors who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS accounts.

Such SRS Investors who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants using SRS monies, must instruct the relevant SRS Approved Banks in which they hold their SRS accounts to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants on their behalf in accordance with the terms and conditions in the Offer Information Statement.

SRS Investors who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks before instructing their respective approved banks to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants.

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SRS Investors are advised to provide their respective approved banks in which they hold their SRS accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, electronic applications at ATMs of the Participating Banks, the Share Registrar and/or the Company will be rejected.

For the avoidance of doubt, monies in SRS accounts may not be used for the purchase of provisional allotments of the Rights Shares with Warrants directly from the market.

Irrevocable Undertaking : Mr. Tang Hee Sung, being the Undertaking Shareholder, has furnished the Irrevocable Undertaking in favour of the Company and the Manager that, among others, he will subscribe and pay in full for the Undertaken Rights Shares under the Proposed Rights Cum Warrants Issue. Further details on the Irrevocable Undertaking are as set out in section 2.10 (*Irrevocable Undertaking*) of this Circular.

Underwriting : The Proposed Rights Cum Warrants Issue will not be underwritten. In the reasonable opinion of the Directors, and in view of the Irrevocable Undertaking, there is no minimum amount which must be raised from the Proposed Rights Cum Warrants Issue. After taking into consideration the aforementioned, the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is not necessary nor cost effective for the Proposed Rights Cum Warrants Issue to be underwritten by a financial institution.

Governing Law : Laws of the Republic of Singapore

The final terms and conditions of the Proposed Rights Cum Warrants Issue, including the procedures for, and the terms and conditions applicable to, the acceptances, the renunciations and/or sales of the provisional allotments of the Rights Shares with Warrants and for the Excess Applications (such as the modes of acceptance or application and payment) pursuant to the Proposed Rights Cum Warrants Issue will be contained in an offer information statement (the “**Offer Information Statement**”) and its accompanying documents in connection with the Proposed Rights Cum Warrants Issue, to be lodged with the SGX-ST, acting as an agent on behalf of the Monetary Authority of Singapore (the “**MAS**”).

The Offer Information Statement will be disseminated by the Company to Entitled Shareholders in due course, subject to, among others, the approval of the Shareholders for the Proposed Rights Cum Warrants Issue being obtained at the EGM.

2.5. Principal Terms of the Warrants

Number of Warrants : Based on the Existing Share Capital, the Company will issue up to 224,000,000 detachable unlisted and transferable Warrants (exercisable into 224,000,000 Warrant Shares), to be issued free together with the Rights Shares.

Basis of Allotment : Two (2) free detachable unlisted and transferable Warrants with every one (1) Rights Share validly subscribed, fractional entitlements to be disregarded.

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- Detachability : The Warrants will be immediately detached from the Rights Shares on issue.
- Form and Subscription Rights : The Warrants will be issued in registered form and will be constituted by the Deed Poll. Subject to the terms and conditions of the Warrants as set out in the Deed Poll, each Warrant shall entitle the Warrantholder, at any time during the Exercise Period, to subscribe for one (1) Warrant Share at the Exercise Price in force on the relevant date of exercise of the Warrants.
- Exercise Price of each Warrant : The Exercise Price of each Warrant will be S\$0.06, payable in full upon the exercise of the Warrant.
- Discount : The Exercise Price of S\$0.06 for each Warrant Share represents a:
- (a) discount of approximately 22.1% to the VWAP of S\$0.077 per Share and 22.1% to the Closing Price of S\$0.077 per Share for Shares traded on 30 May 2024, being the last full Market Day immediately preceding the date of the Rights Issue Announcement on which Shares were traded on the Catalist; and
 - (b) premium of approximately 23.7% to the TERP of S\$0.049 per Share.
- Exercise Period : The Warrants may be exercised at any time during the period commencing on the date of issue of the Warrants and expiring at 5.00 p.m. (Singapore time) on the day immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members and/or the Warrant Register of the Company is closed or is not a Market Day, in which event the Exercise Period shall end on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Warrant Register may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.
- The Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.
- The Company shall, not later than one (1) month before the Expiry Date:
- (a) announce the expiry of the Exercise Period on SGXNet; and
 - (b) take reasonable steps to notify all holders of the Warrants in writing of the Expiry Date, and such notice shall be delivered by post to the address of the relevant holders of the Warrant(s).
- Listing of the Warrant Shares : The Company will be making an application to the SGX-ST through the Sponsor for permission to deal in and for the listing and quotation of, among others, the Warrant Shares on the Catalist. An appropriate announcement on the outcome of such application will be made on SGXNet in due course.
- Status of Warrant Shares : The Warrant Shares, when allotted and issued upon exercise of the Warrants, will be fully paid and will rank *pari passu* in all respects with

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the then existing Shares of the Company, save for any dividends, rights, allocations or other distributions, the record date for which is on or after the relevant exercise date (subject as aforesaid).

Mode of payment for exercise of Warrant Shares : Warrantheolders who exercise their Warrants must pay the Exercise Price at the specified office for the time being of the Warrant Agent by way of remittance in Singapore currency by banker's draft or cashier's order drawn on a bank in Singapore and/or debiting the SRS account with the SRS Approved Bank (subject to the availability of SRS Funds), as specified.

Adjustments : The Exercise Price and the number of Warrants to be held by each Warrantholder will be subject to adjustments under certain circumstances provided for in the terms and conditions of the Warrants as set out in the Deed Poll and in accordance with the Catalist Rules. Such circumstances include, without limitation:

- (a) an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund but excluding any issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) to the Shareholders;
- (b) a capital distribution made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (c) an offer or invitation made by the Company to the Shareholders under which they may acquire or subscribe for Shares by way of rights, or issue or grant to the Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase, or otherwise acquire any Shares;
- (d) an issue (otherwise than pursuant to (i) a rights issue available to all Shareholders and requiring an adjustment under sub-section (c) above; and (ii) an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend) by the Company of Shares if the total effective consideration for each Share is less than ninety per cent. (90%) of the last dealt price-per Share for one (1) or more board lots of Shares on that Market Day on which there is trading of the Shares on the SGX-ST; or
- (e) any consolidation, subdivision, reclassification or conversion of the Shares.

Any such adjustments shall be announced by the Company.

Any additional Warrants issued pursuant to such adjustments shall rank *pari passu* with the Warrants and will for all purposes form part of the same series. Any such adjustments shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company on SGXNet.

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Material alteration to the terms of the Warrants to the advantage of the Warrantholders : Any material alteration to the terms of the Warrants to the advantage of the Warrantholders is subject to the approval of the Shareholders in a general meeting, except where the alterations are made pursuant to the terms and conditions of the Deed Poll.

In the event that additional Shares are issued as a result of the aforementioned circumstances, the Company will make a separate application to the SGX-ST through the Sponsor, for permission to deal in and for the listing and quotation of the additional Shares on the Catalist. An appropriate announcement on the outcome of such application, if necessary, will be made on SGXNet in due course.

In addition, the Company will comply with the Catalist Rules (including Rules 830 and 831 of the Catalist Rules) and unless permitted under the Deed Poll, the Company will not:

- (a) extend the Exercise Period;
- (b) issue new warrants to replace the Warrants;
- (c) change the Exercise Price of the Warrants; and/or
- (d) change the exercise ratio of the Warrants.

Transfer and Transmission : The Warrants shall be transferable in lots entitling Warrantholders to subscribe for whole numbers of Warrant Shares and so that no person shall be recognised by the Company as having title to Warrants entitling the holder thereof to subscribe for a fractional part of a new Share or otherwise than as the sole or joint holder of the entirety of such new Share. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants set out in the Deed Poll including, among others, the following:

- (a) Lodgement of Certificates and Transfer Forms – the Transferor shall lodge, during normal business hours on any Market Day at the specified office of the Warrant Agent, the Transferor's warrant certificate(s) together with a transfer form which shall be in or substantially in the form set out in the Deed Poll (the "**Transfer Form**") duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any applicable law for the time being in force relating to stamp duty and accompanied by the fees and expenses set out in the Deed Poll;
- (b) Deceased Warrantholder – the executors and administrators of a deceased Warrantholder (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Warrant Agent as having any title to the Warrants and shall be entitled to be registered as a holder of the Warrants upon the production by such persons to the Company and the Warrant Agent of such evidence as may be reasonably required by the Company and the Warrant Agent to prove their title and on completion of a Transfer Form and the payment of such fees and expenses set out in the Deed Poll; and

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- (c) Effective Date of Transfer – A Transferor shall be deemed to remain a Warranholder of the Warrant until the name of the transferee is entered in the Warrant Register by the Warrant Agent.

Rights of Warranholders on Winding-up of the Company : If prior to the expiry of the Warrants, an effective resolution is passed for a members' voluntary winding up of the Company, for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Warranholders by way of a special resolution, the terms of such scheme of arrangement shall be binding on all the Warranholders and all persons having an interest in the Warrants.

In any other case, if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, every Warranholder shall be entitled upon and subject to the Deed Poll and the conditions therein, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company, by irrevocable surrender of his/her/its warrant certificate(s) to the Company with the exercise notice(s) duly completed, together with all payments payable, to elect to be treated as if he/she/it had had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the exercise notice(s) and had on such date been the holder of the Shares to which he/she/it would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.

The Company shall give notice to the Warranholders in accordance with the Deed Poll and the conditions therein of the passing of any such resolution within seven (7) days after the passing thereof.

If the Company is wound up for any other reasons, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Further Issues : Subject to the terms and conditions of the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Warranholders shall not have any participating rights in such issue of Shares unless otherwise resolved by the Company in general meeting or in the event of a takeover offer to acquire the Shares.

Share Buy-back : Nothing shall prevent or restrict the buy-back of any classes of shares pursuant to applicable law and the requirements of the SGX-ST.

Warrant Agent : Boardroom Corporate & Advisory Services Pte. Ltd.

Governing Law : Laws of the Republic of Singapore

The final terms and conditions of the Proposed Rights Cum Warrants Issue will be contained in the Offer Information Statement and its accompanying documents in connection with the Proposed Rights Cum Warrants Issue to be lodged with the SGX-ST, acting as an agent on behalf of the MAS and to be disseminated by the Company to Entitled Shareholders in due course, subject to, among others, the approval of the Shareholders for the Proposed Rights Cum Warrants Issue being obtained at the EGM.

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2.6. Eligibility of Shareholders to Participate in the Proposed Rights Cum Warrants Issue

(a) Entitled Shareholders

Entitled Shareholders are entitled to participate in the Proposed Rights Cum Warrants Issue and to receive the Offer Information Statement together with the AREs or the PAL, as the case may be, and other accompanying documents at their respective Singapore addresses. In particular, the procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of the Rights Shares with Warrants and for Excess Applications for the Rights Shares with Warrants pursuant to the Proposed Rights Cum Warrants Issue will be set out in the Offer Information Statement to be disseminated by the Company to Entitled Shareholders in due course.

Entitled Shareholders will be provisionally allotted the Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue on the basis of their shareholdings in the Company as at the Rights Issue Record Date, fractional entitlements to be disregarded. In particular, Entitled Depositors will be provisionally allotted the Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their Securities Accounts as at 5:00 p.m. (Singapore time) on the Rights Issue Record Date. Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Rights Issue Record Date by the Share Registrar, in order to be registered to determine provisional allotments of Rights Shares with Warrants.

Entitled Shareholders will be at liberty to accept, decline, renounce or trade (in the case of Entitled Depositors only) their provisional allotment of Rights Shares with Warrants on the SGX-ST in full or in part (during the rights trading period prescribed by the SGX-ST), and are eligible to apply for Excess Rights Shares with Warrants. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for Excess Rights Shares with Warrants.

All dealings in, and transactions of, the provisional allotments of Rights Shares with Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Full details of the Proposed Rights Cum Warrants Issue, including an indicative timetable of the key events, will be set out in the Offer Information Statement to be disseminated to Entitled Shareholders in due course.

Entitled Depositors

Entitled Depositors should note that all correspondences and notices will be sent to their last registered Singapore mailing addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or effect any change in address must reach CDP at 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807 before 5.00 p.m. not later than three (3) Market Days before the Rights Issue Record Date.

Entitled Depositors who do not receive the AREs may obtain it from CDP or the Share Registrar during the period from the date the Proposed Rights Cum Warrants Issue commences up to the Closing Date.

For Entitled Depositors (which exclude investors who hold Shares through finance companies or Depository Agents and SRS Investors), acceptances of the Rights Shares with Warrants and (if

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applicable) applications for Excess Rights Shares with Warrants may be made through CDP or by way of an electronic application through ATM(s) of a Participating Bank.

Entitled Scripholders

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company or the Share Registrar. Entitled Scripholders are reminded that any request to the Company or the Share Registrar to update their records or effect any change in address must reach GDS Global Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 1 HarbourFront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, not later than 5.00 p.m. (Singapore time) at least three (3) Market Days before the Rights Issue Record Date. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Rights Issue Record Date so that their Securities Accounts may be credited by CDP with their Shares and the Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgement of the share certificates with CDP or such later date subject to the completion of the lodgement process.

Entitled Scripholders who do not receive the PALs may obtain them from the Share Registrar during the period from the date the Proposed Rights Cum Warrants Issue commences up to the Closing Date.

SRS Investors

Shareholders who hold Shares under the SRS or through a finance company and/or Depository Agent can only accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for Excess Rights Shares with Warrants through their relevant SRS operators (in the case of SRS Investors) or the respective finance companies and/or Depository Agents through which such Shareholders hold Shares (as the case may be).

(b) Foreign Shareholders

The Offer Information Statement and its accompanying documents relating to the Proposed Rights Cum Warrants Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Proposed Rights Cum Warrants Issue is only being made in Singapore, and the Offer Information Statement and its accompanying documents will not be disseminated to Foreign Shareholders or to any jurisdiction outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Proposed Rights Cum Warrants Issue. No provisional allotment of the Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also not be disseminated to persons purchasing the Rights traded on the SGX-ST through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the “**Foreign Purchasers**”). Foreign Purchasers who wish to accept the Rights credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. It is also the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Singapore who wishes to accept the provisional allotments of Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue to satisfy himself/herself/itself as to the

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full observance of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes in such territories. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares with Warrants renounced to him.

The Company reserves the right, but shall not be obliged, to treat as invalid any ARE, ARS or PAL which (i) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction; (ii) provides an address outside Singapore for the receipt of the physical share certificate(s) for the Rights Shares or which requires the Company to despatch such share certificate(s) to an address in any jurisdiction outside Singapore; or (iii) purports to exclude any deemed representation, warranty or confirmation. The Company further reserves the right to reject any acceptances of Rights Shares with Warrants and/or applications for Excess Rights Shares with Warrants where it believes, or has reason to believe, that such acceptances or applications may violate the applicable legislation of any jurisdiction.

If it is practicable to do so, arrangements may be made, at the discretion of the Company, for provisional allotments of Rights Shares with Warrants which would otherwise be provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading in the Rights Shares with Warrants. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred relation thereto. In addition, such provisional allotments of Rights Shares with Warrants shall be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Share Registrar, or CDP and their respective officers in connection therewith.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be dealt with, at the discretion of the Company, in accordance with the terms set out in the Offer Information Statement.

If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for Excess Rights Shares with Warrants or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Share Registrar, or CDP and their respective officers in connection therewith.

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders. However, the Company reserves the right to make similar arrangements for the Rights which would otherwise have been allotted to certain Entitled Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights commence, where the beneficial holders of such Rights are restricted or prohibited by the laws of the jurisdiction in which they are located or resident from participating in the Proposed Rights Cum Warrants Issue.

Notwithstanding the above, Entitled Shareholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto at their own expense and without liability to the Company. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares with Warrants unless such offer, invitation or

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solicitation could lawfully be made without compliance with any registration or other legal requirements in those territories.

Foreign Shareholders whose Shares are registered in their own names who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Proposed Rights Cum Warrants Issue should provide such an address in Singapore by notifying (1) CDP at 4 Shenton Way #02-01 SGX Centre 2, Singapore 068807, or (2) GDS Global Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 1 HarbourFront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, as the case may be, before 5.00 p.m. at least three (3) Market Days before the Rights Issue Record Date.

2.7. **Rationale of the Proposed Rights Cum Warrants Issue**

While the construction industry is gradually recovering from the economic downturn during the COVID-19 pandemic, progress on work sites have remained slower than expected and the doors and shutters industry is expected to remain challenging and competitive. In particular, the pace of recovery has not kept up with that of the overall cost increases in labour costs, raw materials, freight and energy costs arising from heightened tensions in the Middle East and the Russia-Ukraine conflict and other geopolitical and supply chain issues. In this regard, cost pressures will remain a challenging factor for the Group's businesses. There are also additional concerns about the inflationary cost pressures remaining higher for longer globally.

Under a new leadership structure from November 2023, the Group had recently intensified its sales and marketing efforts to increase local and overseas sales and market shares and to improving its products offering, service and maintenance resources and operational efficiencies. In this regard, the Company is undertaking the Proposed Rights Cum Warrants Issue to strengthen the financial position and capital base of the Group. In view of the current financial circumstances, the Company believes that the Proposed Rights Cum Warrants Issue will strengthen the Company's balance sheet, for which a stronger financial position will provide financial flexibility for the Group for its working capital needs (which includes administrative expenses, manpower costs, compliance costs, continuing listing expenses and professional fees of the Group).

In addition to the proceeds to be received from the completion of the Proposed Rights Cum Warrants Issue, the Company will also receive further proceeds as and when the Warrants are exercised, particularly as the market price of the Shares exceeds the Exercise Price.

2.8. **Issue Price of each Rights Share and Exercise Price of each Warrant**

The Issue Price of S\$0.02 for each Rights Share and Exercise Price of S\$0.06 for each Warrant Share represents a discount of approximately 74.0% and 22.1% respectively to the VWAP and Closing Price of S\$0.077 per Share for Shares traded on the Catalist on 30 May 2024, being the last full Market Day immediately preceding the date of the Rights Issue Announcement.

As further described in section 2.7 (*Rationale of the Proposed Rights Cum Warrants Issue*) of this Circular, there remain challenges to the Group's businesses. While the Group, under a new leadership structure from November 2023, is cautiously optimistic of some recovery in the near term in light of local public project opportunities in the building and construction sector and the Group's own strategic initiatives, the Company recognises that Shareholders and the investing public may need to adopt a longer term view over the Group's businesses, and may thus be hesitant to invest further in the Company in the near term. As such, the Company is proposing to attract subscription interest by bundling together an issue of Rights Shares and Warrants. By undertaking the Proposed Rights Cum Warrants Issue on the basis of one (1) Rights Share for every one (1) existing Share held as at the Rights Issue Record Date, and two (2) Warrants for every one (1) Rights Share validly subscribed, the Company believes that Shareholders will recognise the value proposition of the same.

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Taking into account, among others, the rationale for the Proposed Rights Cum Warrants Issue, the Group's current financial circumstances, recent precedent transactions, the transaction size and discussions with the Manager, the Company is of the opinion that the Proposed Rights Cum Warrants Issue have been appropriately priced to (a) attract subscription interest from Entitled Shareholders and the investing public; (b) reward its supporting Shareholders who may need to adopt a longer term view over the Group's businesses; and (c) allow the Company to raise sufficient proceeds for its intended uses as further described in section 2.9 (*Use of Proceeds*) of this Circular. In the event that the Company's future plans are successful and its Share price increases, Shareholders will be able to exercise their Warrants to the benefit of both the Company and themselves and/or transfer their Warrants for profit. It is the Company's intention to provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to further participate in the equity of the Company and to reward its supporting Shareholders in such manner.

2.9. Use of Proceeds

The estimated proceeds that will be raised from the Proposed Rights Cum Warrants Issue are as follows:

- (a) under the Minimum Subscription Scenario and subject to the Company scaling down the number of Rights Shares with Warrants to be subscribed for by the Undertaking Shareholder, the Company expects to receive net proceeds of approximately S\$0.01 million from the Proposed Rights Cum Warrants Issue, after deducting estimated expenses of approximately S\$0.28 million; and
- (b) under the Maximum Subscription Scenario, the Company expects to receive net proceeds of approximately S\$1.96 million from the Proposed Rights Cum Warrants Issue, after deducting estimated expenses of approximately S\$0.28 million.

In both the Minimum Subscription Scenario and the Maximum Subscription Scenario, the Company intends to use 100.0% of the net proceeds (the "**Net Proceeds**") from the Proposed Rights Cum Warrants Issue (without taking into account the proceeds from the exercise of the Warrants) for general working capital requirements of the Group (which includes administrative expenses, manpower costs, compliance costs, continuing listing expenses and professional fees of the Group).

The additional proceeds arising from the exercise of all the Warrants in the Maximum Subscription Scenario is approximately S\$13.44 million. As and when the Warrants are exercised, the proceeds arising therefrom may, at the discretion of the Directors, be applied towards the general working capital requirements of the Group, and expanding the business of the Group, including expansion of product ranges and associated patents and/or potential strategic partnerships and acquisitions.

The Company will make periodic announcements on the utilisation of the Net Proceeds (including the proceeds arising from the exercise of any Warrants) as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the stated use of proceeds, and subsequently provide a status report on the use of such proceeds in its annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the Company's announcements and the annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the proceeds raised from the Proposed Rights Cum Warrants Issue for the use(s) mentioned above, the proceeds may be placed as deposits with financial institutions, or invested in short-term money market or debt instruments, or for any other purposes on a short-term basis as the Directors may deem fit in the interests of the Group.

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2.10. Irrevocable Undertaking

To demonstrate his commitment and vote of confidence in the Company and the Proposed Rights Cum Warrants Issue, Mr. Tang Hee Sung, the Undertaking Shareholder has given the Irrevocable Undertaking in favour of the Company and the Manager, pursuant to which the Undertaking Shareholder will, subject to certain conditions, irrevocably undertaken to the Company that, among others:

- (a) as at the Rights Issue Record Date, the number of Shares held by the Undertaking Shareholder will not be less than the number of Shares held by him as at the date of the Irrevocable Undertaking; and
- (b) in accordance with the terms and conditions of the Proposed Rights Cum Warrants and in any case not later than the last day for acceptance of and/or excess application and payment for the Rights Shares with Warrants, he shall (i) subscribe and pay in full for his pro-rata entitlement to the Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue in relation to Shares held by him as at the Rights Issue Record Date, being 23,500,000 Rights Shares with Warrants³; and (ii) make an excess application and pay for up to 17,960,000 Excess Rights Shares with Warrants which are not subscribed or applied for by Shareholders other than himself at the closing date of the Proposed Rights Cum Warrants Issue after satisfying all valid applications and excess applications (if any) for the Rights Shares (collectively, the “**Undertaken Rights Shares**”), PROVIDED ALWAYS THAT if pursuant to the Irrevocable Undertaking, the Undertaking Shareholder and his concert parties (as defined in the Code) are placed in a position of incurring a mandatory general offer obligation under Rule 14 of the Code, his subscription for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants shall be scaled down in such manner to be agreed at the discretion of the Company, the Manager and the Undertaking Shareholder, so as to avoid placing him in such a position.

For the avoidance of doubt, the Irrevocable Undertaking is only in respect of the acceptance of and/or excess application and payment for the Rights Shares with Warrants, and not the exercise of the Warrants. In view of the scaling down provisions as described in sections 2.3 (*Size of the Proposed Rights Cum Warrants Issue*) and 2.4 (*Principal Terms of the Proposed Rights Cum Warrants Issue*) of this Circular, the Undertaking Shareholder will not be obliged to make a mandatory general offer for all the Shares pursuant to Rule 14 of the Code by reason of his acceptance of and/or excess application and payment for the Rights Shares with Warrants pursuant to the Irrevocable Undertaking. Based on the Issue Price, the total value of the Undertaken Rights Shares is approximately \$0.83 million.

The Irrevocable Undertaking will be conditional upon, among others, the receipt of the LQN from the SGX-ST, such approval not having been withdrawn or revoked as at the date of completion of the Proposed Rights Cum Warrants Issue, and if such approval is granted subject to conditions, such conditions being acceptable to the Company and having been complied with, and approval of the Shareholders for the Proposed Rights Cum Warrants Issue being obtained at the EGM.

No commission or fee will be paid to the Undertaking Shareholder in connection with the provision or execution of the Irrevocable Undertaking.

As at the date of this Circular, the Undertaking Shareholder has provided the Advance Deposit to the Company. In light of the Advance Deposit, the Undertaking Shareholder will not be providing a confirmation of financial resources in connection with his Irrevocable Undertaking to the Company.

³ As at the Latest Practicable Date, the Undertaking Shareholder directly holds 23,500,000 Shares, representing 20.98% of the total number of issued Shares.

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2.11. Review of Past Performance and Working Capital

The profit and loss statements, the statements of cash flow, the statements of financial position and the working capital position of the Group for the last three (3) financial years ended 30 September 2021, 30 September 2022 and 30 September 2023 and the latest half year ended 31 March 2024 are set out in **Appendix A** (*Financial Information and Review of Past Performance*) to this Circular.

2.12. Opinion of Directors

For the purposes of Rule 814(1)(f) of the Catalist Rules, the Directors are of the opinion that, after taking into consideration the Group's present bank facilities and the Group's internal resources, the working capital available to the Group is sufficient to meet its present requirements. The Directors are also of the opinion that after taking into consideration the Group's present bank facilities, the Group's internal resources and the Net Proceeds from the Proposed Rights Cum Warrants Issue under the Maximum Subscription Scenario, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Proposed Rights Cum Warrants Issue shall be undertaken for the reasons stated in section 2.7 (*Rationale of the Proposed Rights Cum Warrants Issue*) of this Circular.

The Directors are of the opinion, after taking into consideration the factors in arriving at the discount for the Issue Price and the Exercise Price as set out in section 2.8 (*Issue Price of each Rights Share and Exercise Price of each Warrant*) of this Circular and the rationale for the Proposed Rights Cum Warrants Issue as set out in section 2.7 (*Rationale of the Proposed Rights Cum Warrants Issue*) of this Circular, that the Proposed Rights Cum Warrants Issue is in the interests of the Group.

2.13. Rights Issue Record Date

Subject to the Shareholders' approval of the Proposed Rights Cum Warrants Issue at the EGM, the Rights Issue Record Date for the purpose of determining the Entitled Shareholders' entitlements under the Proposed Rights Cum Warrants Issue will be announced by the Company at a later date. No Rights Issue Record Date will be fixed until the SGX-ST has issued the LQN.

2.14. Financial Effects of the Proposed Rights Cum Warrants Issue

The pro forma financial effects of the Proposed Rights Cum Warrants Issue have been prepared based on the audited consolidated financial statements of the Group for FY2023, and are purely for illustration purposes only and do not purport to be indicative or a projection or an estimate of the future results and financial positions of the Company and/or the Group immediately following the completion of the Proposed Rights Cum Warrants Issue.

The financial effects are presented herein after taking into account the following assumptions:

- (a) the Maximum Subscription Scenario;
- (b) the Minimum Subscription Scenario;
- (c) all of the Warrants are exercised after the completion of the Proposed Rights Cum Warrants Issue in the Maximum Subscription Scenario only;
- (d) the Undertaking Shareholder will not exercise any Warrants after the completion of the Proposed Rights Cum Warrants Issue in the Minimum Subscription Scenario, so that he will not incur a mandatory general offer obligation under Rule 14 of the Code for all the Shares of the Company;

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- (e) the estimated expenses in relation to the Proposed Rights Cum Warrants Issue is approximately S\$275,000;
- (f) for the purpose of computing the financial effects of the Proposed Rights Cum Warrants Issue on the NTA per Share and gearing of the Group, the Proposed Rights Cum Warrants Issue is assumed to have been completed on 30 September 2023; and
- (g) for the purpose of computing the financial effects of the Proposed Rights Cum Warrants Issue on the LPS of the Group, the Proposed Rights Cum Warrants Issue is assumed to have been completed on 1 October 2022.

2.14.1. Share Capital

As at the Latest Practicable Date, the Existing Share Capital is approximately S\$5.25 million comprising 112,000,000 Shares, and there are no share options or awards or convertible securities under which the Company has an obligation to issue additional Shares. For illustrative purposes only, the financial effects of the Proposed Rights Cum Issue on the issued share capital (excluding treasury shares) of the Company are as follows:

	Before the Proposed Rights Cum Warrants Issue	After the completion of the Proposed Rights Cum Warrants Issue but before the Exercise of the Warrants		After the completion of the Proposed Rights Cum Warrants Issue and after the Exercise of the Warrants	
		Minimum Subscription Scenario	Maximum Subscription Scenario	Minimum Subscription Scenario	Maximum Subscription Scenario
Issued and paid-up share capital (S\$'000)	5,245	5,530	7,485	5,530	20,925
Total number of issued Shares (excluding treasury shares and subsidiary holdings) ('000)	112,000	126,248	224,000	126,248	448,000

Assuming that all of the Warrants issued in the Maximum Subscription Scenario are exercised, the enlarged issued and paid-up share capital after the exercise of all of the Warrants will be approximately S\$20.93 million, comprising 448,000,000 Shares.

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2.14.2. NTA

The financial effects of the Proposed Rights Cum Warrants Issue on the NTA of the Group are as follows:

	Before the Proposed Rights Cum Warrants Issue	After the completion of the Proposed Rights Cum Warrants Issue but before the Exercise of the Warrants		After the completion of the Proposed Rights Cum Warrants Issue and after the Exercise of the Warrants	
		Minimum Subscription Scenario	Maximum Subscription Scenario	Minimum Subscription Scenario	Maximum Subscription Scenario
NTA (S\$'000)	8,554	8,564	10,519	8,564	23,959
Number of Shares ('000)	112,000	126,248	224,000	126,248	448,000
NTA per Share (cents)	7.64	6.78	4.70	6.78	5.35

2.14.3. LPS

The financial effects of the Proposed Rights Cum Warrants Issue on the LPS of the Group are as follows:

	Before the Proposed Rights Cum Warrants Issue	After the completion of the Proposed Rights Cum Warrants Issue but before the Exercise of the Warrants		After the completion of the Proposed Rights Cum Warrants Issue and after the Exercise of the Warrants	
		Minimum Subscription Scenario	Maximum Subscription Scenario	Minimum Subscription Scenario	Maximum Subscription Scenario
Net loss attributable to the owners of the Company (S\$'000)	(2,341)	(2,341)	(2,341)	(2,341)	(2,341)
Weighted average number of Shares ('000)	112,000	126,248	224,000	126,248	448,000
Loss per Share (cents)	(2.09)	(1.85)	(1.05)	(1.85)	(0.52)

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2.14.4. Gearing

The Group does not have any bank borrowings as at 30 September 2023.

2.15. Notification under Section 309B of the SFA

The provisional allotments of Rights Shares with Warrants, the Rights Shares, the Warrants and the Warrant Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

2.16. Prior Equity Fundraising

The Company has not undertaken any equity fundraising in the past twelve (12) months prior to the date of this Circular.

3. THE PROPOSED ADOPTION AND IMPLEMENTATION OF THE GDS PSP

3.1. Background

The Company is proposing to adopt a new performance share plan known as the “GDS Performance Share Plan”, subject to Shareholders’ approval for the Proposed GDS PSP being obtained at the EGM.

Under the GDS PSP, the Remuneration Committee will determine the number of Shares in respect of which Awards may be offered to any Participant for subscription in accordance with the GDS PSP at the absolute discretion of the Remuneration Committee, which may take into account (where applicable) criteria such as designation, responsibilities, past performance, number of years of service, contributions to the Group and potential for future development of such person. A Participant who is a member of the Remuneration Committee shall not be involved in any deliberation or decision of the Remuneration Committee in respect of Awards granted or to be granted to him or held by him.

As at the Latest Practicable Date, the Company does not have any existing share option scheme, performance share plan or share incentive scheme in force. The Company does not have any individual shareholding limit or foreign shareholding limit.

3.2. Rationale for the Proposed GDS PSP

The GDS PSP will provide eligible Participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The GDS PSP, which will form an integral and important component of a compensation plan, is designed to primarily reward and retain Employees, Associated Company Employees and Non-executive Directors whose services are vital to the well-being and success of the Company.

The GDS PSP will allow the Company to target specific performance objectives and to provide an incentive for eligible Participants to achieve these targets. The Directors believe that the GDS PSP will provide the Company with a flexible approach to provide performance incentives to its staff and Non-executive Directors and, consequently, to improve performance and achieve sustainable growth for the Company in the changing business environment, and to foster a greater ownership culture amongst key senior management, senior executives and Non-executive Directors.

3.3. Overview of the GDS PSP

The GDS PSP is designed to reward its Participants by the issue and/or transfer of fully paid Shares to them according to the extent to which they complete certain time-based service conditions or achieve their performance conditions over set performance periods.

Awards granted under the GDS PSP may be time-based or performance-related, and in each instance, shall vest only: (a) where the Award is time-based, after the satisfactory completion of time-based service conditions, that is, after the Participant has served the Group and the Associated Companies (as the case may be) for a specified number of years (such Awards being “**time-based Awards**”); or (b) where the Award is performance-related, after the Participant achieves certain pre-determined performance conditions (such Awards being “**performance-related Awards**”).

A time-based Award may be granted, for example, as a supplement to the cash component of the remuneration packages of senior executive officers, whom the Company seeks to attract and recruit. A performance-related Award may be granted, for example, with a performance condition based on the successful completion of a project or the successful achievement of certain quantifiable performance conditions(s), such as sales growth or productivity enhancement.

The complete GDS PSP Rules are set out in **Appendix B (Rules of the GDS PSP)** to this Circular, and a summary of the principal rules of the GDS PSP, is set out in this section 3.3. The GDS PSP Rules are in compliance with the Catalist Rules relating to share schemes.

3.3.1. Eligibility

Employees and Associated Company Employees who (a) have confirmed their employment with the Group or the Associated Companies; (b) have attained the age of 21 years; and (c) are not undischarged bankrupts and have not entered into a composition with their respective creditors. Non-executive Directors (including Independent Directors) of the Group who satisfy the eligibility requirements shall be eligible to participate in the GDS PSP.

Controlling Shareholders and their associates who meet the criteria as set out above are eligible to participate in the GDS PSP, provided that the participation of each Controlling Shareholder or each associate and each grant of an Award to any of them may only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution. For avoidance of doubt, directors and employees of the Company’s parent company and its subsidiaries (other than the Group) are not entitled to participate in the GDS PSP.

The eligibility of Participants to participate in the GDS PSP, and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the GDS PSP and the vesting period shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account (a) the financial performance of the Group and the Associated Companies; (b) employee criteria such as his/her rank, years of service/appointment and job performance, potential for future development and his/her contribution to the success and development of the Group and the Associated Companies; and (c) in respect of a Participant being a Non-executive Director, criteria such as his/her contribution to the success and development of the Group. In addition, for performance-related Awards, the extent of effort required to achieve the performance condition within the performance period shall also be considered.

There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any other companies within the Group.

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Subject to the Act and any requirements of the SGX-ST, the terms of eligibility for participation in the GDS PSP may be amended from time to time at the absolute discretion of the Remuneration Committee, which would be exercised judiciously.

3.3.2. Limitations

The aggregate number of Shares which may be issued or transferred pursuant to the Awards granted under the Award on any date, when aggregated with:

- (a) the total number of new Shares issued and issuable, and existing Shares (including treasury shares) transferred and/or transferrable pursuant to Awards already granted under the GDS PSP; and
- (b) the aggregate number of Shares over which options and/or awards granted under any other share option, share incentive, performance share or restricted share plans implemented by the Company and for the time being in force (including the GDS ESOS),

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings from time to time, if any) on the day preceding that date.

The aggregate number of Shares which may be issued or transferred pursuant to the Awards granted under the GDS PSP to Participants who are Controlling Shareholders and their associates shall not exceed 25.0% of the total number of Shares available under the GDS PSP.

The aggregate number of Shares which may be issued or transferred pursuant to the Awards granted under the GDS PSP to each participant who is a Controlling Shareholder or his/her associate shall not exceed 10.0% of the total number of Shares available under the GDS PSP.

To enjoy greater flexibility in structuring remuneration and compensation packages, the Directors believe that it should have a sufficient number of shares to accommodate Awards issued under the GDS PSP. However, it does not necessarily mean that the Remuneration Committee will definitely issue the Award Shares up to the prescribed limit.

3.3.3. Duration

The GDS PSP shall continue to be in force at the discretion of the Remuneration Committee for a maximum period of 10 years commencing on the date on which the GDS PSP was adopted by the Company in a general meeting, provided always that the GDS PSP may, subject to applicable laws and regulations, continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The GDS PSP may be terminated at any time by the Remuneration Committee and by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the GDS PSP is so terminated, no further Awards shall be offered by the Company hereunder.

The termination and expiry of the GDS PSP shall not affect Awards which have been granted, whether such Awards have been Released (whether fully or partially) or not.

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3.3.4. Grant of Awards

Awards represent the right conferred by the Company on a Participant to be issued or transferred Shares in the Company, free of charge, in accordance with the GDS PSP, provided that certain prescribed performance condition(s) (in which case a performance-related Award will be granted) or time-based service condition(s) (in which case a time-based Award will be granted) (if any) are met and upon expiry of the prescribed performance period.

Subject as provided in section 3.3.2, the Remuneration Committee may grant Awards to eligible Employees, Associated Group Employees, Non-executive Directors (including independent Directors), Controlling Shareholders and their associates, and in each case, as the Remuneration Committee may select in its absolute discretion, at any time during the period when the GDS PSP is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Awards may only be granted on or after the third (3rd) Market Day from the date on which such announcement is released. In addition, no Award shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's interim or final results (as the case may be).

Subject to the prevailing legislation and the Catalist Rules, the Remuneration Committee shall decide, among others, in its absolute discretion and in relation to each Award:

- (a) the Participant;
- (b) the Date of Grant;
- (c) the number of Shares which are subject of the Award;
- (d) the prescribed vesting period(s);
- (e) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed vesting period;
- (f) in the case of a performance-related Award, the performance period and the performance condition(s);
- (g) in the case of a time-based Award, the time-based service condition; and
- (h) any other condition which the Remuneration Committee may determine in relation to that Award, provided that the requirements under the Catalist Rules and any other regulations or requirements of the SGX-ST from time to time are complied with.

The Remuneration Committee may amend or waive the vesting period(s) (including in the case of a time-based Award) and, in the case of a performance-related Award, the performance period and/or the performance condition(s) in respect of any Award:

- (i) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (ii) in the case of a performance-related Award, if anything happens which causes the Remuneration Committee to conclude that:

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- (1) a changed performance condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
- (2) the performance condition should be waived as the Participant has achieved a level of performance that the Remuneration Committee considers satisfactory notwithstanding that the performance condition may not have been fulfilled,

and shall notify the Participants of such change or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such change or waiver).

Participants are not required to pay for the grant of Awards.

An Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Remuneration Committee and if a participant shall do, suffer or permit any such act or thing as a result of which he/she would or might be deprived of any rights under an Award without the prior approval of the Remuneration Committee, that Award shall immediately lapse.

3.3.5. **Acceptance of Awards**

The grant of an Award to a Participant shall be accepted by the Participant within 30 days from the Date of Grant. The Participant may accept or refuse the whole but not part of the Award offered. If the grant of an Award is not accepted by the Participant within 30 days from the Date of Grant, the Award offered shall, upon the expiry of the aforementioned period, automatically lapse and shall forthwith become void and cease to have effect.

3.3.6. **Events Prior to the Vesting Date**

An Award to the extent not yet released shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):

- (a) misconduct or breach of term of employment contract on the part of the Participant as determined by the Remuneration Committee at its discretion;
- (b) the Participant, for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) ceases to be in the employment of the Group or the Associated Companies; and/or
- (c) the Participant commits any breach of any of the terms of his Awards,

provided that the Awards shall be deemed not to have become void nor cease to have effect in accordance with the GDS PSP, if a Participant ceases to be employed before the Release by reason of:

- (i) death of the Participant;
- (ii) ill-health, injury, disability or accident (in each case evidenced to the satisfaction of the Remuneration Committee); or
- (iii) any other ground where the Release of the Award has been approved by the Remuneration Committee in writing,

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in which case the Remuneration Committee can waive the vesting period for all or any of the Awards not yet released to the Participant or his duly appointed representative(s) under any of the above stated circumstances.

In the event of a take-over offer (whether conditional or unconditional) being made for all or any part of the Shares, the Remuneration Committee may consider at its discretion, whether or not to release such Award and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Remuneration Committee decides to release such Award, then in determining the number of Shares to be vested in respect of such Award, the Remuneration Committee will have regard to the proportion of the vesting period(s) which has elapsed and the extent to which the performance condition(s) (if any) has (have) been satisfied. Where such Award is Released, the Remuneration Committee will, as soon as practicable after such release, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with the GDS PSP Rules.

If before the vesting date, any of the following occurs:

- (1) a Participant does or suffers any act or thing whereby he would or might be deprived of the legal or beneficial ownership of the Award;
- (2) a Participant commits an act of bankruptcy or is subject to a petition for bankruptcy;
- (3) a scheme of arrangement or compromise between the Company and its Shareholders is sanctioned by a court under the Companies Act;
- (4) an order for the compulsory winding-up of the Company is made; or
- (5) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company is made,

the Remuneration Committee can consider, at its discretion, whether or not to release any Award. If the Remuneration Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Remuneration Committee will have regard to the proportion of the performance period(s) which has elapsed and the extent to which the performance condition(s) has (have) been satisfied. Where such Awards are released, the Remuneration Committee will, as soon as practicable after Awards have been released, procure the allotment of such new Shares and/or transfer of treasury shares (if any) to each Participant of the number of Shares so determined in accordance with such Award, such allotment and/or transfer to be made in accordance with the GDS PSP Rules.

3.3.7. Release of Awards

In relation to each performance-related Award, as soon as reasonably practicable after the end of each performance period, the Remuneration Committee shall review the performance condition(s) specified in respect of that Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be an Employee, an Associated Company Employee or a Non-executive Director from the Date of Grant up to the end of the performance period, shall release to that Participant all or part (as determined by the Remuneration Committee at its discretion in the case where the Remuneration Committee has determined that there has been partial satisfaction of the performance condition(s)) of the Shares to which such Participant's Award relates in accordance with the release schedule specified in respect of the Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

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The Remuneration Committee shall have the discretion to determine whether the performance condition(s) has (have) been satisfied (whether fully or partially) or exceeded and, in making any such determination, the Remuneration Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Remuneration Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the performance condition(s) if the Remuneration Committee decides that a changed performance condition would be a fairer measure of performance.

In relation to each time-based Award and subject to the GDS PSP Rules, the Remuneration Committee shall determine whether the time-based service conditions (if any) applicable to that Award have satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be an Employee, Associated Company Employee or a Non-executive Director from the Date of Grant up to the end of the vesting period, upon the expiry of the vesting period in relation to a time-based Award, shall release to that Participant all or part (as determined by the Remuneration Committee at its discretion in the case where the Remuneration Committee has determined that there has been partial satisfaction of the time-based service condition) of the Shares to which such Participant's Award relates in accordance with the release schedule specified in respect of the Award on the vesting date. If not, the Awards shall lapse and be of no value.

The Remuneration Committee shall have the discretion to determine whether the time-based service condition has been satisfied (whether fully or partially) and, in making any such determination, the Remuneration Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Remuneration Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the time-based service condition if the Remuneration Committee decides that a changed time-based target would be a fairer long-term incentive plan.

Subject to such consent or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals or listing and quotation notice required from the SGX-ST, and compliance with applicable laws, the GDS PSP Rules, the Constitution and the Catalist Rules, the Company shall have the flexibility to deliver Shares to Participants upon the Release of their Awards by way of:

- (a) the allotment and issuance to each Participant of the number of new Shares, deemed to be fully paid or credited upon their allotment and issuance; and/or
- (b) the transfer of existing Shares to the Participants, including any Shares acquired by the Company pursuant to a share purchase mandate (if any) and/or held by the Company as treasury shares in accordance with applicable laws.

It is the intention of the Company that Shares will typically be delivered to Participants as soon as practicable upon the Release of their Awards by way of an issue of new Shares. However, the Company anticipates that the Company may, in very limited circumstances, purchase existing Shares on behalf of the participants upon the Release of their Awards. In determining whether to allot and issue new Shares or to purchase existing Shares for delivery to the participants upon the release of their Awards, the Remuneration Committee will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of the Shares, the cash position of the Company, the projected cash needs of the Company, the dilution impact (if any), the cost to the Company of either issuing new Shares or purchasing existing Shares, and the liquidity of the Shares

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based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon release of their Awards would materially impact the Market Price of the Shares.

Shares which are allotted or transferred on the release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.

Shares which are allotted and issued or transferred to a Participant pursuant to the release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the retention period, except to the extent set out in the letter of award or with the prior approval of the Remuneration Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the letter of award the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

New Shares allotted and issued, and existing Shares procured by the Company on behalf of the Participants for transfer, upon the release of an Award shall:

- (i) be subject to all the provisions of the Constitution; and
- (ii) rank in full 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.

3.3.8. Adjustment Events

If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or capital reduction, sub-division of Shares, consolidation of Shares or capital distribution or otherwise howsoever) should take place, then:

- (a) the class and/or number of Award Shares to the extent not yet vested and the rights attached thereto;
- (b) the class and/or number of Shares over which future Awards may be granted under the GDS PSP; and/or
- (c) the maximum number of Shares which may be issued pursuant to Awards granted under the GDS PSP,

may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of vesting of the Award but the Record Date relating to such variation precedes such date of vesting and, except in relation to a bonus issue, upon the written confirmation of the Company's auditors (acting only as experts and not as arbitrators), that, in their opinion, such adjustment is fair and reasonable.

Unless the Remuneration Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities, the issue of securities upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalyst

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Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment.

Notwithstanding the above, any adjustment must be made in such a way that:

- (i) a Participant will not receive a benefit that a Shareholder does not receive; and
- (ii) the Remuneration Committee after considering all relevant circumstances considers it equitable to do so.

When any adjustment has to be made pursuant to the GDS PSP, the Company shall notify the Participant (or his duly appointed personal representative(s), where applicable) in writing and deliver to him (or his duly appointed personal representative(s), where applicable) a statement setting forth the class and number of Shares thereafter to be issued or transferred on the vesting of an Award and the date on which such adjustment shall take effect.

Notwithstanding the above or that no adjustment is required under the provisions of the GDS PSP, the Remuneration Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to above notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Company's auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by the Company's auditors (acting only as experts and not as arbitrators) to be in their opinion appropriate.

3.3.9. Administration

The GDS PSP shall be administered by the Remuneration Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Remuneration Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him/her or held by him/her.

The Remuneration Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the GDS PSP) for the implementation and administration of the GDS PSP, to give effect to the provisions of the GDS PSP and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the GDS PSP and any dispute and uncertainty as to the interpretation of the GDS PSP, any rule, regulation or procedure thereunder or any rights under the GDS PSP shall be determined by the Remuneration Committee.

Any decision or determination of the Remuneration Committee made pursuant to any provision of the GDS PSP (other than a matter to be certified by the Company's auditors of the Company) shall be final, binding and conclusive (including any decisions pertaining to disputes as to the interpretation of the GDS PSP or any rule, regulation or procedure thereunder or as to any rights under the GDS PSP). The Remuneration Committee shall not be required to furnish any reasons for any decision or determination made by it.

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3.3.10. Modifications

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

- (a) any modification or alteration which shall adversely affect the rights attached to Awards granted prior to such modification or alteration and which, in the opinion of the Remuneration Committee, materially alters the rights attaching to any Award granted prior to such modification or alteration, may only be made with the written consent of such number of Participants under the GDS PSP who, if their Awards were released to them upon the performance conditions of their Awards (if any) being satisfied in full, would thereby be entitled to not less than 75.0% of the number of all the Shares which would fall to be issued and/or transferred upon exercise in full of all outstanding Awards under the GDS PSP;
- (b) any modification or alteration which would be to the advantage of Participants under the GDS PSP shall be subject to the prior approval of Shareholders at a general meeting; and
- (c) any modification or alteration shall be made subject to the compliance with the requirements of the Catalist Rules and the requirements of the SGX-ST and any other regulatory authorities as may be necessary.

Notwithstanding anything to the contrary contained in the section above, the Board may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the GDS PSP in any way to the extent necessary or desirable, in the opinion of the Remuneration Committee, to cause the GDS PSP to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Companies Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

Written notice of any modification or alteration made in accordance with the GDS PSP shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

3.3.11. Disclosure in Annual Report

The Company shall make the following disclosure (as applicable) in its annual report for so long as the GDS PSP continues in operation:

- (a) the names of the members of the Remuneration Committee;
- (b) information as required in the table below for the following Participants:
 - (i) Directors;
 - (ii) Participants who are Controlling Shareholders or their associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive Awards comprising Shares representing 5.0% or more of the total number of Shares available under the GDS PSP,

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Name of Participant	Awards granted during the financial year under review (including terms)	Aggregate Awards granted since commencement of Performance Share Plan to end of financial year under review	Aggregate Awards vested since commencement of Performance Share Plan to end of financial year under review	Aggregate Awards not yet vested as at end of financial year under review
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- (c) in relation to the GDS PSP, the following particulars:
- (i) the aggregate number of Shares comprised in Awards granted since the commencement of the GDS PSP to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in Awards which have vested during the financial year under review and in respect of such Awards, the proportion of:
 - (1) new Shares issued; and
 - (2) where applicable, existing Shares purchased, including the range of prices at which such Shares have been purchased,
 upon the Vesting of Released Awards; and
 - (iii) the aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review; and
- (d) such other information as may be required by the Catalist Rules or the Companies Act, provided that if any of the above requirements are not applicable, an appropriate negative statement should be included in the annual report, noting that disclosure in the annual report of information on Awards granted to directors and employees of the Company's parent company and its subsidiaries would not be necessary, as such persons are not Participants.

3.3.12. Abstention from Voting

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the GDS PSP and any modification thereof should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast in respect of the resolution. The Company will disregard any votes cast on a resolution by any person who is required to abstain from voting on a proposal at a general meeting.

In particular, all Shareholders who are eligible to participate in the GDS PSP shall abstain from voting on the following resolutions, where applicable: (a) implementation of the GDS PSP; and (b) their participation in the GDS PSP and any grant of Awards to them.

3.4. Financial Effects of the GDS PSP

The GDS PSP is considered a share-based payment that falls under SFRS(I) 2 (*Share-based Payment*) where Participants will receive Shares and the awards will be accounted for as equity-settled share-based payment transactions, as described in the following section.

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The fair value of employee services received in exchange for the grant of the Awards will be recognised as a charge to profit or loss over the period between the Date of Grant and the vesting date of an Award. The total amount of the charge over the vesting period (including the performance period) is determined by reference to the fair value of each Award granted at the Date of Grant and the number of Shares vested at the vesting date, with a corresponding increase in equity. Performance conditions, other than market conditions, shall be taken into account by adjusting the number of Shares included in the measurement of the transaction amount. During the vesting period, as at each financial year end, charge to the profit or loss will be recognised based on the best estimate of the number of shares expected to vest and shall revise that estimate, if necessary, with a corresponding adjustment in equity. After the vesting date, no adjustment to the charge to the profit or loss is made.

The amount charged to profit or loss would be the same whether the Company settles the Awards by issuing new Shares or by purchasing existing Shares. The amount of the charge to the profit or loss also depends on whether or not the performance condition attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance condition is a market condition, the probability of the performance condition being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to amounts charged to profit or loss are made if the market condition is not met.

However, if the performance condition is not a market condition, the fair value per Share of the Awards granted at the grant date is used to compute the amount to be charged to the profit or loss at each accounting date, based on an assessment by the Chief Financial Officer of the Group at that date of whether the non-market conditions would be met to enable the awards to vest. Thus, where the performance conditions do not include a market condition, there would be no cumulative charge to the profit or loss if the awards do not ultimately vest.

The following sets out the financial effects of the GDS PSP:

(a) **Share Capital**

The GDS PSP will result in an increase in the Company's number of Shares in its issued share capital when new Shares are issued to Participants. The number of new Shares allotted and issued will depend on, among others, the size of the Awards granted under the GDS PSP. In any case, the GDS PSP provides that the number of Shares which may be issued or transferred pursuant to Awards granted under the GDS PSP, when aggregated with the number of Shares over which options or awards are granted under the GDS PSP, the GDS ESOS and any other share-based incentive schemes or share plans of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time).

If, in lieu of issuing new Shares, existing Shares are purchased for delivery or treasury shares are delivered to the Participants upon the vesting of their respective Awards, or if the relevant Awards are not vested, there will be no impact on the number of issued Shares of the Company (excluding subsidiary holdings and treasury shares holdings that may be held by the Company from time to time).

(b) **NTA**

As described in section 3.4(c) below on EPS, the GDS PSP is likely to result in a charge to the profit or loss of the Company over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with SFRS(I) 2 (*Share-based Payment*). When new Shares are issued under the GDS PSP, there would be no effect on the NTA due to the offsetting effect of expenses recognized and the increase in share capital.

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If, in lieu of issuing new Shares, existing Shares are delivered to the Participants upon the vesting of their respective Awards, the NTA will be impacted by the cost of the Shares purchased. However, any dilutive impact arising from the GDS PSP on the Company's NTA per Share is not expected to be material in any given financial year. It should be noted that the delivery of Shares to Participants under the GDS PSP will generally be contingent upon the Participants meeting the prescribed conditions attaching to said Award.

(c) **EPS**

The GDS PSP is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with SFRS(I) 2 (*Share-based Payment*). The allotment and issue of new Shares under the GDS PSP will have a dilutive impact on the consolidated EPS of the Company.

However, any dilutive impact arising from the GDS PSP on the Company's consolidated EPS is not expected to be material in any given financial year.

It should again be noted that the delivery of Shares to Participants of the GDS PSP will generally be contingent upon the Participants meeting the prescribed conditions attaching to such Awards.

(d) **Taxes**

All taxes (including income tax) arising from the grant or vesting of any Award under the GDS PSP shall be borne by the Participant.

4. THE PROPOSED ADOPTION AND IMPLEMENTATION OF THE GDS ESOS

4.1. Background

In addition to the Proposed GDS PSP, the Company is also proposing to adopt a new employee share option scheme, known as the "GDS Employee Share Option Scheme" subject to Shareholders' approval for the Proposed GDS ESOS being obtained at the EGM.

As at the Latest Practicable Date, the Company does not have any existing share option scheme, performance share plan or share incentive scheme in force.

4.2. Rationale for the Proposed GDS ESOS

The GDS ESOS will provide eligible Participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The GDS ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain Executive Directors, Non-executive Directors and Employees whose services are vital to the well-being and success of the Company.

The rationale for the GDS ESOS is to allow the Company:

- (a) to motivate eligible Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group and the Associated Companies;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and profitability of the Group and the Associated Companies;
- (c) to instil loyalty to, and a stronger identification by eligible Participants with the long-term prosperity of, the Group and the Associated Companies;

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- (d) to attract potential employees with relevant skills to contribute to the Group and the Associated Companies and to create value for the Shareholders; and
- (e) to align the interests of eligible Participants with the interests of the Shareholders.

4.3. Rationale for Having Both the GDS PSP and GDS ESOS

Unlike the options granted under the GDS ESOS, the GDS PSP is designed to reward eligible Participants with Awards comprising fully paid Shares. The reason for having the GDS PSP in addition to the GDS ESOS is to give the Company greater flexibility in structuring the compensation packages of eligible Participants and providing an additional tool to motivate and retain staff members through the offering of compensation packages that are market competitive.

4.4. Overview of the GDS ESOS

The complete GDS ESOS Rules are set out in **Appendix C** (*Rules of the GDS ESOS*) to this Circular, and a summary of the principal rules of the GDS ESOS is set out in this section 4.4.

4.4.1. Eligibility

Employees and Associated Company Employees who (a) have been confirmed in their employment with the Group or the Associated Companies; (b) have attained the age of 21 years; and (c) are not undischarged bankrupts and have not entered into a composition with their respective creditors. Non-executive Directors (including the Independent Directors) who satisfy the eligibility requirements shall be eligible to participate in the GDS ESOS.

Controlling Shareholders and their associates who meet the criteria as set out above are eligible to participate in the GDS ESOS, provided that the participation of each Controlling Shareholder or each Associate and each grant of an Option to any of them may only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution. For avoidance of doubt, directors and employees of the Company's parent company and its subsidiaries (other than the Group) are not entitled to participate in the GDS ESOS.

There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any other companies within the Group.

Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the GDS ESOS may be amended from time to time at the absolute discretion of the Remuneration Committee, which would be exercised judiciously.

4.4.2. Maximum Entitlement

The number of Option Shares to be offered to a Participant shall be determined by the Remuneration Committee, in their absolute discretion. The Remuneration Committee shall consider criteria such as (a) the financial performance of the Group; (b) employee criteria such as his/her rank, and responsibilities within the Group or the relevant Associated Company, years of service/appointment and job performance, potential for future development and his/her contribution to the success and development of the Group and the Associated Companies; and (c) in respect of a Participant being a Non-executive Director, criteria such as his/her contribution to the success and development of the Group.

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4.4.3. Limitations

The aggregate number of Shares which may be issued and/or transferred pursuant to the exercise of Options to be granted under the GDS ESOS on any date, when aggregated with:

- (a) the total number of new Shares issued and issuable, and existing Shares (including treasury shares) transferred and/or transferable pursuant to Options already granted under the GDS ESOS; and
- (b) the aggregate number of Shares over which options and/or awards granted under any other share option, share incentive, performance share or restricted share plans implemented by the Company and for the time being in force (including the GDS PSP),

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings from time to time, if any) on the day preceding that date.

The aggregate number of Shares which may be issued and/or transferred pursuant to the exercise of the Options granted under the GDS ESOS to Participants who are Controlling Shareholders and their Associates shall not exceed 25.0% of the total number of Shares available under the GDS ESOS.

The number of Shares which may be issued and/or transferred pursuant to the exercise of Options granted under the GDS ESOS to each Participant who is a Controlling Shareholder or his/her associate shall not exceed 10.0% of the total number of Shares available under the GDS ESOS.

The Directors believe that this limit gives the Company sufficient flexibility to decide upon the number of Option Shares to offer to the Participants under the GDS ESOS. The number of eligible Participants is expected to grow over the years. The Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. The employee base and the number of eligible participants will increase as a result. The number of Options offered must also be significant enough to serve as a meaningful reward for contribution to the Group. The Remuneration Committee shall exercise its discretion in deciding the number of Shares to be granted to each Participant under the GDS ESOS which will depend on the performance and value of the Participant.

However, it does not necessarily mean that the Remuneration Committee will definitely issue the Option Shares up to the prescribed limit.

4.4.4. Duration

The GDS ESOS shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the GDS ESOS is adopted by the Company in a general meeting, provided always that the GDS ESOS may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The GDS ESOS may be terminated at any time by the Remuneration Committee, at the discretion of the Remuneration Committee, or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the GDS ESOS is so terminated, no further Options shall be offered by the Company. The termination and

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expiry of the GDS ESOS shall not affect Options which have been granted and accepted as provided in accordance with the GDS ESOS Rules, whether such Options have been exercised (whether fully or partially) or not.

4.4.5. Grant of Options

Subject to the limitations as described in section 4.4.3 (*Limitations*) of this Circular, the Remuneration Committee may grant Options at any time during the period when the GDS ESOS is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the third (3rd) Market Day from the date on which such announcement is released. In addition, no Options shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's interim or final results (as the case may be).

Subject to the prevailing legislation and the Catalist Rules, the Remuneration Committee shall decide, among others, in its absolute discretion and in relation to each Option:

- (a) the Participant;
- (b) the Date of Grant;
- (c) the number of Shares comprised in the Option granted;
- (d) the Exercise Price for each Share in respect of which an Option is exercisable;
- (e) the period during which an Option may be exercised; and
- (f) any other condition which the Remuneration Committee may determine in relation to that Option, provided that the requirements under the Catalist Rules and any other regulations or requirements of the SGX-ST from time to time are complied with.

4.4.6. Acceptance of Options

The grant of Options shall be accepted by the grantee within 30 days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. (Singapore time) on the 30th day from such Date of Grant by completing, signing and returning the acceptance form in or substantially in the form set out in the GDS ESOS Rules, subject to such modification as the Remuneration Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount as the Remuneration Committee may require.

4.4.7. Exercise Price

Subject to any adjustment pursuant to section 4.4.11 (*Take-over or Winding Up of the Company*) of this Circular, the exercise price for each Share in respect of which an Option is exercisable shall be determined by the Remuneration Committee, in its absolute discretion, on the Date of Grant, at:

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price (the "**Incentive Option**"), provided that:

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- (i) the maximum discount shall not exceed 20.0% of the Market Price (or such other percentage or amount as may be determined by the Remuneration Committee and permitted by the SGX-ST); and
- (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the GDS ESOS at a discount not exceeding the maximum discount as aforesaid.

4.4.8. Period to Exercise Options

The period for the exercise of an Option is the period commencing:

- (a) after the first (1st) anniversary of the Date of Grant and expiring on the 10th anniversary of such Date of Grant (or in relation to a Non-executive Director and/or an Associated Company Employee, expiring on the fifth (5th) anniversary of such Date of Grant) in the case where the Options are exercisable at the Market Price; and
- (b) after the second (2nd) anniversary from the Date of Grant and expiring on the 10th anniversary of such Date of Grant (or in relation to a Non-executive Director and/or an Associated Company Employee, expiring on the fifth (5th) anniversary of such Date of Grant) in the case where the Options are exercisable at a discount to the Market Price.

4.4.9. Exercise of Options

An Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in or substantially in the form set out in the GDS ESOS, subject to such modification as the Remuneration Committee may from time to time determine. Such notice must be accompanied by payment in cash for the total amount payable in respect of the Shares for which that Option is exercised and any other documentation the Remuneration Committee may require.

Subject to such consent or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals or listing and quotation notice required from the SGX-ST, and compliance with applicable laws, the GDS ESOS Rules, the Constitution and the Catalyst Rules, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:

- (a) the allotment and issuance to each Participant of the number of new Shares, deemed to be fully paid or credited upon their allotment and issuance; and/or
- (b) the transfer of existing Shares to the Participants, including any Shares acquired by the Company pursuant to a share purchase mandate (if any) and/or held by the Company as treasury shares in accordance with applicable laws.

It is the intention of the Company that Shares will typically be delivered to Participants as soon as practicable upon the exercise of their Options by way of an issue of new Shares. However, the Company anticipates that the Company may, in very limited circumstances, purchase existing Shares on behalf of the Participants upon the exercise of their Options. In determining whether to allot and issue new Shares or to purchase existing Shares for delivery to the Participants upon the exercise of their Options, the Remuneration Committee will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of the Shares, the cash position of the Company, the projected cash needs of the Company, the dilution impact (if any), the cost

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to the Company of either issuing new Shares or purchasing existing Shares, and the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon exercise of their Options would materially impact the Market Price of the Shares.

4.4.10. Lapse of Options

An Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:

- (a) upon the Participant ceasing to be in employment of the Group or the Associated Companies, for any reason whatsoever;
- (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;
- (c) in the event of misconduct or breach of term of employment contract on the part of the Participant, as determined by the Remuneration Committee in its discretion; or
- (d) in the event that the Remuneration Committee shall, at its discretion, deem it appropriate that such Option shall lapse on the grounds that any of the objectives of the GDS ESOS have not been met.

If any of the following situations apply to a Participant, and at the relevant time such Participant holds any unexercised Option, such Option may, at the absolute discretion of the Remuneration Committee, be fully exercisable by the Participant or duly appointed personal representatives of the Participant (as the case may be) from the relevant time until the end of the relevant Exercise Period and upon the expiry of such period, the Option shall immediately lapse:

- (i) death of the Participant;
- (ii) ill health, injury, disability or accident (in each case, evidenced to the satisfaction of the Remuneration Committee); or
- (iii) any other reason approved in writing by the Remuneration Committee.

4.4.11. Take-over or Winding Up of the Company

Notwithstanding section 4.4.9 (*Exercise of Options*) but subject to this section, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him/her and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Remuneration Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, 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 (6) month period, at the recommendation of the officer and with the approvals of the Remuneration Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or
- (b) the date of expiry of the Exercise Period relating thereto,

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whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies 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 Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be.

If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, notwithstanding section 4.4.9 (*Exercise of Options*) but subject to this section, to exercise any Option then held by him/her, in respect of such number of Shares comprised in that Option as may be determined by the Remuneration Committee in its absolute discretion, 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 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.

If an order is made for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.

4.4.12. Adjustment Events

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

- (a) the exercise price in respect of the Shares comprised in the Option to the extent unexercised; and/or
- (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 maximum entitlement in any one (1) financial year; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration 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 bonus issue, upon the written confirmation of the auditors of the Company (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

Unless the Remuneration Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities, the issue of securities upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalyst

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Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment.

Notwithstanding the above, any such adjustment must be made in such a way that:

- (i) a Participant will not receive a benefit that a Shareholder does not receive; and
- (ii) the Remuneration Committee after considering all relevant circumstances considers it equitable to do so.

Upon any adjustment required to be made pursuant to the GDS ESOS Rules, the Company shall notify the Participant (or his/her duly appointed personal representative(s), where applicable) in writing and deliver to him/her (or his/her duly appointed personal representative(s), where applicable) a statement setting forth new exercise price thereafter in effect and class and/or number of Shares thereafter to be issued and/or transferred on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

4.4.13. Administration

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

The Remuneration Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the GDS ESOS) for the implementation and administration of the GDS ESOS, to give effect to the provisions of the GDS ESOS and/or to enhance the benefit of the grant of Options to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the GDS ESOS and any dispute and uncertainty as to the interpretation of the GDS ESOS, any rule, regulation or procedure thereunder or any rights under the GDS ESOS shall be determined by the Remuneration Committee.

4.4.14. Modifications

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

- (a) any modification or alteration which shall adversely affect the rights attached to Option granted prior to such modification or alteration and which, in the opinion of the Remuneration Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the written consent of such number of participants under the GDS ESOS who, if they exercised their Options in full, would thereby become entitled to not less than 75.0% of the number of all the Shares which would fall to be issued and/or transferred upon exercise in full of all outstanding Options under the GDS ESOS;
- (b) any modification or alteration which would be to the advantage of Participants under the GDS ESOS shall be subject to the prior approval of Shareholders at a general meeting; and
- (c) any modification or alteration shall be made subject to the compliance with the requirements of the Catalist Rules and the requirements of the SGX-ST and any other regulatory authorities as may be necessary.

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Notwithstanding anything to the contrary contained above, the Remuneration Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the GDS ESOS in any way to the extent necessary to cause the GDS ESOS 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).

Written notice of any modification or alteration made in accordance with the GDS ESOS Rules shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

4.4.15. Disclosure in Annual Report

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the GDS ESOS continues in operation:

- (a) the names of the members of the Remuneration Committee;
- (b) the information in respect of Options granted to the following Participants in the table set out below:
 - (i) the Directors;
 - (ii) Participants who are Controlling Shareholders or their associates; and
 - (iii) Participants, other than those in (i) or (ii) above, who received 5.0% or more of the total number of Options available under the GDS ESOS;

Name of Participant	Number of Options Granted during Financial Year under Review (including terms)	Aggregate Number of Options Granted since Commencement of Scheme to End of Financial Year under Review	Aggregate Number of Options Exercised since Commencement of Scheme to End of Financial Year under Review	Aggregate Number of Options Outstanding as at End of Financial Year under Review

- (c) the number of Incentive Options during the financial year under review in the following bands:

Discount to the Market Price (%)	Aggregate Number of Incentive Options Granted during the Financial Year under Review	Proportion of Incentive Options to Market Price Options Granted during the Financial Year under Review
0 – 10		
>10 – 20		

- (d) such other information as may be required by the Catalist Rules or the Companies Act,

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provided that if any of the above requirements are not applicable, an appropriate negative statement should be included in the annual report, noting that disclosure in the annual report of information on Options granted to directors and employees of the Company's parent company and its subsidiaries would not be necessary as such persons are not Participants.

4.4.16. Abstention from Voting

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the GDS ESOS and any modification thereof and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. The Company will disregard any votes cast on a resolution by any person who is required to abstain from voting on a proposal at a general meeting.

In particular, all Shareholders who are eligible to participate in the GDS ESOS shall abstain from voting on the following resolutions, where applicable: (a) implementation of the GDS ESOS; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

4.5. Financial Effects of the GDS ESOS

The GDS ESOS will increase the issued share capital to the extent of the new Shares that will be issued and allotted pursuant to the exercise of Options. Under SFRS(I) 2 (*Share-based Payment*), the fair value of employee services received in exchange for the grant of the Options would be recognised as an employee expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each Option granted at the grant date and the number of Options vested by the vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of Options that are expected to vest by the vesting date and recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made. The proceeds net of any directly attributable transaction costs are credited to the share capital when the Options are exercised.

During the vesting period, the EPS of the Group would be reduced by both the expenses recognised and the potential new ordinary Shares to be issued under the GDS ESOS. When the Options are exercised, the NTA of the Group will be increased by the amount of cash received for exercise of the Options. On a per Share basis, the effect is accretive if the exercise price is above the NTA per Share but dilutive otherwise.

There will be no cash outlay expended by the Company at the time of grant of such Options as compared to the payment of cash bonuses. However, as Shareholders may be aware, any Options granted to subscribe for new Shares (whether the exercise price is set at the market price of the Shares at the date of grant or otherwise) have a fair value at the time of grant. The fair value of an Option is an estimate of the amount that a willing buyer would pay a willing seller for the Option on the grant date. Options are granted to participants at a nominal consideration of S\$1.00. Insofar as such Options are granted at a consideration that is less than their fair value at the time of grant, there will be a cost to the Company in that the Company will receive from the participant upon the grant of the Option a consideration that is less than the fair value of the Option.

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The following sets out the financial effects of the GDS ESOS:

(a) **Share Capital**

The GDS ESOS will result in an increase in the Company's number of Shares in its issued share capital when new Shares are issued to Participants. The number of new Shares issued will depend on, among others, the size of the Options granted under the GDS ESOS. Whether and when the Options granted under the GDS ESOS will be exercised will depend on the exercise price of the Options, when the Options will vest as well as the prevailing trading price of the Shares. In any case, the GDS ESOS provides that the number of Shares which to be issued and/or transferred under the GDS ESOS, when aggregated with the number of Shares over which options or awards are granted under the GDS PSP, the GDS ESOS and any other share-based incentive schemes or share plans of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time).

If, in lieu of issuing new Shares, existing Shares are purchased for delivery or treasury shares are delivered to the Participants, there will be no impact on the number of issued Shares of the Company (excluding subsidiary holdings and treasury shares holdings that may be held by the Company from time to time).

(b) **NTA**

The issue of new Shares upon the exercise on the Options will increase the Company's consolidated NTA by the aggregate subscription cost of the new Shares issued. On a per Share basis, the effect on the NTA of the Company will be accretive if the exercise price is above the Company's consolidated NTA per Share, but dilutive otherwise. However, any dilutive impact arising from the GDS ESOS on the Company's NTA per Share is not expected to be material in any given financial year.

(c) **EPS**

The GDS ESOS 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 to the exercise of the Options. However, any dilutive impact arising from the GDS ESOS on the Company's consolidated EPS is not expected to be material in any given financial year.

(d) **Taxes**

All taxes (including income tax) arising from the grant or exercise of any Option under the GDS ESOS (if any) shall be borne by the Participant.

5. THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS UNDER THE GDS ESOS AT A DISCOUNT

Pursuant to Rule 846 of the Catalist Rules and the GDS ESOS Rules, the maximum discount under the GDS ESOS must not exceed 20.0% and the discount must be approved by shareholders in a separate resolution. For the avoidance of doubt, such prior approval shall be required to be obtained only once, and once obtained, shall, unless revoked, authorise the making of offers and grants of Options under the GDS ESOS at such discount for the duration of the ESOS.

Under the GDS ESOS, the exercise price of Options granted shall be determined by the Remuneration Committee at its absolute discretion. The Remuneration Committee has the discretion to grant Options with an exercise price set at a discount to the Market Price on a case-

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by-case basis. In determining whether to give a discount and the quantum of such discount, the Remuneration Committee shall be at liberty to take into consideration such criteria as it may in its absolute discretion deem appropriate, including but not limited to (a) the performance of the Group, 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 Participant; (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and (d) the prevailing market conditions. In the event that Options are granted at a discount, the discount shall not exceed 20.0% of the Market Price.

In circumstances where at the time of granting of Options to Participants, the prevailing Market Price on the Shares is considered artificially high and a general discount is desirable or warranted (the rate of which will be determined by the Remuneration Committee), the Remuneration Committee will consider factors such as the historical prices of the Shares as compared with the prevailing Market Price of the Shares, the market comparatives and practices of other industry players and the value of the Options as a component of each Participant's compensation package. The discretion to grant Options at a discount as well as the amount of discount thereon will be used judiciously by the Remuneration Committee.

The ability to offer Options at a discount to the Market Price of the Shares will allow the Company flexibility in structuring the Options. Being able to offer Options at a discount is important in situations where it is more meaningful for the Company to acknowledge a Participant's achievement through offering Options at a discount to the Market Price rather than paying a cash bonus, as these Options operate as a form of cashless reward from the Company, with a greater potential for capital appreciation than Options granted at the Market Price; or in situations where more compelling motivation is required in order to attract new talents into the Company and/or retain talented individuals.

The discretion to grant Options at a discount to the Market Price of the Shares will provide the Company with a means to maintain the competitiveness of its compensation strategy. Therefore, the Company may utilise Options as an additional method for compensating employees and directors other than through salary, salary increments and cash bonuses. This will also enable the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for Shareholders.

The ability to offer Options at a discount to the Market Price of the Shares also allows the Company to grant Options on a more realistic and economically feasible basis to the Participants, especially in circumstances where the market price is unusually high due to buoyant market activity or inflated share price, thus ensuring that the Company maintains the competitiveness of its compensation strategy.

Further, because Options granted at a discount under the GDS ESOS are subject to a longer minimum exercise period (two (2) years) than those granted at the Market Price (one (1) year), holders of such Options are encouraged to have a long-term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

The Company believes that the proposed maximum 20.0% discount to Market Price for Options would be sufficient to allow for flexibility in the GDS ESOS while minimising the potential dilutive effect to the Shareholders arising from the GDS ESOS.

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6. THE PROPOSED PARTICIPATION BY CERTAIN GROUPS OF ELIGIBLE PERSONS IN THE GDS PSP AND THE GDS ESOS

6.1. Rationale for Participation by Controlling Shareholders and their Associates in the GDS PSP and the GDS ESOS

The Company is of the view that all Employees and Associated Company Employees, including those who are Controlling Shareholders and/or their associates, should be remunerated for their contribution to the Group on the same basis with no differentiation between Employees who are Controlling Shareholders and/or their associates and Employees who are not.

Allowing Controlling Shareholders and/or their associates to participate in the GDS PSP and the GDS ESOS will ensure that they are equally entitled, with the other Employees who are not Controlling Shareholders and/or their associates, to take part and benefit from this system of remuneration.

The Company is of the view that Controlling Shareholders and/or their associates should not be unduly discriminated against by virtue only for their shareholdings in the Company. The Company is also of the view that the extension of the GDS PSP and the GDS ESOS to Controlling Shareholders and/or their associates will enhance their long-term commitment to the Group as it will ensure that they will continue to have a stake in the Company even if they decrease their shareholdings in the Company in the future.

As a safeguard against abuse, all members of the Board (and not only members of the Remuneration Committee) who are neither Controlling Shareholders nor their associates will be involved in deliberations in respect of Options to be granted to or held by Controlling Shareholders and/or their associates and the terms and conditions, including the performance periods attached to such Options. Furthermore, specific approval of the independent Shareholders is required for the grant of Options to Controlling Shareholders and/or their associates as well as the actual number of and terms of such Options.

The Controlling Shareholders and/or their Associates shall be treated equally for the purposes of the GDS PSP. Accordingly, the GDS PSP should not unduly favour Controlling Shareholders and/or their Associates, and the terms and conditions of the GDS PSP do not differentiate between the Controlling Shareholders and/or their Associates from other Participants in determining the eligibility of such persons to participate in the GDS PSP and be granted Awards thereunder. As such, the Controlling Shareholders and/or their Associates would be subject to the same rules as those applicable to other Participants. In this manner, the GDS PSP does not unduly favour Controlling Shareholders and/or their Associates over other Participants.

Specific approval for Mr. Tang Hee Sung is being sought and obtained for his participation in the GDS PSP and the GDS ESOS at the EGM. As the Non-executive Non-independent Chairman of the Company, Mr. Tang Hee Sung brings to the Group his wealth of knowledge, business expertise and contacts within the business community. He plays an important role in helping the Group shape its business and growth strategies by allowing the Group to draw on his diverse background and experience. The proposed participation of Mr. Tang Hee Sung in the GDS ESOS and PSP is a means by which the Company may retain Mr. Tang Hee Sung as the Non-executive Non-independent Chairman of the Company, particularly if he brings significant value and success to the growth of the Group. The extension of the GDS PSP and the GDS ESOS to him will serve not only as recognition of his valuable contributions to the Group but also further align the interests of Mr. Tang Hee Sung with that of the Group, and give him a stronger stake or interest in the future performance of the Group. Participation in the GDS PSP and the GDS ESOS will serve as a means to motivate him to achieve and maintain a high level of performance which is vital to the success of the Group. Save for the specific approval for Mr. Tang Hee Sung's participation in the GDS PSP

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and the GDS ESOS, there are no other approvals being obtained for the participation of any other Controlling Shareholders and/or their associates.

The Company notes that the vesting of Awards and/or the exercise of any Options granted to Mr. Tang Hee Sung may result in Mr. Tang Hee Sung and his concert parties (as defined in the Code) incurring a mandatory general offer obligation under Rule 14 of the Code (depending on the level of his shareholdings in the Company at the material time). The Remuneration Committee will take this into consideration when determining the grant of any such Awards or Options to Mr. Tang Hee Sung.

6.2. **Rationale for participation by Non-executive Directors (including Independent Directors) in the GDS PSP and the GDS ESOS**

Although the Non-executive Directors are not involved in the day-to-day running of the Group's business, they, nonetheless, play an invaluable role in furthering the business interests of the Group by contributing their experience and expertise. The participation by the Non-executive Directors in the GDS PSP and the GDS ESOS will provide the Company with a further avenue to acknowledge and recognise their services and contributions to the Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

In order to minimise any potential conflict of interests and not to compromise the independence of the Non-executive Directors, the Company intends to grant only a nominal number of awards under the GDS PSP and the GDS ESOS to such Non-executive Directors and they will primarily continue to be remunerated for their services by way of directors' fees. It is envisaged that the Awards that may be granted to the Non-executive Directors (including Independent Directors) will not comprise (whether on an individual or collective basis) a significant portion of the Awards available under the GDS PSP. It is not the intention of the Board that the Independent Directors be over-compensated under the GDS PSP to the extent that their independence will be compromised. Any award of shares under the GDS PSP to any Independent Directors will be measured and balanced against considerations if such award could interfere or be reasonably perceived to interfere with the exercise of the Independent Director's independent business judgment. Taking the foregoing into consideration, the Board is of the view that the GDS PSP will not compromise the objectivity and independence of Independent Directors.

Non-executive Directors (including Independent Directors) will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Awards to him is being considered.

Notwithstanding this section 6.2, such remuneration of Non-executive Directors (whether by way of share awards (including Awards granted under the GDS PSP) and/or share options (including Options granted and exercise prices determined under the GDS ESOS)) shall still be subject to the approval of Shareholders at the relevant general meeting(s).

6.3. **Rationale for Participation by Directors and Employees of Associated Companies in the GDS PSP and the GDS ESOS**

The extension of the GDS PSP and the GDS ESOS to the Associated Company Employees allows the Group to have a fair and equitable system to reward all directors and employees who have made and who continue to make significant contributions to the long-term growth of the Group and the Associated Companies.

The Company believes that the GDS PSP and the GDS ESOS will also enable the Company to attract, retain and provide incentives to its eligible Participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling the Company to give

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recognition to past contributions and services as well as motivating eligible Participants generally to contribute towards the long-term growth of the Group and the Associated Companies.

For the avoidance of doubt:

- (a) Controlling Shareholders and their associates who are not directors or employees of the Group are not eligible to participate in the GDS PSP and the GDS ESOS; and
- (b) directors and employees of the Company's parent company and/or its subsidiaries (specifically those which are not part of the Group) are not eligible to participate in the GDS PSP and the GDS ESOS.

7. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

7.1. Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its own ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company's constitution. 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 Constitution and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on the Catalist of the SGX-ST, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 70(2) of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

It is a requirement under the Companies Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares must obtain the approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the EGM for the Proposed Adoption of the Share Buyback Mandate. An ordinary resolution will be proposed, pursuant to which the Share Buyback Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Buyback Mandate, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules.

If the Share Buyback Mandate is approved by Shareholders at the EGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the EGM at which the Proposed Adoption of the Share Buyback Mandate is approved and continues to be in force until the earliest of the date on which the next AGM is held or as required by law to be held, or when Share Buybacks pursuant to a Share Buyback Mandate are carried out to the full extent mandated, or the date the said mandate is varied or revoked by the Company in general meeting (whereupon it will lapse, unless renewed at such meeting) (the "**Relevant Period**").

7.2. Rationale for the Share Buyback Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) the Share Buyback Mandate provides the Company with greater flexibility in managing its capital, share capital structure and maximising returns to the Shareholders. Undertaking the Share Buyback at the appropriate price level is one of the ways through which the return on equity (and, depending on market conditions, the EPS and the NTA per Share) of the Company may be enhanced;
- (b) the Share Buyback is an expedient, effective and cost efficient way to facilitate the return of surplus funds which are in excess of the Company's financial needs, to the Shareholders;

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- (c) Share Buybacks may help mitigate short-term volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence which are not otherwise caused by general market factors and/or fundamentals of the Company;
- (d) Shares purchased or acquired under the Share Buyback Mandate may be held as treasury shares and used for prescribed purposes, such as selling the treasury shares for cash. The transfer of treasury shares in lieu of issuing new Shares pursuant to any share scheme or as consideration for acquisitions would also mitigate the dilution impact for existing Shareholders; and
- (e) the adoption of the Share Buyback Mandate provides the Directors with the flexibility to undertake the Share Buyback at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force.

The Share Buyback will only be undertaken if it can benefit the Company and the Shareholders. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to the Maximum Percentage (namely, 10.0% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the EGM at which the Share Buyback Mandate is approved but subject to the exceptions listed and more particularly described in section 7.3.1 of this Circular), the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the Maximum Percentage. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the public float, listing status of the Shares on the SGX-ST, the liquidity, capital adequacy, orderly trading and financial condition of the Company or the Group as a whole.

It should be noted that there is no assurance that the Proposed Adoption of the Share Buyback Mandate or the purchase or acquisition of Shares under the Share Buyback Mandate will achieve the desired effect, nor is there assurance that such effect (if achieved) can be sustained over the long term.

7.3. Authority and Limits of the Share Buyback Mandate

The authority and limitations placed on the purchases of Shares by the Company under the proposed Share Buyback Mandate are summarised below:

7.3.1. Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. Pursuant to Rule 867 of the Catalyst Rules and Section 76B of the Companies Act, the total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to the number of Shares representing not more than 10.0% of the issued ordinary share capital of the Company as at the date of the AGM at which the Proposed Adoption of the Share Buyback Mandate is approved (the "**Approval Date**"), unless: (a) the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (b) the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the court, as the case may be (the "**Maximum Percentage**").

Any Shares which are held as treasury shares or subsidiary holdings as at the Approval Date will be excluded for the purposes of computing the aforementioned 10.0% limit. As at

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the Latest Practicable Date, the Company has no treasury shares and no subsidiary holdings.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 112,000,000 Shares, and assuming that prior to the EGM:

- (i) no further Shares are issued on or prior to the EGM; and
- (ii) the Company does not reduce its share capital,

not more than 11,200,000 Shares (representing the Maximum Percentage as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the Maximum Percentage, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be undertaken up to the Maximum Percentage as authorised. In particular, the Directors will not undertake any Share Buybacks under circumstances where doing so would have an adverse effect on the public float, illiquidity, orderly trading or listing status of the Shares and/or financial position of the Company and/or the Group.

7.3.2. Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier;
- (b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting; or
- (c) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated.

The Share Buyback Mandate may be renewed at each AGM or other general meetings of the Company. When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchase or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions. When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchase or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

7.3.3. Manner of Purchases of Shares

Pursuant to Rule 867 of the Catalist Rules, purchases or acquisitions of Shares may be made by way of, amongst others:

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- (a) on-market purchases (“**Market Purchases**”), transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchases**”), (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalist Rules, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Under Section 76C(6) of the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers under the scheme shall be made to every person who holds Shares to purchase or acquire 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:
 - (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (2) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid; and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalist Rules provides that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (A) the terms and conditions of the offer;
- (B) the period and procedures for acceptances;
- (C) the reasons for the proposed Share Buyback;
- (D) the consequences, if any, of Share Buybacks by the Company that will arise under the Code or other applicable take-over rules;
- (E) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (F) details of any Share Buyback made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and

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lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and

- (G) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

7.3.4. Maximum Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors but must not exceed:

- (a) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase in accordance with an equal access scheme, 120.0% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the Share Buyback (the “**Maximum Price**”).

For the above purposes of determining the Maximum Price:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the 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 during the relevant five (5)-Market Day period and the day on which the Market Purchase is made or, as the case may be, the day of making the offer pursuant to the Off-Market Purchase; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses), which shall not be more than the Maximum Price calculated on the foregoing basis), for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

7.4. Status of Purchased or Acquired Shares

Shares purchased or acquired by the Company shall be deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares in accordance with Section 76H of the Companies Act. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interest of the Company at that time. The total number of issued Shares will be diminished by the number of Shares purchased or acquired out of the capital of the Company which are not held as treasury shares and the amount of the share capital of the Company shall be reduced accordingly.

All Shares purchased or acquired by the Company (unless held as treasury shares by the Company to the extent permitted under the Companies Act), will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

7.5. Treasury Shares

Under the Companies Act, Shares purchased or acquired 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 numbers of shares held as treasury shares cannot at any time exceed 10.0% of the total number of its issued Shares.

In the event that the number of treasury shares held by the Company exceeds 10.0% of the total number of its issued Shares, the Company shall dispose of or cancel the excess treasury shares within six (6) months from the day the aforesaid limit is first exceeded or such further period as may be permitted under the Companies Act.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares and any purported exercise of such a right is void. 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 distributions of assets to members on a winding up) may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Furthermore, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number (as the case may be) is 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 to the Code):

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

Pursuant to Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer,

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cancellation and/or use, the percentage of the number of treasury shares 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 such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

7.6. Source of Funds for the Share Buyback

In purchasing or acquiring Shares under the Share Buyback Mandate, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not purchase or acquire Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules.

Share Buybacks by the Company may be made out of the Company's profits or capital so long as the Company is solvent as defined in Section 76F(4) of the Companies Act. For this purpose, pursuant to the Companies Act, a company is solvent if at the date of payment in consideration of a Share purchase or acquisition:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements or unaudited financial results, other relevant circumstances, and may rely on the valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counterclaims by the Company.

The Company may use internal or external sources of funds, or a combination of both, to finance Share Buybacks pursuant to the Share Buyback Mandate.

Where the consideration paid by the Company for the Share Purchases is made out of profits, such consideration will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. However, where the consideration paid by the Company for the Share Purchases is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Company, and the prevailing market conditions.

7.7. Financial Effects of the Share Buyback Mandate

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases of Shares that may be made pursuant to the Share Buyback Mandate as the resultant effect would depend on, among others, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding 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 purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

For illustrative purposes only, and based on the assumptions set out below:

- (a) on the basis of 11,200,000 Shares in issue as at the Latest Practicable Date (the Company has no treasury shares and no subsidiary holdings) and assuming no further Shares are issued on or prior to the EGM, not more than 11,200,000 Shares (representing approximately 10.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 11,200,000 Shares at the Maximum Price of S\$0.083 for one (1) Share (being the price equivalent to 105.0% 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 or acquisition 11,200,000 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S\$0.93 million;
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 11,200,000 Shares at the Maximum Price of S\$0.095 for one (1) Share (being the price equivalent to 120.0% 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 or acquisition of 11,200,000 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S\$1.07 million;
- (d) the consideration for the purchase or acquisition of Shares is financed entirely by internal resources of the Company;
- (e) the purchase or acquisition of Shares took place at the beginning of FY2023 on 1 October 2022; and
- (f) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

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the financial effects of the:

- (i) Market Purchases of 11,200,000 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares;
- (ii) Market Purchases of 11,200,000 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled;
- (iii) Off-Market Purchases of 11,200,000 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares; and
- (iv) Off-Market Purchases of 11,200,000 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled,

on the audited financial statements of the Group and the Company for FY2023 are set out in the following pages.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Circular.

(1) Market Purchases made entirely out of capital and held as treasury shares

As at 30 September 2023	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
Share capital (S\$'000)	5,245	5,245	5,245	5,245
Shares held in treasury (S\$'000)	-	(934)	-	(934)
Shareholders' equity (S\$'000)	9,825	8,891	9,439	8,505
NTA (S\$'000)	8,554	7,620	9,439	8,505
Current assets (S\$'000)	9,934	9,000	5,376	4,442
Current liabilities (S\$'000)	3,396	3,396	177	177
Working capital (S\$'000)	6,538	5,604	5,199	4,265
Total borrowings (S\$'000)	n.m.	n.m.	n.m.	n.m.
Cash and cash equivalents (S\$'000)	5,876	4,942	1,922	988
Net profit / (loss) attributable to Shareholders (S\$'000)	(2,341)	(2,341)	(212)	(212)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	112,000	100,800	112,000	100,800
Number of treasury shares ('000)	-	11,200	-	11,200
Weighted average number of shares ('000)	112,000	100,800	112,000	100,800
<u>Financial Ratios</u>				
NTA per Share (cents) ⁽²⁾	7.64	7.56	8.43	8.44

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	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 30 September 2023				
Basic EPS / (LPS) (cents) ⁽³⁾	(2.09)	(2.32)	(0.19)	(0.21)
Gearing (%) ⁽⁴⁾	n.m.	n.m.	n.m.	n.m.
Current Ratio (times) ⁽⁵⁾	2.93	2.65	30.37	25.10

Notes:

- (1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2023.
- (3) EPS has been computed based on FY2023 net profit attributable to shareholders divided by the weighted average number of Shares in issue.
- (4) The gearing ratio is calculated as the net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.
- (5) Current ratio represents the ratio of current assets to current liabilities.
- (6) "n.m." means not meaningful.

(2) Market Purchases made entirely out of capital and cancelled

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 30 September 2023				
Share capital (S\$'000)	5,245	4,311	5,245	4,311
Shares held in treasury (S\$'000)	-	-	-	-
Shareholders' equity (S\$'000)	9,825	8,891	9,439	8,505
NTA (S\$'000)	8,554	7,620	9,439	8,505
Current assets (S\$'000)	9,934	9,000	5,376	4,442
Current liabilities (S\$'000)	3,396	3,396	177	177
Working capital (S\$'000)	6,538	5,604	5,199	4,265
Total borrowings (S\$'000)	n.m.	n.m.	n.m.	n.m.
Cash and cash equivalents (S\$'000)	5,876	4,942	1,922	988
Net profit / (loss) attributable to Shareholders (S\$'000)	(2,341)	(2,341)	(212)	(212)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	112,000	100,800	112,000	100,800

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	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 30 September 2023				
Number of treasury shares ('000)	-	-	-	-
Weighted average number of shares ('000)	112,000	100,800	112,000	100,800
Financial Ratios				
NTA per Share (cents) ⁽²⁾	7.64	7.56	8.43	8.44
Basic EPS / (LPS) (cents) ⁽³⁾	(2.09)	(2.32)	(0.19)	(0.21)
Gearing (%) ⁽⁴⁾	n.m.	n.m.	n.m.	n.m.
Current Ratio (times) ⁽⁵⁾	2.93	2.65	30.37	25.10

Notes:

- (1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2023.
- (3) EPS has been computed based on FY2023 net profit attributable to shareholders divided by the weighted average number of Shares in issue.
- (4) The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.
- (5) Current ratio represents the ratio of current assets to current liabilities.
- (6) "n.m." means not meaningful.

(3) Off-Market Purchases made entirely out of capital and held as treasury shares

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 30 September 2023				
Share capital (S\$'000)	5,245	5,245	5,245	5,245
Shares held in treasury (S\$'000)	-	(1,067)	-	(1,067)
Shareholders' equity (S\$'000)	9,825	8,758	9,439	8,372
NTA (S\$'000)	8,554	7,487	9,439	8,372
Current assets (S\$'000)	9,934	8,867	5,376	4,309
Current liabilities (S\$'000)	3,396	3,396	177	177
Working capital (S\$'000)	6,538	5,471	5,199	4,132
Total borrowings (S\$'000)	n.m.	n.m.	n.m.	n.m.
Cash and cash equivalents (S\$'000)	5,876	4,809	1,922	855

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	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 30 September 2023				
Net profit / (loss) attributable to Shareholders (S\$'000)	(2,341)	(2,341)	(212)	(212)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	112,000	100,800	112,000	100,800
Number of treasury shares ('000)	-	11,200	-	11,200
Weighted average number of shares ('000)	112,000	100,800	112,000	100,800
Financial Ratios				
NTA per Share (cents) ⁽²⁾	7.64	7.43	8.43	8.31
Basic EPS / (LPS) (cents) ⁽³⁾	(2.09)	(2.32)	(0.19)	(0.21)
Gearing (%) ⁽⁴⁾	n.m.	n.m.	n.m.	n.m.
Current Ratio (times) ⁽⁵⁾	2.93	2.61	30.37	24.34

Notes:

- (1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2023.
- (3) EPS has been computed based on FY2023 net profit attributable to shareholders divided by the weighted average number of Shares in issue.
- (4) The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.
- (5) Current ratio represents the ratio of current assets to current liabilities.
- (6) "n.m." means not meaningful.

(4) Off-Market Purchases made entirely out of capital and cancelled

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 30 September 2023				
Share capital (S\$'000)	5,245	4,178	5,245	4,178
Shares held in treasury (S\$'000)	-	-	-	-
Shareholders' equity (S\$'000)	9,825	8,758	9,439	8,372
NTA (S\$'000)	8,554	7,487	9,439	8,372
Current assets (S\$'000)	9,934	8,867	5,376	4,309
Current liabilities (S\$'000)	3,396	3,396	177	177

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	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 30 September 2023				
Working capital (S\$'000)	6,538	5,471	5,199	4,132
Total borrowings (S\$'000)	n.m.	n.m.	n.m.	n.m.
Cash and cash equivalents (S\$'000)	5,876	4,809	1,922	855
Net profit / (loss) attributable to Shareholders (S\$'000)	(2,341)	(2,341)	(212)	(212)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	112,000	100,800	112,000	100,800
Number of treasury shares ('000)	-	-	-	-
Weighted average number of shares ('000)	112,000	100,800	112,000	100,800
<u>Financial Ratios</u>				
NTA per Share (cents) ⁽²⁾	7.64	7.43	8.43	8.31
Basic EPS / (LPS) (cents) ⁽³⁾	(2.09)	(2.32)	(0.19)	(0.21)
Gearing (%) ⁽⁴⁾	n.m.	n.m.	n.m.	n.m.
Current Ratio (times) ⁽⁵⁾	2.93	2.61	30.37	24.34

Notes:

- (1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2023.
- (3) EPS has been computed based on FY2023 net profit attributable to shareholders divided by the weighted average number of Shares in issue.
- (4) The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.
- (5) Current ratio represents the ratio of current assets to current liabilities.
- (6) "n.m." means not meaningful.

The financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase up to the Maximum Percentage, the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the Maximum Percentage. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

7.8. Tax Implications

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

7.9. Other Applicable Listing Rules

(a) Public Float

The Catalist Rules require a listed company to ensure that at least 10.0% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public. As at the Latest Practicable Date, 80,002,000 Shares, representing approximately 71.43% of the total Shares in issue (excluding treasury shares and subsidiary holdings), are held in the hands of Public Shareholders.

Assuming that (i) the Company purchases its Shares up to the full 10.0% limit pursuant to the Share Buyback Mandate from the public (as defined in the Catalist Rules); and (ii) all Shares purchased by the Company are held as treasury shares, the number of Shares in the hands of the public would be reduced to 68,802,000 Shares, representing approximately 68.26% of the total Shares in issue (excluding treasury shares). As at the Latest Practicable Date, the Company did not hold have any preference shares or convertible equity securities.

Accordingly, the Company is of the view that there is sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10.0% limit pursuant to the proposed Share Buyback 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.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases or acquisitions, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

(b) Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. The Directors lodge with ACRA a notice within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition, including the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other information as required by the Companies Act.

Additionally, the Catalist Rules also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST:

- (i) in the case of Market Purchases, by 9.00 a.m. (Singapore time) on the Market Day following the day on which it purchased shares; and
- (ii) in the case of Off-Market Purchases under an equal access scheme, by 9.00 a.m. (Singapore time) on the second (2nd) Market Day after the close of acceptances of the offer.

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The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (1) the date of the sale, transfer, cancellation and/or use;
- (2) the purpose of such sale, transfer, cancellation and/or use;
- (3) the number of treasury shares sold, transferred, cancelled and/or used;
- (4) the number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (5) the percentage of the treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (6) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include, among others, 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 price paid per share or the highest and lowest prices paid for such 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 and the number of treasury shares held after the purchase.

(c) **Maximum Price**

Under the Catalist Rules, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than 5.0% above the average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases were made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in section 7.3.4 (*Maximum Price*) of this Circular, conforms to this restriction.

7.10. Dealing in Shares

While the Catalist Rules does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive or trade-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive or trade-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities and under Rule 1204(19)(c) of the Catalist Rules, the Company will not purchase or acquire any Shares during the period of one (1) month before the announcement of the Company’s half year and full year financial statements or, where the Company is required to announce quarterly financial statements, during the period commencing two (2) weeks before the announcement of the Company’s financial statements for each of the first three (3) quarters of its financial year and one (1) month before the announcement of the Company’s full year financial statements.

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The Company does not have any individual shareholding limit or foreign shareholding limit.

7.11. **Take-over Implications under the Singapore Code on Take-overs and Mergers**

Appendix 2 of the Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

(a) **Obligation to make a Take-over Offer**

When the Company buys back its shares, any resulting increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him will be treated as an acquisition for the purpose of Rule 14 of the Code. Consequently, a Shareholder or group or Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14.

(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 will, among others, be presumed to be acting in concert:

- (i) the following companies:
 - (1) a company;
 - (2) the parent company of (i);
 - (3) the subsidiaries of (i);
 - (4) the fellow subsidiaries of (i);
 - (5) the associated companies of any of (i), (ii), (iii), (iv) or (v); 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.

For this purpose, a company is an associated company of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company;

- (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);
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

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- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) the following persons and entities:
 - (1) an individual;
 - (2) the close relatives of (i);
 - (3) the related trusts of (i);
 - (4) any person who is accustomed to act in accordance with the instructions of (i);
 - (5) companies controlled by any of (i), (ii), (iii) or (iv); 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 of the Company (including Directors of the Company) 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 purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Code.

(c) **Effect of Rule 14 and Appendix 2 of the Singapore Code on Take-overs and Mergers**

In general terms, the effect of Rule 14 and Appendix 2 of the Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30.0% or more, or if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of six (6) months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or, if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate unless so required by the Companies Act.

7.12. Application of the Singapore Code on Take-overs and Mergers

Based on substantial shareholding notifications received by the Company under Part 7 of the Securities and Futures Act as at the Latest Practicable Date, there are no persons who may incur

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an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate.

The Company notes that pursuant to the Irrevocable Undertaking, Mr. Tang Hee Sung will subscribe for his pro-rata entitlement to the Rights Shares with Warrants (being 23,500,000 Rights Shares with Warrants) under the Proposed Rights Cum Warrants Issue in relation to Shares held by him as at the Rights Issue Record Date and will make an excess application and pay for up to 17,960,000 Excess Rights Shares with Warrants which are not subscribed or applied for by Shareholders other than himself at the Closing Date. The Company further notes that Mr. Tang Hee Sung will hold approximately 29.90% of the enlarged issued and paid-up share capital of the Company in the Minimum Subscription Scenario under the Proposed Rights Cum Warrants Issue. The Company will ensure that this will be taken into consideration when purchasing or acquiring any Shares pursuant to the Share Buyback Mandate, and will not buy back its Shares in such a manner that would result in Mr Tang Hee Sung incurring an obligation to make a take-over offer under Rule 14 of the Code.

The statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.

7.13. No Share Purchases in the Previous 12 months

The Company did not have a share buyback mandate in force for the 12 months preceding the Latest Practicable Date. Accordingly, no purchases or acquisitions of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

8. APPLICATION TO THE SGX-ST

In connection with the Proposals, an application will be made to the SGX-ST by the Sponsor on behalf of the Company for the permission to deal in and for the listing and quotation of the Rights Shares, the Warrant Shares, and the New Shares. Shareholders are advised that, if granted, the in-principle approval by the SGX-ST is not to be taken as an indication of the merits of the Proposed Rights Cum Warrants Issue, the Rights Shares, the Warrant Shares, the proposed GDS PSP, the proposed GDS ESOS, the New Shares, the Company and/or its subsidiaries and their securities.

The Company will make the necessary announcement(s) on SGXNet upon the receipt of the LQN from the SGX-ST.

9. INTERESTS OF DIRECTORS AND SHAREHOLDERS

As at the Latest Practicable Date, save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company (other than in their capacity as directors or shareholders of the Company) has any interest, direct or indirect, in the Proposals.

The interests of the Directors in the issued and paid-up share capital as recorded in the Register of Directors' Shareholdings maintained pursuant to Section 164 of the Companies Act and the interests of the Substantial Shareholders in the issued and paid-up capital of the Company as recorded in the Register of Substantial Shareholder(s) maintained pursuant to Section 88 of the Companies Act, each as at the Latest Practicable Date, are as follows:

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	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
<u>Directors</u>				
Tang Hee Sung	23,500,000	20.98	-	-
Lee Pei Fang	498,000	0.44	-	-
Aw Eng Hai	-	-	-	-
Cheam Heng Haw, Howard	-	-	-	-
Doreen Yew Lai Leng	-	-	-	-
<u>Substantial Shareholders</u>				
Han Ming Kwang	8,000,000	7.14	-	-

Note:

(1) Based on the total share capital of the Company of 112,000,000 Shares, as at the Latest Practicable Date.

10. DIRECTORS' RECOMMENDATIONS

10.1. The Proposed Rights Cum Warrants Issue

The Directors, having considered and reviewed, among other things, the rationale, benefits and financial effects of the Proposed Rights Cum Warrants Issue and all other relevant information set out in this Circular, are of the opinion that the Proposed Rights Cum Warrants Issue is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the Proposed Rights Cum Warrants Issue, being Ordinary Resolution 1, as set out in the Notice of Extraordinary General Meeting.

10.2. The Proposed GDS PSP, the Proposed GDS ESOS and the Proposed GDS ESOS Discount

As at the Latest Practicable Date, as all of the Directors are eligible to participate in, and are therefore interested in the Proposed GDS PSP and the Proposed GDS ESOS (including the Proposed GDS ESOS Discount in relation thereto), they have therefore refrained from making any recommendation as to how an Independent Shareholder should vote in respect of the Proposed GDS PSP, the Proposed GDS ESOS and the Proposed GDS ESOS Discount, being Ordinary Resolutions 2, 3 and 4, respectively, as set out in the Notice of Extraordinary General Meeting.

10.3. The Proposed Participation of Mr. Tang Hee Sung in the GDS PSP and the Proposed Participation of Mr. Tang Hee Sung in the GDS ESOS

All of the Directors (save for Mr. Tang Hee Sung), having considered and reviewed, among other things, the rationale, benefits and financial effects relating to the Proposed Participation of Mr. Tang Hee Sung in the GDS PSP and the Proposed Participation of Mr. Tang Hee Sung in the GDS ESOS and all other relevant information set out in this Circular, are of the opinion that these Proposals are in the best interests of the Company, and accordingly recommend that Independent

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Shareholders vote in favour of the Proposed Participation of Mr. Tang Hee Sung in the GDS PSP and the Proposed Participation of Mr. Tang Hee Sung in the GDS ESOS, being Ordinary Resolutions 5 and 6, respectively, as set out in the Notice of Extraordinary General Meeting.

10.4. **The Proposed Adoption of the Share Buyback Mandate**

The Directors, having carefully considered the terms and rationale of the Proposed Adoption of the Share Buy Back Mandate, are of the opinion that the proposed Share Buy Back Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 7, as set ordinary resolution relating to the proposed Share Buy Back Mandate, as set out in the Notice of Extraordinary General Meeting.

10.5. **Note to Shareholders**

Shareholders, in deciding whether to vote in favour of the Proposals, should carefully consider and review the rationale, benefits and financial effects, where applicable, relating to the Proposals, and all other relevant information set out in this Circular.

In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who is in any doubt about the contents of this Circular or as to the course of action he/she/it should take or may require specific advice in relation to his/her/its specific investment objectives or portfolio should consult his/her/its stockbroker, bank manager, solicitor, accountant, tax or other professional adviser(s).

11. **ABSTENTION FROM VOTING**

Shareholders (including the Directors, Group Employees and Non-executive Directors) who are eligible to participate in the GDS PSP and GDS ESOS shall abstain from voting in respect of the Proposed GDS PSP, the Proposed GDS ESOS and the Proposed GDS ESOS Discount, being Ordinary Resolutions 2 to 4, as set out in the Notice of EGM and will not be accepting any appointment as proxy, corporate representative, attorney or otherwise for the purposes of voting on the abovementioned Proposals, being Ordinary Resolutions 2 to 4, as set out in the Notice of EGM, unless specific voting instructions had been given in such proxy forms.

In addition, the Proposed Participation of Mr. Tang Hee Sung in the GDS PSP and the Proposed Participation of Mr. Tang Hee Sung in the GDS ESOS must be approved by Independent Shareholders of the Company. Accordingly, Mr. Tang Hee Sung and his associates shall also abstain from voting at the EGM in respect of Ordinary Resolutions 5 and 6 as set out in the Notice of EGM. They shall also not be accepting any appointment as proxy, corporate representative, attorney or otherwise for the purposes of voting on the abovementioned Proposals, unless specific voting instructions had been given in such proxy forms.

The Company will disregard any votes cast on an Ordinary Resolution by persons required to abstain from voting.

12. **EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on pages N-1 to N-8 of this Circular, will be held at 86 International Road, Singapore 629176, Level 3, on 1 July 2024 at 10.00 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM. The EGM will be convened in a physical format only and there will be no option for Shareholders to participate virtually.

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13. ACTION TO BE TAKEN BY SHAREHOLDERS

13.1. Documents

This Circular will be sent to the Shareholders solely by electronic means via publication on the Company's website and will also be made available on SGXNet. Printed copies of this Circular will not be sent to Shareholders. The Notice of EGM, Proxy Form and request form to request for a printed copy of the Circular will be available to members by electronic means via publication on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: <http://www.gdsglobal.com.sg>. Printed copies of the Notice of EGM, Proxy Form and request form will be sent by post to members.

Minutes of the EGM will be provided within one (1) month after the EGM on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>.

13.2. Questions

Shareholders, including SRS Investors, can submit questions in advance of the EGM.

Submission of substantial and relevant questions in advance of the EGM. Shareholders, including SRS Investors, can submit substantial and relevant questions related to the resolution to be tabled for approval at the EGM to the Chairman of the Meeting, in advance of the EGM, in the following manner:

- (a) by email to srs.teamd@boardroomlimited.com; and/or
- (b) by post to the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632,

in either case, by **5.00 p.m. (Singapore time) on 21 June 2024 at (being seven (7) calendar days from the date of the Notice of EGM)**. When sending in questions by post or email, please also include the following details: (i) full name (for individuals) / company name (for corporates); (ii) the member's identification number / registration address; (iii) email address; (iv) contact number; and (v) shareholding type and number of Shares held (e.g. via CDP, SRS and/or scrip), failing which the Company shall be entitled to regard the submission as invalid.

Shareholders (including SRS Investors) and, where applicable, appointed proxy(ies) can also ask live at the EGM substantial and relevant questions related to the resolution to be tabled for approval at the EGM by attending the EGM physically.

Addressing questions. The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM by publishing the responses to such questions on SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: <http://www.gdsglobal.com.sg> before **10.00 a.m. (Singapore time) on 26 June 2024** (being 48 hours prior to the last date and time for lodgement of Proxy Form) (the "**Pre-EGM Reply**"). The Company will address those substantial and relevant questions which have not already been addressed in the Pre-EGM Reply, as well as those received live at the EGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

The Company will publish the minutes of the EGM on SGXNet and on the Company's website and on SGXNet within one (1) month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which are addressed during the EGM.

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13.3. Proxy Form

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy(ies) to attend, speak and vote on his/her/its behalf, he/she/it should complete, sign and return the Proxy Form in the following manner:

- (a) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Pte. Ltd. at srs.proxy@boardroomlimited.com; or
- (b) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632,

in each case, **by 10.00 a.m. (Singapore time) on 28 June 2024 (not less than 72 hours before the time appointed for holding the EGM).**

A Shareholder who wishes to submit an instrument appointing a proxy(ies) by post or via email can download a copy of the Proxy Form from SGXNet and the Company's website, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

If no specific direction as to voting or abstentions from voting is given, in respect of a resolution, the appointed proxy(ies) will vote or abstain from voting at his/her/their discretion (except where the Chairman of the EGM is appointed as the Shareholder's proxy, in which case the appointment of the Chairman of the EGM as the Shareholder's proxy for the resolution will be treated as invalid). If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney. Persons who have an interest in the approval of the resolution must decline to accept their appointment as proxies unless the Shareholder concerned has specific instructions in his/her/its Proxy Form as to the manner in which his/her/its votes are to be cast in respect of such resolution.

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. **10.00 a.m. (Singapore time) on 28 June 2024**), as certified by CDP to the Company.

SRS Investors (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective SRS operators, and should contact their respective SRS operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective SRS operators to submit their votes at least seven (7) Business Days before the EGM (i.e. by **10.00 a.m. (Singapore time) on 20 June 2024**), and such SRS Investors shall be precluded from attending the EGM.

14. RESPONSIBILITY STATEMENTS

14.1. 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

LETTER TO SHAREHOLDERS

about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this 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.

14.2. **Manager's Responsibility Statement**

To the best of the Manager's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Rights Cum Warrants Issue, the Company and its subsidiaries, and the Manager is not aware of any facts the omission of which would make any statement in this Circular in respect of the Proposed Rights Cum Warrants Issue misleading.

15. **CONSENT**

SAC Capital Private Limited, named as the Manager of the Proposed Rights Cum Warrants Issue in this Circular, has given and has not withdrawn its consent to act in such capacity in relation to the Circular and to the issue of the Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular.

16. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Company at 86 International Road, Singapore 629176 during normal business hours from 9.00 a.m. to 5.00 p.m. (Singapore time) for three (3) months from the date of this Circular:

- (a) the Constitution of the Company;
- (b) the Irrevocable Undertaking;
- (c) the annual reports of the Company for FY2021, FY2022 and FY2023;
- (d) the letter of consent referred to in section 15 (*Consent*) of this Circular;
- (e) the GDS PSP Rules as set out in **Appendix B** (*Rules of GDS PSP*) to this Circular; and
- (f) the GDS ESOS Rules as set out in **Appendix C** (*Rules of GDS ESOS*) to this Circular.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to finance@Gliderol.com.sg to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect accordingly.

Yours faithfully
for and on behalf of the Board of Directors of
GDS Global Limited
14 June 2024

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Financial performance

The following is a summary of the key financial results of the Group for the last three financial years ended 30 September 2021, 2022, and 2023, i.e. FY2021, FY2022 and FY2023 respectively and the latest interim results for the first half year ended 31 March 2024 and the corresponding period for the preceding year i.e. HY2024 and HY2023 respectively:

A. Statement of Profit or Loss and other Comprehensive Income

	Audited FY2021	Audited FY2022	Audited FY2023	Unaudited HY2023	Unaudited HY2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	12,991	13,664	12,203	6,036	5,534
Cost of sales	(9,070)	(9,647)	(8,816)	(4,392)	(3,674)
Gross profit	3,921	4,017	3,387	1,644	1,860
Other operating income	560	311	118	105	67
Marketing and distribution expenses	(373)	(430)	(320)	(169)	(141)
Administrative expenses	(4,996)	(4,750)	(4,782)	(2,309)	(2,499)
Other operating expenses	(315)	(533)	(347)	(169)	(143)
Interest revenue	4	3	13	-*	-
Other gains and losses	(48)	89	(118)	(157)	(22)
Finance costs	(227)	(201)	(174)	(90)	(78)
Loss before tax	(1,474)	(1,494)	(2,223)	(1,145)	(956)
Income tax (expense)/credit	(130)	(181)	105	(27)	(29)
Loss for the year/period	(1,604)	(1,675)	(2,118)	(1,172)	(985)
Other comprehensive income (loss):					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	7	(77)	74	114	17
Other comprehensive income (loss) for the year/period, net of tax	7	(77)	74	114	17
Total comprehensive loss for the year/period	(1,597)	(1,752)	(2,044)	(1,058)	(968)
(Loss) Profit attributable to:					
- Owners of the Company	(1,911)	(2,127)	(2,341)	(1,274)	(1,148)
- Non-controlling interest	307	452	223	102	163
	(1,604)	(1,675)	(2,118)	(1,172)	(985)
Total comprehensive (loss) income attributable to					
- Owners of the Company	(1,904)	(2,204)	(2,267)	(1,160)	(1,131)
- Non-controlling interest	307	452	223	102	163
	(1,597)	(1,752)	(2,044)	(1,058)	(968)
Basic and diluted loss per share (cents)	(1.71)	(1.90)	(2.09)	(1.14)	(1.03)

* Less than S\$1,000

Source: Company's annual reports for FY2022 and FY2023, and interim results announcement for HY2024.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

HY2024 vs HY2023

Revenue

For the sales of doors and shutter systems, the Group typically experiences a fluctuation in revenue contribution from its customers from period to period due to the project-based nature of its business. The Group's projects differ in their scope and size and are typically non-recurring.

The Group's revenue has decreased by approximately S\$0.51 million or 8.3% from S\$6.04 million for HY2023 to S\$5.53 million for HY2024. The decrease of S\$0.51 million was mainly due to projects completion timing and slower demand for trading components.

Cost of sales

The Group's cost of sales decreased by approximately S\$0.72 million or 16.3% from S\$4.39 million in HY2023 to S\$3.67 million in HY2024. The decrease in cost of sales is mainly due to lower sub-contractor cost ((S\$0.15 million) due to absence of a one-off project in HY2023 which required specialised sub-contractor work), fewer spare parts purchased for special application shutter (S\$0.24 million) and decrease in material purchased, which is in line with the decrease in revenue (S\$0.21 million).

Gross profit

Gross profit increased approximately by S\$0.22 million or 13.1% from S\$1.64 million in HY2023 to S\$1.86 million in HY2024, mainly from the door and shutter systems business, due to decrease in materials purchased and lower sub-contractor cost. Gross profit margin increased from 27.24% in HY2023 to 33.61% in HY2024 due to decreased material and sub-contractor costs as elaborated above.

Other operating income

Other operating income decreased by approximately S\$0.04 million or 36.2% from S\$0.11 million in HY2023 to S\$0.07 million in HY2024 mainly due to the absence of government grants and lower government incentives received in HY2024.

Marketing and distribution expenses

Marketing and distribution expenses decreased by approximately S\$0.03 million or 16.6% from S\$0.17 million in HY2023 to S\$0.14 million in HY2024 due to decrease in local logistics transport cost (less demand by clients for usage of suppliers' crane to transport forklift and scissor lift to site) and freight & storage costs (cessation of storage of our products at overseas warehouse).

Administrative expenses

Administrative expenses increased by approximately S\$0.19 million or 8.2% from S\$2.31 million in HY2023 to S\$2.50 million in HY2024, due to higher professional fees (S\$0.10 million), salaries cost (S\$0.03 million), depreciation and amortisation (S\$0.03 million) and onboarding of a new contract staff (S\$0.02 million).

Other operating expenses

Other operating expenses decreased by S\$0.03 million or 15.4% from S\$0.17 million in HY2023 to S\$0.14 million in HY2024, mainly due to lower research and development expenses incurred.

Interest revenue

Interest revenue comprised interest income from flexi-yield deposits placed with the bank. As the flexi-yield account was closed in FY2023, no interest was received in 1H2024.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Other gains and losses

Other gains and losses decreased by S\$0.14 million or 86% from S\$0.16 million in HY2023 to S\$0.02 million in HY2024 due to the revaluation of foreign currencies in a subsidiary's assets (mainly US-denominated trade receivables and bank balances).

Finance costs

Finance costs decreased by S\$0.01 million or 13.3% from S\$0.09 million in HY2023 to S\$0.08 million in HY2024 due to lower interest for Right-of-use ("ROU") assets in HY2024.

Income tax expense

The income tax expense increased by S\$2,000 from S\$27,000 in HY2023 to S\$29,000 in HY2024 due to higher taxable profit from a subsidiary in HY2024.

Loss for the period

As a result of the above, the Group reported a loss of S\$0.99 million for HY2024 as compared to a loss of S\$1.17 million in HY2023.

FY2023 vs FY2022

Revenue

The Group's revenue decreased by S\$1.46 million or 10.7% to S\$12.20 million in FY2023, from S\$13.66 million in FY2022. The decrease was mainly due to (i) a decrease in trading of production components segment of S\$2.18 million, partially offset by (ii) an increase in sales of door and shutter systems of S\$0.08 million, and (iii) an increase in provision of service and maintenance work of S\$0.64 million. The trading of production components business declined as the Russia-Ukraine conflict dampened demand from the Euro zone customers. Additionally, progress at the Group's work sites remained slower than expected despite the recovery of Singapore's construction industry from the Covid-19 pandemic.

Cost of sales

In line with the lower revenue recorded during FY2023, the cost of sales decreased by S\$0.83 million or 8.6% from S\$9.65 million in FY2022 to S\$8.82 million in FY2023.

Gross profit

The Group's gross profit decreased by S\$0.63 million or 15.7% from S\$4.02 million in FY2022 to S\$3.39 million in FY2023. The gross profit margin decreased from 29.4% in FY2022 to 27.8% in FY2023 mainly due to lower sales in manufactured products and trading of production components, which typically generate better margins for the Group.

Other operating income

The Group's other operating income to decrease by S\$0.19 million or 62.1% from S\$0.31 million in FY2022 to S\$0.12 million in FY2023, mainly due to the absence of government grants from Enterprise Singapore to defray the testing cost for the Group's Blast resistant / Blast mitigating roller shutter door and reliefs relating to Covid-19 as Singapore recovered from the pandemic.

Marketing and distribution expenses

Marketing and distribution expenses decreased by S\$0.11 million or 25.6% from S\$0.43 million in FY2022 to S\$0.32 million in FY2023, mainly due to decrease in freight charges, partially offset by an increase in local logistics transport services such as lorries and cranes.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Administrative expenses

Administrative expenses increased by S\$0.03 million or 0.7% from S\$4.75 million in FY2022 to S\$4.78 million in FY2023. The increase was mainly due to higher professional fees, the rental of one additional dormitory room for workers, the onboarding of two contract staff, partially offset by a decrease in personnel cost.

Other operating expense

Other operating expenses decreased by S\$0.19 million or 34.9% from S\$0.53 million in FY2022 to S\$0.35 million in FY2023, mainly due to decrease in research and development expenses of S\$0.14 million.

Other gains and losses

Other gains and losses recorded by the Group decreased from a S\$90,000 gain in FY2022 to a S\$118,000 loss in FY2023 mainly due to unrealised foreign exchange loss arising from the translation of trade receivables and bank balances denominated in US dollar during FY2023.

Finance costs

Finance costs, which consist of interest expense arising from the application of Leases Accounting for lease liabilities, decreased by S\$27,000 or 13.4% from S\$201,000 in FY2022 to S\$174,000 in FY2023.

Income tax expense

Due to a reversal of deferred tax liability, income tax expenses increased by S\$0.29 million, where the Group recorded an income tax credit of S\$105,000 in FY2023 compared to a tax expense of S\$181,000 in FY2022.

Loss for the year

As a result of the abovementioned factors, the Group recorded a loss of S\$2.12 million in FY2023 as compared to loss of S\$1.68 million in FY2022.

FY2022 vs FY2021

Revenue

The Group's revenue grew 5.2% or by S\$0.67 million from S\$12.99 million in FY2021 to S\$13.66 million in FY2022. The increase in revenue was due to (i) an increase in revenue from the trading of product components segment of S\$1.09 million, and (ii) an increase in revenue from the provision of service and maintenance work of S\$0.32 million, partially offset by (iii) a decrease in sales of doors and shutter systems of S\$0.74 million, mainly due to the decrease in the Group's sales of manufactured products of S\$0.77 million and offset by a slight increase in sales of distributed products of S\$0.03 million.

The Group had recognised higher revenue in FY2022 mainly due to an improved demand on the trading of production components, supported by a demand uptick as economies gradually recovered from the Covid-19 pandemic and part of the increase was attributable to one-off sales in production components and some one-off service and repair works carried out in FY2022. The door and shutter systems business which recorded a lower revenue in FY2022 was mainly due to higher revenue recognised in FY2021 for larger contract value projects in FY2021 which did not recur in FY2022 and delay in some of the projects.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Cost of sales

In line with an increased revenue in FY2022, the Group's cost of sales increased by S\$0.58 million or 6.4% from S\$9.07 million in FY2021 to S\$9.65 million in FY2022.

Gross profit

The Group's gross profit increased by S\$0.10 million or 2.4% from S\$3.92 million in FY2021 to S\$4.02 million in FY2022. However, gross profit margin dropped slightly from 30.2% in FY2021 to 29.4% in FY2022 due to lower sales in manufactured products which typically have better margins.

Other operating income

The Group's other operating income decreased by S\$0.25 million or 44.5% from S\$0.56 million in FY2021 to S\$0.31 million in FY2022, mainly due to lower government grants and reliefs relating to the Covid-19 pandemic with Singapore's gradual recovery from the pandemic.

Marketing and distribution expenses

Marketing and distribution expenses increased by S\$0.06 million or 15.3% from S\$0.37 million in FY2021 to S\$0.43 million in FY2022 mainly from an increase in freight charges, and offset by a decrease in expenses in advertising and upkeep of motor vehicles expenses.

Administrative expenses

Administrative expenses decreased by S\$0.25 million or 4.9% from S\$5.00 million in FY2021 to S\$4.75 million in FY2022 mainly due to a decrease in personnel cost from staff attrition and salary adjustments of S\$0.21 million, professional fees of S\$0.07 million, and depreciation and amortisation expenses of S\$0.05 million, which were partially offset by an increase in staff welfare and insurance expenses of S\$0.08 million.

Other operating expenses

Other operating expenses increased by S\$0.21 million or 69.2% from S\$0.32 million in FY2021 to S\$0.53 million in FY2022, mainly due to an increase in research and development expenses of S\$0.13 million, higher bank charges of S\$0.03 million and an increase in repair and maintenance expenses of S\$0.02 million.

Other gains and losses

Other gains and losses reversed from a S\$0.05 million loss in FY2021 to a S\$0.09 million gain in FY2022 mainly due to an increase in net foreign exchange gain of S\$0.10 million arising from the translation of trade receivables and bank balances denominated in US dollar during FY2022 and an increase in gains on disposal of property, plant and equipment of S\$0.03 million.

Finance costs

Finance costs, which consisted of interest expense arising from the application of *Leases Accounting* for lease liabilities, decreased by S\$26,000 from S\$227,000 in FY2021 to S\$201,000 in FY2022.

Income tax expense

The Group's income tax expense increased by S\$51,000 or 39.2% to S\$181,000 in FY2022 from S\$130,000 in FY2021 mainly arising from higher profit before tax by a subsidiary.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Loss for the year

The Group recorded a net loss of S\$1.68 million in FY2022, as compared to a loss of S\$1.60 million in FY2021.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

B. Statements of financial position and Working Capital

The audited consolidated statements of financial position of the Group as at 30 September 2021, 30 September 2022 and 30 September 2023 and unaudited consolidated statement of financial position of the Group as at 31 March 2024 are set out below:

	Audited As at 30 September 2021	Audited As at 30 September 2022	Audited As at 30 September 2023	Unaudited As at 31 March 2024
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	8,775	7,177	5,876	4,397
Trade and other receivables	2,041	2,787	1,998	1,306
Contract assets	1,073	577	391	435
Inventories	1,904	1,945	1,669	2,153
Total current assets	13,793	12,486	9,934	8,291
Non-current assets				
Property, plant and equipment	2,298	1,905	1,593	1,551
Right-of-use assets	8,938	7,589	6,354	5,697
Intangible assets	1,454	1,360	1,271	1,207
Total non-current assets	12,690	10,854	9,218	8,455
Total assets	26,483	23,340	19,152	16,746
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	1,236	1,412	1,254	1,265
Contract liabilities	891	815	649	303
Lease liabilities	1,248	1,331	1,374	1,454
Income tax payable	172	225	119	111
Total current liabilities	3,547	3,783	3,396	3,133
Non-current liabilities				
Deferred tax liabilities	184	184	4	4
Lease liabilities	8,324	6,997	5,738	5,085
Other payables	268	213	189	157
Total non-current liabilities	8,776	7,394	5,931	5,246
Total liabilities	12,323	11,177	9,327	8,379
Capital, reserves and non-controlling interests				
Share capital	5,245	5,245	5,245	5,245
Reserves	7,069	4,865	2,598	1,467
Equity attributable to owners of the Company	12,314	10,110	7,843	6,712
Non-controlling interests	1,846	2,053	1,982	1,655
Total equity	14,160	12,163	9,825	8,367
Total liabilities and equity	26,483	23,340	19,152	16,746

Source: Company's annual reports for FY2022 and FY2023, and interim results announcement for HY2024.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

The audited working capital of the Group as at 30 September 2021, 30 September 2022 and 30 September 2023, and the unaudited working capital of the Group as at 31 March 2024 are set out below:

Group	Audited As at 30 September 2021 S\$'000	Audited As at 30 September 2022 S\$'000	Audited As at 30 September 2023 S\$'000	Unaudited As at 31 March 2024 S\$'000
Current assets	13,793	12,486	9,934	8,291
Current liabilities	3,547	3,783	3,396	3,133
Net current assets	<u>10,246</u>	<u>8,703</u>	<u>6,538</u>	<u>5,158</u>

A summary of the review of the financial position and working capital of the Group is set out below.

31 March 2024 vs 30 September 2023

Current assets

Current assets decreased by S\$1.64 million from S\$9.93 million as at 30 September 2023 to S\$8.29 million as at 31 March 2024. The decrease in current assets was mainly attributed by:

- (i) a decrease in cash and cash equivalents of S\$1.48 million;
- (ii) a decrease in trade and other receivables of S\$0.69 million due to lower revenue generated; and
- (iii) offset by an increase in inventories of S\$0.48 million to maintain stock levels for certain components.

Non-current assets

Non-current assets decreased by S\$0.76 million from S\$9.22 million as at 30 September 2023 to S\$8.46 million as at 31 March 2024 mainly due to current year depreciation and amortisation of property, plant & equipment, right-of-use ("ROU") assets, and intangible assets.

Current liabilities

Current liabilities decreased by S\$0.27 million from S\$3.40 million as at 30 September 2023 to S\$3.13 million as at 31 March 2024. The decrease in current liabilities was mainly contributed by:

- (i) a decrease in contract liabilities (deposit received from customers) of S\$0.35 million; and
- (ii) partially offset by an increase in lease liabilities (ROU assets) of S\$0.08 million.

Non-current liabilities

Non-current liabilities decreased by S\$0.68 million from S\$5.93 million as at 30 September 2023 to S\$5.25 million as at 31 March 2024. The decrease in non-current liabilities was mainly due to a decrease in lease liabilities (ROU assets) of S\$0.65 million and decrease in trade and other payables of S\$0.03 million.

Capital, reserves and non-controlling interests

Total equity decreased by S\$1.46 million from S\$9.83 million as at 30 September 2023 to S\$8.37 million as at 31 March 2024, mainly from current year losses.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

FY2023 vs FY2022

Current assets

Current assets decreased by S\$2.56 million from S\$12.49 million as at 30 September 2022 to S\$9.93 million as at 30 September 2023, as a result of the following:

- (i) a decrease in cash and cash equivalents of S\$1.30 million;
- (ii) a decrease in contract assets of S\$0.19 million arising from lower project works certified;
- (iii) a decrease in trade and other receivables of S\$0.79 million due primarily to lower revenue generated; and
- (iv) a decrease in inventories of S\$0.28 million.

Non-current assets

Non-current assets decreased by S\$1.64 million from S\$10.85 million as at 30 September 2022 to S\$9.22 million as at 30 September 2023, mainly due to lower net book value in property, plant and equipment, right-of-use assets and intangible assets arising from depreciation and amortisation charges.

Current liabilities

Current liabilities decreased by S\$0.39 million from S\$3.79 million as at 30 September 2022 to S\$3.40 million as at 30 September 2023. The decrease in current liabilities was mainly a result of the following:

- (i) a decrease in contract liabilities of S\$0.17 million, which mainly comprised of deposits received from customers;
- (ii) a decrease in trade and other payables of S\$0.16 million;
- (iii) a decrease in income tax payable of S\$0.11 million from lower revenue from a subsidiary; and
- (iv) partially offset by an increase in lease liabilities of S\$0.04 million mainly due to the increase in building lease payments within the next twelve months.

Non-current liabilities

Non-current liabilities decreased by S\$1.46 million from S\$7.39 million as at 30 September 2022 to S\$5.93 million as at 30 September 2023, mainly due to a decrease in lease liabilities of S\$1.26 million as the remaining lease periods decreased over the contractual lease term.

Capital, reserves and non-controlling interests

Total equity was S\$9.83 million as at 30 September 2023 as compared to S\$12.16 million as at 30 September 2022, a decrease of S\$2.34 million due to current year losses.

FY2022 vs FY2021

Current assets

Current assets decreased by S\$1.30 million from S\$13.79 million as at 30 September 2021 to S\$12.49 million as at 30 September 2022. This was due to the following:

- (i) a decrease in cash and cash equivalents of S\$1.60 million;
- (ii) a decrease in contract assets of S\$0.50 million arising from lower project works certified;
- (iii) partially offset by an increase in trade and other receivables of S\$0.75 million due primarily to overall higher revenue generated and an increase in advances to suppliers; and
- (iv) an increase in inventories of S\$0.04 million.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Non-current assets

Non-current assets decreased by S\$1.84 million from S\$12.69 million as at 30 September 2021 to S\$10.85 million as at 30 September 2022, mainly due to lower net book value in property, plant and equipment, right-of-use assets and intangible assets arising from depreciation and amortisation charges.

Current liabilities

Current liabilities increased by S\$0.24 million from S\$3.55 million as at 30 September 2021 to S\$3.79 million as at 30 September 2022, which was a result of mainly the following:

- (i) an increase in trade and other payables of S\$0.18 million;
- (ii) an increase in lease liabilities of S\$0.08 million due to an increase in building lease payment within the next twelve months;
- (iii) an increase in income tax payables of S\$0.05 million; and
- (iv) partially offset by a decrease in contract liabilities of S\$0.08 million which mainly comprised of deposits received from customers.

Non-current liabilities

Non-current liabilities decreased by S\$1.39 million from S\$8.78 million as at 30 September 2021 to S\$7.39 million as at 30 September 2022 which was mainly due to a decrease in lease liabilities of S\$1.33 million as the remaining lease periods decreased over the contractual lease term.

Capital, reserves and non-controlling interests

Total equity was S\$12.16 million as at 30 September 2022 as compared to S\$14.16 million as at 30 September 2021.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

C. Statement of cash flows

The audited consolidated statements of cash flows of the Group for FY2021, FY2022, FY2023, HY2023 and HY2024 set out below:

	Audited FY2021	Audited FY2022	Audited FY2023	Unaudited HY2023	Unaudited HY2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities					
Loss before tax	(1,474)	(1,494)	(2,223)	(1,145)	(956)
Adjustments for:					
Interest income	(4)	(3)	(13)	–*	–
Interest expense on lease liabilities	227	201	174	90	78
Depreciation of property, plant and equipment	476	493	493	246	257
Depreciation of right-of-use assets	1,373	1,363	1,372	684	685
Amortisation of intangible assets	142	94	97	47	64
Bad debts written off	–	1	–*	–	–
Allowance for inventory obsolescence, net	1	13	83	–	–
Loss (Gain) on disposal of property, plant and equipment	20	(15)	–	–	–
Net foreign exchange loss (gain)	36	(16)	75	103	7
Amortisation of deferred grant income	(258)	(56)	(56)	(28)	(34)
Operating cash flows before movements in working capital	539	581	2	(3)	101
Inventories	323	(54)	193	112	(484)
Trade and other receivables	(133)	(743)	787	733	692
Contract assets	(202)	496	186	(23)	(44)
Trade and other payables	289	95	(50)	(497)	30
Contract liabilities	598	(76)	(166)	(260)	(346)
Cash generated from (used in) operations	1,414	299	952	62	(51)
Interest paid on lease liabilities	(227)	(201)	(174)	(90)	(78)
Income tax paid	(169)	(127)	(181)	(91)	(37)
Net cash generated from (used in) operating activities	1,018	(29)	597	(119)	(166)
Investing activities					
Purchase of property, plant and equipment	(137)	(154)	(181)	(114)	(127)
Proceeds from disposal of property, plant and equipment	28	69	–	–	–
Interest received	4	3	13	–*	–
Purchase of intangible assets	(95)	–	(8)	–	–
Net cash used in investing activities	(200)	(82)	(176)	(114)	(127)
Financing activities					
Dividends paid to non-controlling shareholders by subsidiary	(196)	(245)	(294)	(294)	(490)
Repayment of lease liabilities	(1,004)	(1,258)	(1,353)	(671)	(689)
Cash used in financing activities	(1,200)	(1,503)	(1,647)	(965)	(1,179)
Net decrease in cash and cash equivalents	(382)	(1,614)	(1,226)	(1,198)	(1,472)
Cash and cash equivalents at beginning of year/period	9,193	8,775	7,177	7,177	5,876
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(36)	16	(75)	(103)	(7)
Cash and cash equivalents at end of year/period	8,775	7,177	5,876	5,876	4,397

* Less than S\$1,000

Source: Company's annual reports for FY2022 and FY2023, and interim results announcement for HY2024.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Review of cash flow for HY2024

Net cash used in operating activities

In HY2024, the Group generated cash from operating activities before movement in working capital of S\$101,000. The Group's cash used in operations amounted to S\$0.05 million due to:

- (i) an increase in inventories of S\$0.48 million;
- (ii) an increase in contract assets (accrued revenue) of S\$0.04 million;
- (iii) an increase in trade and other payables of S\$0.03 million, offset by;
- (iv) a decrease in trade and other receivables of S\$0.69 million; and
- (v) a decrease in contract liabilities (deposit received from customers) of S\$0.35 million.

After income tax paid of S\$0.04 million and interest paid on lease liabilities of S\$0.08 million, the Group's net cash used in operating activities was S\$0.17 million in FY2023.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$0.13 million in HY2024, due to the purchase of property, plant and equipment, as compared to S\$0.11 million in HY2023.

Net cash used in financing activities

Net cash used in financing activities was S\$1.18 million which was mainly due to the repayment of lease liabilities (ROU assets) of S\$0.69 million and payment of dividend to non-controlling shareholders of S\$0.49 million.

Review of cash flow for FY2023

Net cash from operating activities

In FY2023, the Group generated cash from operating activities before movement in working capital of \$2,000. The Group's net working capital inflow amounted to S\$0.95 million and was mainly due to:

- (i) a decrease in trade and other receivables of S\$0.79 million;
- (ii) a decrease in inventories of S\$0.19 million;
- (iii) a decrease in contract assets of S\$0.19 million;
- (iv) a decrease in trade and other payables of \$0.05 million; and
- (v) a decrease in contract liabilities of \$0.17 million.

After income tax paid of S\$0.18 million and interest paid on lease liabilities of S\$0.17 million, the Group's net cash inflow from operating activities was S\$0.59 million in FY2023.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$0.18 million, mainly due to the purchase of property, plant and equipment.

Net cash used in financing activities

Net cash used in financing activities was S\$1.65 million which was mainly due to the repayment of lease liabilities of S\$1.35 million and payment of dividends to non-controlling shareholders by a subsidiary of S\$0.30 million.

APPENDIX A – FINANCIAL INFORMATION AND REVIEW OF PAST PERFORMANCE

Review of cash flow for FY2022

Net cash from operating activities

The Group generated cash from operating activities before movement in working capital of S\$0.58 million in FY2022. The Group's net working capital outflow amounted to S\$0.28 million, mainly due to:

- (i) an increase in trade and other receivables of S\$0.74 million;
- (ii) a decrease in contract liabilities of S\$0.08 million;
- (iii) an increase in inventories of S\$0.05 million;
- (iv) partially offset by decrease in contract assets (accrued revenue) of S\$0.50 million; and
- (v) an increase in trade and other payables of S\$0.10 million.

After income tax paid of S\$0.13 million and interest paid on lease liabilities of S\$0.20 million, the Group's net cash used in operating activities was S\$0.03 million in FY2022.

Net cash used in investing activities

The Group's net cash used in investing activities amounted to S\$0.08 million, mainly due to the purchase of property, plant and equipment of S\$0.15 million, partially offset by proceeds from disposal of property, plant and equipment of S\$0.07 million.

Net cash used in financing activities

Net cash used in financing activities was S\$1.50 million due to the repayment of lease liabilities for S\$1.26 million and payment of dividends to non-controlling shareholders by a subsidiary amounting to S\$0.24 million.

Review of cash flow for FY2021

Net cash from operating activities

The Group generated cash from operating activities before movement in working capital of S\$0.54 million in FY2021. The Group's net working capital outflow amounted to S\$0.88 million, mainly due to:

- (i) an increase in contract liabilities of S\$0.60 million;
- (ii) a decrease in inventories of S\$0.32 million;
- (iii) an increase in trade and other payables of S\$0.29 million;
- (iv) which were partially offset by increase in contract assets (accrued revenue) of S\$0.20 million, and
- (v) an increase in trade and other receivables of S\$0.13 million.

After income tax paid of S\$0.17 million and interest paid on lease liabilities of S\$0.23 million, the Group's net cash generated from operating activities was S\$1.02 million in FY2021.

Net cash used in investing activities

The Group's net cash used in investing activities amounted to S\$0.20 million, mainly due to the purchase of property, plant and equipment of S\$0.14 million and purchase of intangible assets of S\$0.10 million, partially offset by proceeds from disposal of property, plant and equipment of S\$0.03 million.

Net cash used in financing activities

Net cash used in financing activities was S\$1.20 million due to the repayment of lease liabilities for S\$1.00 million and payment of dividends to non-controlling shareholders by a subsidiary amounting to S\$0.20 million.

APPENDIX B – RULES OF THE GDS PSP

1. NAME OF THE PLAN

This Plan shall be called the “**GDS PERFORMANCE SHARE PLAN**”.

2. DEFINITIONS

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

“ Adoption Date ”	:	The date on which the Plan is adopted by the Company in general meeting
“ Associates ”	:	As defined in the Catalist Rules
“ Associated Company ”	:	A company in which at least 20.0% but not more than 50.0% of its issued shares are held by the Company or the Group and over which the Company has control
“ Associated Employee ”	Company :	A confirmed employee (including directors) of an Associated Company selected by the Remuneration Committee to participate in the Plan
“ Auditors ”	:	The auditors for the time being of the Company
“ Award ”	:	A contingent award of Shares granted under Rule 5 (<i>Grant and Acceptance of Awards</i>)
“ Award Letter ”	:	A letter in such form as the Remuneration Committee shall approve, confirming an Award granted to a Participant by the Remuneration Committee
“ Board ” or “ Board of Directors ”	of :	The board of Directors of the Company
“ Catalist ”	:	The Catalist Board of the SGX-ST, the sponsor-supervised listing platform of the SGX-ST
“ Catalist Rules ”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented modified from time to time
“ CDP ”	:	The Central Depository (Pte) Limited
“ Companies Act ”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“ Company ”	:	GDS Global Limited, a company incorporated in Singapore
“ Constitution ”	:	The constitution of the Company, as amended, modified or supplemented from time to time

APPENDIX B – RULES OF THE GDS PSP

“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	As defined in the Catalist Rules, a person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in a company (unless otherwise determined by SGX-ST); or (b) in fact exercises control over a company, or shall have the meaning given to it in the SFR as the context so requires
“Date of Grant”	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5 (<i>Grant and Acceptance of Awards</i>)
“Director”	:	A person holding office as a director for the time being of the Company and/or any of its Subsidiaries, as the case may be
“Employee”	:	A confirmed employee (including an Executive Director) of the Group selected by the Remuneration Committee to participate in the Plan
“Executive Director”	:	An executive director for the time being of the Company and/or any of its Subsidiaries, holding office in an executive capacity in the Company and/or such Subsidiary
“Group”	:	The Company and its Subsidiaries
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“GDS Employee Share Option Scheme”	:	The employee share option scheme of the Company known as the “GDS Employee Share Option Scheme”, as the same may be modified or altered from time to time
“Non-executive Director”	:	A director (other than an Executive Director) from time to time of the Company and/or any of its Subsidiaries
“Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the GDS Employee Share Option Scheme
“Option Shares”	:	The Shares which may be issued upon the exercise of the Options
“Participant”	:	The holder of an Award

APPENDIX B – RULES OF THE GDS PSP

“Performance Period”	:	In relation to a performance-related Award, a period, the duration of which is to be determined by the Remuneration Committee on the Date of Grant, during which the performance condition(s) is (are) to be satisfied
“performance-related Award”	:	A performance-related Award granted under the GDS PSP where performance conditions are pre-determined
“Plan”	:	The GDS Performance Share Plan, as the same may be modified or altered from time to time
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
“Release”	:	In relation to an Award, the release at the end of the Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 (<i>Release of Awards</i>) and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7 (<i>Release of Awards</i>), the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
“Released Award”	:	An Award in respect of which the Vesting Period relating to that Award has ended and which has been released in accordance with Rule 7 (<i>Release of Awards</i>)
“Remuneration Committee”	:	The remuneration committee of the Company
“Retention Period”	:	Such retention period as may be determined by the Remuneration Committee and notified to the Participant at the grant of the relevant Award to that Participant
“Rules”	:	Rules of the Plan
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Securities Accounts”	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
“Securities and Futures Act” or “SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SFR”	:	The Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as amended, modified or supplemented from time to time
“Shareholders”	:	Registered shareholders of the Company, except where the registered holder is CDP, the term “Shareholders”

APPENDIX B – RULES OF THE GDS PSP

- shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
- “Shares”** : Fully paid ordinary shares in the capital of the Company
- “Subsidiary”** : A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
- “Time-based Awards”** : An Award where certain time-based service conditions are pre-determined
- “Trading Day”** : A day on which the Shares are traded on the SGX-ST
- “Vesting”** : In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and **“Vest”** and **“Vested”** shall be construed accordingly
- “Vesting Date”** : In relation to Shares which are the subject of a Released Award, the date (as determined by the Remuneration Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7 (*Release of Awards*)
- “Vesting Period”** : In relation to an Award, a period or periods, the duration of which is to be determined by the Remuneration Committee at the Date of Grant
- “S\$”, “SGD”, “Singapore Dollars” or “cents”** : Singapore dollars and cents, respectively, being the lawful currency of Singapore
- “%” or “percent”** : Per centum or percentage
- 2.2 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively, in Section 81SF of the Securities and Futures Act.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.4 Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.5 Any reference in the Plan 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 used in the Plan shall have the meaning assigned to it under the Companies Act.
- 3. OBJECTIVES OF THE PLAN**
- 3.1 The Plan is a performance incentive scheme which will form an integral part of the Group’s incentive compensation programme. The Plan is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give

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recognition to outstanding Employees, Associated Company Employees and Non-executive Directors who have contributed to the growth of the Group and the Associated Companies.

3.2 The objectives of the Plan are as follows:

- (a) provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group and the Associated Companies;
- (b) foster an ownership culture within the Group which aligns the interests of Participants with the interests of shareholders;
- (c) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group and the Associated Companies;
- (d) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
- (e) make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long-term growth and profitability of the Group and the Associated Companies.

4. ELIGIBILITY OF PARTICIPANTS

4.1 Any Employee or Associated Company Employee shall be eligible to participate in the Plan at the absolute discretion of the Remuneration Committee if at the Date of Grant such person must:

- (a) be confirmed in his/her employment with the Group or the Associated Companies;
- (b) have attained the age of 21 years; and
- (c) not be an undischarged bankrupt and must not have entered into a composition with his/her creditors.

4.2 Non-executive Directors (including independent Directors) who satisfy the eligibility requirements in Rule 4.1(b) and 4.1(c) shall also be eligible to participate in the Plan.

4.3 Subject to the absolute discretion of the Remuneration Committee, persons who are Controlling Shareholders and their respective Associates shall be eligible to participate in the Plan if:

- (a) they meet the eligibility requirements as set out above;
- (b) the necessary Shareholders' approvals pursuant to Rule 19 (Shareholders' Approval) have been obtained; and
- (c) all conditions for their participation in the Plan as may be required by the Catalist Rules and any other regulations and requirements of the SGX-ST from time to time are satisfied.

4.4 The eligibility of Participants to participate in the Plan, and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan and the Vesting Period shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account (a) the financial performance of the Group and the Associated Companies; (b) employee criteria such as his/her rank, years of service/appointment and job performance, potential for future development and his/her contribution to the success and development of the Group and

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the Associated Companies; and (c) in respect of a Participant being a Non-executive Director, criteria such as his/her contribution to the success and development of the Group.

In addition, for performance-related Awards, the extent of effort required to achieve the performance condition within the Performance Period shall also be considered.

- 4.5 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any of the other companies within the Group.
- 4.6 Directors and employees of the Company's parent company and its subsidiaries (other than the Group) are not entitled to participate in the Plan.
- 4.7 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Remuneration Committee, which would be exercised judiciously.

5. GRANT AND ACCEPTANCE OF AWARDS

- 5.1 Subject as provided in Rule 8 (*Limitation on the Size of the Plan*), the Remuneration Committee may grant Awards to eligible Employees, Associated Company Employees, Non-Executive Directors (including independent Directors), Controlling Shareholders and their Associates, and in each case, as the Remuneration Committee may select in its absolute discretion, at any time during the period when the Plan is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Awards may only be granted on or after the third (3rd) Market Day from the date on which such announcement is released. In addition, no Award shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's interim or final results (as the case may be).
- 5.2 The Remuneration Committee shall decide, in its absolute discretion, in relation to each Award:
- (a) the Participant;
 - (b) the Date of Grant;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the prescribed Vesting Period(s);
 - (e) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period;
 - (f) in the case of a performance-related Award, the Performance Period and the performance condition;
 - (g) in the case of a time-based Award, the time-based service condition; and
 - (h) any other condition which the Remuneration Committee may determine in relation to that Award, provided that the requirements under the Catalist Rules and any other regulations or requirements of the SGX-ST from time to time are complied with.
- 5.3 The Remuneration Committee may amend or waive the Vesting Period(s) (including in the case of a time-based Award) and, in the case of a performance-related Award, the Performance Period and/or the performance condition(s) in respect of any Award:

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- (a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or
 - (b) in the case of a performance-related Award, if anything happens which causes the Remuneration Committee to conclude that:
 - (i) a changed performance condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the performance condition(s) should be waived as the Participant has achieved a level of performance that the Remuneration Committee considers satisfactory notwithstanding that the performance condition(s) may not have been fulfilled,and shall notify the Participants of such change or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such change or waiver).
- 5.4 As soon as reasonably practicable after making an Award, the Remuneration Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award (which shall be decided by the Remuneration Committee in its absolute discretion, subject to the prevailing legislation and the Catalist Rules):
- (a) the Date of Grant;
 - (b) the number of Shares which are the subject of the Award;
 - (c) the prescribed Vesting Period(s);
 - (d) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period;
 - (e) in the case of a performance-related Award, the Performance Period and the performance condition(s);
 - (f) in the case of a Time-based Award, the time-based service condition; and
 - (g) any other condition which the Remuneration Committee may determine in relation to that Award.
- 5.5 Participants are not required to pay for the grant of Awards.
- 5.6 The grant of an Award to a Participant shall be accepted by the Participant within 30 days from the Date of Grant. The Participant may accept or refuse the whole but not part of the Award offered. If the grant of an Award is not accepted by the Participant within 30 days from the Date of Grant, the Award offered shall, upon the expiry of the aforementioned period, automatically lapse and shall forthwith become void and cease to have effect.
- 5.7 An Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Remuneration Committee and if a participant shall do, suffer or permit any such act or thing as a result of which he/she would or might be deprived of any rights under an Award without the prior approval of the Remuneration Committee, that Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award to the extent not yet released shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):

- (a) misconduct or breach of term of employment contract on the part of the Participant as determined by the Remuneration Committee at its discretion;
- (b) the Participant, for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) ceases to be in the employment of the Group or the Associated Companies; and/or
- (c) the Participant commits any breach of any of the terms of his Awards,

provided that the Awards shall be deemed not to have become void nor cease to have effect in accordance with the GDS PSP, if a Participant ceases to be employed before the release by reason of:

- (i) death of the Participant;
- (ii) ill-health, injury, disability or accident (in each case evidenced to the satisfaction of the Remuneration Committee); or
- (iii) any other ground where the release of the Award has been approved by the Remuneration Committee in writing,

in which case the Remuneration Committee can waive the Vesting Period for all or any of the Awards not yet released to the Participant or his duly appointed representative(s) under any of the above stated circumstances.

6.2 In the event of a take-over offer (whether conditional or unconditional) being made for all or any part of the Shares, the Remuneration Committee may consider at its discretion, whether or not to release such Award and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Remuneration Committee decides to release such Award, then in determining the number of Shares to be vested in respect of such Award, the Remuneration Committee will have regard to the proportion of the Vesting Period(s) which has elapsed and the extent to which the performance condition(s) (if any) has (have) been satisfied. Where such Award is Released, the Remuneration Committee will, as soon as practicable after such release, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7 (*Release of Awards*).

6.3 If before the Vesting Date, any of the following occurs:

- (a) a Participant does or suffers any act or thing whereby he would or might be deprived of the legal or beneficial ownership of the Award;
- (b) a Participant commits an act of bankruptcy or is subject to a petition for bankruptcy;
- (c) a scheme of arrangement or compromise between the Company and its Shareholders is sanctioned by a court under the Companies Act;
- (d) an order for the compulsory winding-up of the Company is made; or

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- (e) a resolution for a voluntary winding up (other than for amalgamation or reconstruction) of the Company being made,

the Remuneration Committee can consider, at its discretion, whether or not to Release any Award. If the Remuneration Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Remuneration Committee will have regard to the proportion of the Performance Period(s) which has elapsed and the extent to which the performance condition(s) has (have) been satisfied. Where such Awards are released, the Remuneration Committee will, as soon as practicable after Awards have been released, procure the allotment of such new Shares and/or transfer of treasury shares (if any) to each Participant of the number of Shares so determined in accordance with such Award, such allotment and/or transfer to be made in accordance with Rule 7 (*Release of Awards*).

7. RELEASE OF AWARDS

7.1 Review of Conditions attached to Awards

- (a) In relation to each performance-related Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Remuneration Committee shall review the performance condition(s) specified in respect of that Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be an Employee, Associated Company Employee or a Non-executive Director from the Date of Grant up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Remuneration Committee at its discretion in the case where the Remuneration Committee has determined that there has been partial satisfaction of the performance condition(s)) of the Shares to which such Participant's Award relates in accordance with the Release Schedule specified in respect of the Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

If the Remuneration Committee determines in its sole discretion that the performance condition(s) has (have) not been satisfied or if the relevant Participant (being an Employee or Associated Company Employee) has not continued to be an Employee or Associated Company Employee from the Date of Grant up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.1(a)) shall be of no effect.

The Remuneration Committee shall have the discretion to determine whether the performance condition(s) has (have) been satisfied (whether fully or partially) or exceeded and, in making any such determination, the Remuneration Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Remuneration Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the performance condition(s) if the Remuneration Committee decides that a changed performance condition would be a fairer measure of performance.

- (b) In relation to each time-based Award and subject to Rule 6 (*Events Prior to Vesting Date*), the Remuneration Committee shall determine whether the time-based service conditions (if any) applicable to that Award have satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be an Employee, Associated Company Employee or a Non-executive Director from the Date of Grant up to the end of the Vesting Period, upon the expiry of the Vesting Period in relation to a time-based Award, shall Release to that Participant all or part (as determined by the Remuneration Committee at its discretion in the case where the Remuneration Committee has determined that there has been partial satisfaction of the time-based service condition) of the Shares to which such Participant's Award relates in accordance with the Release

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Schedule specified in respect of the Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

Subject to Rule 6 (*Events Prior to Vesting Date*), if the Remuneration Committee determines in its sole discretion that the time-based service condition has not been satisfied or if the relevant Participant (being an Employee or Associated Company Employee) has not continued to be an Employee or Associated Company Employee from the Date of Grant up to the end of the relevant Vesting Period, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.1(b)) shall be of no effect.

The Remuneration Committee shall have the discretion to determine whether the time-based service condition has been satisfied (whether fully or partially) and, in making any such determination, the Remuneration Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Remuneration Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the time-based service condition if the Remuneration Committee decides that a changed time-based target would be a fairer long-term incentive plan.

- (c) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the Release of such Award in accordance with Rule 7.1(a) and/or 7.1(b) and, on the Vesting Date, the Remuneration Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- (d) Where Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for the listing and quotation of such Shares.

7.2 Release of Award

- (a) Shares which are allotted or transferred on the Release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.
- (b) The Remuneration Committee may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares which would otherwise have been Released to the Participant on the relevant Vesting Date, in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Shares, the aggregate Market Price of such Shares on such Vesting Date.

7.3 Delivery of Shares

Subject to such consent or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required or listing and quotation notice from the SGX-ST, and compliance with applicable laws, the Rules, the Constitution and the Catalist Rules, the Company shall have the flexibility to deliver Shares to Participants upon the Release of their Awards by way of:

- (a) the allotment and issuance to each Participant of the number of new Shares, deemed to be fully paid or credited upon their allotment and issuance; and/or

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- (b) the transfer of existing Shares to the Participants, including any Shares acquired by the Company pursuant to a share purchase mandate (if any) and/or held by the Company as treasury shares in accordance with applicable laws.

It is the intention of the Company that Shares will typically be delivered to Participants as soon as practicable upon the Release of their Awards by way of an issue of new Shares. However, the Company anticipates that the Company may, in very limited circumstances, purchase existing Shares on behalf of the participants upon the Release of their Awards. In determining whether to allot and issue new Shares or to purchase existing Shares for delivery to the Participants upon the Release of their Awards, the Remuneration Committee will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of the Shares, the cash position of the Company, the projected cash needs of the Company, the dilution impact (if any), the cost to the Company of either issuing new Shares or purchasing existing Shares, and the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon Release of their Awards would materially impact the Market Price of the Shares.

7.4 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company on behalf of the Participants for transfer, upon the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution; and
- (b) rank in full 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.

7.5 Moratorium

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Remuneration Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

8. LIMITATION ON THE SIZE OF THE PLAN

8.1 The aggregate number of Shares which may be issued or transferred pursuant to the Awards granted under the Award on any date, when aggregated with:

- (a) the total number of new Shares issued and issuable, and existing Shares (including treasury shares) transferred and/or transferrable pursuant to Awards already granted under the Plan; and
- (b) the aggregate number of Shares over which options and/or awards granted under any other share option, share incentive, performance share or restricted share plans implemented by the Company and for the time being in force (including the GDS Employee Share Option Scheme),

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings from time to time, if any) on the day preceding that date.

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- 8.2 The aggregate number of Shares which may be issued or transferred pursuant to the Awards granted under the Plan to Participants who are Controlling Shareholders and their Associates shall not exceed 25.0% of the total number of Shares available under the Plan.
- 8.3 The aggregate number of Shares which may be issued or transferred pursuant to the Awards granted under the Plan to each participant who is a Controlling Shareholder or his/her Associate shall not exceed 10.0% of the total number of Shares available under the Plan.
- 8.4 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Remuneration Committee under the Plan.

9. ADJUSTMENT EVENTS

- 9.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or capital reduction, sub-division of Shares, consolidation of Shares or capital distribution or otherwise howsoever) should take place, then:

- (a) the class and/or number of Award Shares to the extent not yet vested and the rights attached thereto;
- (b) the class and/or number of Shares over which future Awards may be granted under the Plan; and/or
- (c) the maximum number of Shares which may be issued pursuant to Awards granted under the Plan,

may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments, where such variation occurs after the date of vesting of the Award but the Record Date relating to such variation precedes such date of vesting and, except in relation to a bonus issue, upon the written confirmation of the Company's auditors (acting only as experts and not as arbitrators), that, in their opinion, such adjustment is fair and reasonable.

- 9.2 Unless the Remuneration Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities, the issue of securities upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares of subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment.
- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment must be made in such a way that:
- (a) a Participant will not receive a benefit that a Shareholder does not receive; and
 - (b) the Remuneration Committee after considering all relevant circumstances considers it equitable to do so.
- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued and/or transferred on the Vesting of an Award and the date on which such adjustment shall take effect.

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9.5 Notwithstanding the provisions of Rule 9.1 or that no adjustment is required under the provisions of the Plan, the Remuneration Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to in Rule 9.1 notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors (acting only as experts and not as arbitrators) to be in their opinion appropriate.

9.6 The restriction on the number of Shares to be offered to any Participant who has been granted Awards, shall not apply to the number of additional Shares or Awards over additional Shares issued or transferred by virtue of any adjustment to the number of Shares and/or Awards pursuant to this Rule 9.

10. ADMINISTRATION OF THE PLAN

10.1 The Plan shall be administered by the Remuneration Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Remuneration Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him/her or held by him/her.

10.2 The Remuneration Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Remuneration Committee.

10.3 Neither the Plan nor the grant of Award under the Plan shall impose on the Company or the Remuneration Committee any liability whatsoever in connection with:

- (a) the lapsing or early expiry of any Award pursuant to any provision of the Plan;
- (b) the failure or refusal by the Remuneration Committee to exercise, or the exercise by the Remuneration Committee of, any discretion under the Plan; and/or
- (c) any decision or determination of the Remuneration Committee made pursuant to any provision of the Plan.

10.4 Any decision or determination of the Remuneration Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to the disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Remuneration Committee shall not be required to furnish any reasons for any decision or determination made by it.

10.5 The Company shall bear the costs of establishing and administering the Plan.

11. NOTICES

11.1 A Participant shall not by virtue of being granted any Award be entitled to receive copies of any notices or other documents sent by the Company to its Shareholders.

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- 11.2 Any notice or other communication between the Company and a Participant may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office and, in the case of the Participant, his/her address as notified by him/her to the Company from time to time.
- 11.3 Any notice or other communication sent by post:
- (a) by the Company shall be deemed to have been received 24 hours after the same was put in the post properly addressed and stamped; and/or
 - (b) by the Participant shall be deemed to have been received when the same is received by the Company at the registered office of the Company.

12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Remuneration Committee, except that:
- (a) any modification or alteration which shall adversely affect the rights attached to Awards granted prior to such modification or alteration and which, in the opinion of the Remuneration Committee, materially alters the rights attaching to any Award granted prior to such modification or alteration, may only be made with the written consent of such number of Participants under the Plan who, if their Awards were released to them upon the performance conditions of their Awards (if any) being satisfied in full, would thereby be entitled to not less than 75.0% of the number of all the Shares which would fall to be issued and/or transferred upon exercise in full of all outstanding Awards under the Plan;
 - (b) any modification or alteration which would be to the advantage of Participants under the Plan shall be subject to the prior approval of Shareholders at a general meeting; and
 - (c) any modification or alteration shall be made subject to the compliance with the requirements of the Catalist Rules and the requirements of the SGX-ST and any other regulatory authorities as may be necessary.
- 12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Board may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Remuneration Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Companies Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

13. TERMS OF EMPLOYMENT UNAFFECTED

Notwithstanding the provisions of any other Rule:

- (a) the Plan or any Award shall not form part of any contract of employment between the Company, any Subsidiary or Associated Company (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with any such company shall not be affected by his/her participation in the Plan or any right which he may have to participate in it or any Award which he/she may be granted and the Plan or any Award shall afford such an individual no additional rights to

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compensation or damages in consequence of the termination of such office or employment for any reason whatsoever (whether lawful or not); and

- (b) the Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company, any Subsidiary and/or Associated Company directly or indirectly or give rise to any cause of action at law or in equity against any such company, its directors or employees.

14. DURATION OF THE PLAN

- 14.1 The Plan shall continue to be in force at the discretion of the Remuneration Committee for a maximum period of 10 years commencing on the Adoption Date, provided always that the Plan may, subject to applicable laws and regulations, continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 14.2 The Plan may be terminated at any time by the Remuneration Committee and by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be offered by the Company hereunder.
- 14.3 The termination and expiry of the Plan shall not affect Awards which have been granted, whether such Awards have been Released (whether fully or partially) or not.

15. DISCLOSURE IN ANNUAL REPORT

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Remuneration Committee;
- (b) information as required in the table below for the following Participants:
 - (i) the Directors;
 - (ii) Participants who are Controlling Shareholders or their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive Awards comprising Shares representing 5.0% or more of the total number of Shares available under the Plan,

Name of Participant	Awards granted during the financial year under review (including terms)	Aggregate Awards granted since commencement of Performance Share Plan to end of financial year under review	Aggregate Awards vested since commencement of Performance Share Plan to end of financial year under review	Aggregate Awards not yet vested as at end of financial year under review

- (c) in relation to the Plan, the following particulars:
 - (i) the aggregate number of Shares comprised in Awards granted since the commencement of the Plan to the end of the financial year under review;

APPENDIX B – RULES OF THE GDS PSP

- (ii) the aggregate number of Shares comprised in Awards which have Vested during the financial year under review and in respect of such Awards, the proportion of:
 - (1) new Shares issued; and
 - (2) where applicable, existing Shares purchased, including the range of prices at which such Shares have been purchased,upon the Vesting of Released Awards; and
- (iii) the aggregate number of Shares comprised in Awards which have not been Released as at the end of the financial year under review; and
- (d) such other information as may be required by the Catalist Rules or the Companies Act, provided that if any of the above requirements are not applicable, an appropriate negative statement should be included in the annual report, noting that disclosure in the annual report of information on Awards granted to directors and employees of the Company's parent company and its subsidiaries would not be necessary, as such persons are not Participants.

16. ABSTENTION FROM VOTING

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Plan and any modification thereof should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast in respect of the resolution. The Company will disregard any votes cast on a resolution by any person who is required to abstain from voting on a proposal at a general meeting.

In particular, all Shareholders who are eligible to participate in the Plan shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Plan; and (b) their participation in the Plan and any grant of Awards to them.

17. TAXES, COSTS AND EXPENSES OF THE PLAN

- 17.1 The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or Vesting of the relevant Award. All taxes (including income tax) arising from the grant or Vesting of any Award under the Plan shall be borne by that Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his/her participation in the Plan.
- 17.2 Notwithstanding anything herein, each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment and/or transfer of any Shares pursuant to the Release of any Award in CDP's name, 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.

18. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the Remuneration Committee shall not under any circumstances be held liable for any costs, losses, expenses liabilities or damages whatsoever and howsoever arising in respect of any matter under or in connection with the Plan, including but not limited to any delay or failure to issue, or procure the transfer of, the Shares or to apply for or procure the listing of new Shares on the SGX-ST in accordance with Rule 7.1(d) (and any other stock exchange on which the Shares are quoted or listed).

19. SHAREHOLDERS' APPROVAL

The participation of each Controlling Shareholder and each of his Associates in the Plan be specifically approved by independent Shareholders in separate resolutions for each such person. Each grant of Awards (including the actual number and the terms of the Awards to be granted) to a Controlling Shareholder or his Associates must be specifically approved by independent Shareholders in separate resolutions.

20. DISPUTES

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by the Auditors in accordance with the Plan) shall be referred to the Remuneration Committee and its decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the Plan or any Rule, regulation, procedure thereunder or as to any rights under the Plan).

21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. In addition, the Plan shall at all times, be in compliance with the Constitution, and the applicable laws and regulations of Singapore including the listing rules of the SGX-ST. The Participants, by being granted Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Option by the virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

APPENDIX C – RULES OF THE GDS ESOS

1. NAME OF THE SCHEME

This Scheme shall be called the “GDS EMPLOYEE SHARE OPTION SCHEME”.

2. DEFINITIONS

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

“Adoption Date”	:	The date on which the Scheme is adopted by the Company in general meeting
“Aggregate Subscription Cost”	:	The total amount payable for Shares which may be acquired on the exercise of an Option
“Associates”	:	As defined in the Catalist Rules
“Associated Company”	:	A company in which at least 20.0% but not more than 50.0% of its issued shares are held by the Company or the Group and over which the Company has control
“Associated Employee”	:	A confirmed employee (including directors) of an Associated Company selected by the Remuneration Committee to participate in the Scheme
“Auditors”	:	The auditors for the time being of the Company
“Award”	:	A contingent award of Shares granted under the GDS Performance Share Plan
“Board” or “Board of Directors”	:	The board of Directors of the Company
“Catalist”	:	The Catalist Board of the SGX-ST, the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	GDS Global Limited, a public company incorporated in Singapore
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time

APPENDIX C – RULES OF THE GDS ESOS

- “control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
- “Controlling Shareholder”** : As defined in the Catalist Rules, a person who:
- (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in a company (unless otherwise determined by SGX-ST); or
 - (b) in fact exercises control over a company,
- or shall have the meaning given to it in the SFR as the context so requires
- “CPF”** : The Central Provident Fund in Singapore
- “Date of Grant”** : In relation to an Option, the date on which the Option is granted pursuant to Rule 6 (*Grant and Acceptance of Options*)
- “Director”** : A person holding office as a director for the time being of the Company and/or any of its Subsidiaries, as the case may be
- “Employee”** : A confirmed employee (including an Executive Director) of the Group selected by the Remuneration Committee to participate in the Scheme
- “Executive Director”** : An executive director for the time being of the Company and/or any of its Subsidiaries, holding office in an executive capacity in the Company and/or such Subsidiary
- “Exercise Period”** : The period for the exercise of an Option, being a period commencing:
- (a) after the first (1st) anniversary of the Date of Grant and expiring on the tenth (10th) anniversary of such Date of Grant (or in relation to a Non-executive Director and/or Associated Company Employee, expiring on the fifth (5th) anniversary of such Date of Grant) in the case of a Market Price Option; and
 - (b) after the second (2nd) anniversary of the Date of Grant and expiring on the tenth (10th) anniversary of such Date of Grant (or in relation to a Non-executive Director and/or an Associated Company Employee, expiring on the fifth (5th) anniversary of such Date of Grant) in the case of an Incentive Option

APPENDIX C – RULES OF THE GDS ESOS

“Exercise Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 7 (<i>Exercise Price</i>), as adjusted in accordance with Rule 12 (<i>Adjustment Events</i>)
“Grantee”	:	The person to whom an offer of an Option is made
“Group”	:	The Company and its Subsidiaries
“Incentive Option”	:	An Option granted with the Exercise Price set at a discount to the Market Price
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Market Price”	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive Trading Days immediately preceding the Date of Grant of that Option, as determined by the Remuneration Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
“Market Price Option”	:	An Option granted with the Exercise Price set at the Market Price
“GDS Performance Share Plan”	:	The performance share plan of the Company known as the “GDS Performance Share Plan”, as the same may be modified or altered from time to time
“Non-executive Director”	:	A director (other than an Executive Director) from time to time of the Company and/or any of its Subsidiaries
“Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the Scheme
“Participant”	:	The holder of an Option
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
“Remuneration Committee”	:	The remuneration committee of the Company
“Rules”	:	Rules of the Scheme
“Scheme”	:	The GDS Employee Share Option Scheme, as the same may be modified or altered from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

APPENDIX C – RULES OF THE GDS ESOS

- “Securities Accounts”** : The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
- “Securities and Futures Act” or “SFA”** : The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
- “SFR”** : The Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, as amended, modified or supplemented from time to time
- “Shareholders”** : Registered shareholders of the Company, except where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
- “Shares”** : Fully paid ordinary shares in the capital of the Company
- “Subsidiary”** : A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
- “Trading Day”** : A day on which the Shares are traded on the SGX-ST
- “S\$”, “SGD”, “Singapore Dollars” or “cents”** : Singapore dollars and cents, respectively, being the lawful currency of Singapore
- “%” or “percent”** : Per centum or percentage
- 2.2 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively, in Section 81SF of the Securities and Futures Act.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.4 Any reference to a time of a day in the Scheme is a reference to Singapore time.
- 2.5 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in the Scheme shall have the meaning assigned to it under the Companies Act.
- 3. OBJECTIVES OF THE SCHEME**
- 3.1 The Scheme is a performance incentive scheme which will form an integral part of the Group’s incentive compensation programme. The Scheme is proposed on the basis that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding Employees, Associated Company Employees and Non-executive Directors who have contributed to the growth of the Group and the Associated Companies.

APPENDIX C – RULES OF THE GDS ESOS

- 3.2 The objectives of the Scheme are as follows:
- (a) to motivate each Participant to optimise his/her performance standards and efficiency and to maintain a high level of contribution to the Group and the Associated Companies;
 - (b) to retain key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group and the Associated Companies;
 - (c) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, the Group and the Associated Companies;
 - (d) to attract potential employees with relevant skills to contribute to the Group and the Associated Companies and to create value for the Shareholders; and
 - (e) to align the interests of the Participants with the interests of the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1 Any Employee or Associated Company Employee shall be eligible to participate in the Scheme at the absolute discretion of the Remuneration Committee if at the Date of Grant such person must:
- (a) be confirmed in his/her employment with the Group or the Associated Companies;
 - (b) have attained the age of 21 years; and
 - (c) not be an undischarged bankrupt and must not have entered into a composition with his/her creditors.
- 4.2 Non-executive Directors (including independent Directors) who satisfy the eligibility requirements in Rule 4.1(b) and 4.1(c) shall also be eligible to participate in the Scheme.
- 4.3 Subject to the absolute discretion of the Remuneration Committee, persons who are Controlling Shareholders and their respective Associates shall be eligible to participate in the Scheme if:
- (a) they meet the eligibility requirements as set out above;
 - (b) the necessary Shareholders' approvals pursuant to Rule 22 (*Shareholders' Approval*) have been obtained; and
 - (c) all conditions for their participation in the Scheme as may be required by the Catalist Rules and any other regulations and requirements of the SGX-ST from time to time are satisfied.
- 4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any of the other companies within the Group.
- 4.5 Directors and employees of the Company's parent company and its subsidiaries (other than the Group) are not entitled to participate in the Scheme.
- 4.6 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Remuneration Committee, which would be exercised judiciously.

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5. OPTION ENTITLEMENT

Subject to Rule 4 (*Eligibility of Participants*), Rule 11 (*Limitation on the size of the Scheme*) and Rule 12 (*Adjustment Events*), the number of Option Shares to be offered to a Participant shall be determined by the Remuneration Committee, in their absolute discretion. The Remuneration Committee shall consider criteria such as (a) the financial performance of the Group and the Associated Companies; (b) employee criteria such as his/her rank, and responsibilities within the Group or the relevant Associated Company, years of service/appointment and job performance, potential for future development and his/her contribution to the success and development of the Group and the Associated Companies; and (c) in respect of a participant being a Non-executive Director, criteria such as his/her contribution to the success and development of the Group.

6. GRANT AND ACCEPTANCE OF OPTIONS

6.1 Subject as provided in Rule 11 (*Limitation on the size of the Scheme*), the Remuneration Committee may grant Options at any time during the period when the Scheme is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the third (3rd) Market Day from the date on which such announcement is released. In addition, no Options shall be granted during the period of one (1) month immediately preceding the date of announcement of the Company's interim or final results (as the case may be).

6.2 The letter of offer to grant an Option shall be in, or substantially in, the form set out in Schedule A, subject to such modification as the Remuneration Committee may from time to time determine. Subject to the prevailing legislation and the Catalist Rules, the Remuneration Committee shall decide, among others, in its absolute discretion and in relation to each Option:

- (a) the Participant;
- (b) the Date of Grant;
- (c) the number of Shares comprised in the Option granted;
- (d) the Exercise Price for each Share in respect of which an Option is exercisable;
- (e) the period during which an Option may be exercised; and
- (f) any other condition which the Remuneration Committee may determine in relation to that Option, provided that the requirements under the Catalist Rules and any other regulations or requirements of the SGX-ST from time to time are complied with.

6.3 An Option shall be personal to the person 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, except with the prior approval of the Remuneration Committee.

6.4 The grant of an Option under this Rule 6 shall be accepted by the Grantee within 30 days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. (Singapore time) on the 30th day from such Date of Grant by completing, signing and returning the Acceptance Form in or substantially in the form set out in Schedule B, subject to such modification as the Remuneration Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount as the Remuneration Committee may require.

6.5 If a grant of an Option is not accepted in the manner as provided in Rule 6.4, such offer shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect.

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- 6.6 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 6 or Exercise Notice pursuant to Rule 10 (*Exercise of Options, allotment and listing of Shares*) which does not strictly comply with the terms of the Scheme.
- 6.7 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 6.8 Unless the Remuneration Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 6.4 within the 30-day period; or
 - (b) the Participant dies prior to the acceptance of the Option; or
 - (c) the Participant is adjudicated a bankrupt or enters into composition with the Participant's creditors prior to the acceptance of the Option; or
 - (d) the Grantee, being an Employee or Associated Company Employee, ceases to be in the employment of the Group or the Associated Companies or (being a Non-executive Director) ceases to be a director of the Company, in each case, for any reason whatsoever prior to the acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

7. EXERCISE PRICE

- 7.1 Subject to any adjustment pursuant to Rule 12 (*Adjustment Events*), the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Remuneration Committee, in its absolute discretion, on the Date of Grant, at:
- (a) a price equal to the Market Price; or
 - (b) a price which is set at a discount to the Market Price, provided that:
 - (i) the maximum discount shall not exceed 20.0% of the Market Price (or such other percentage or amount as may be determined by the Remuneration Committee and permitted by the SGX-ST); and
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid.
- 7.2 In making any determination under Rule 7.1(b) on whether to give a discount and the quantum of such discount, the Remuneration Committee shall be at liberty to take into consideration such criteria as the Remuneration 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 Participant;

APPENDIX C – RULES OF THE GDS ESOS

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

7.3 In the event that the Company is no longer listed on the Catalist of the SGX-ST or any other relevant stock exchange or trading in the Shares on the Catalist of the SGX-ST or such stock exchange is suspended for any reason for 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 Remuneration Committee in good faith.

8. RIGHTS TO EXERCISE OPTIONS

8.1 Subject as provided in this Rule 8 and Rule 9 (*Take-over and winding up of the Company*), a Market Price Option or an Incentive Option, as the case may be, shall be exercisable, in whole or in part, during the Exercise Period applicable to that Option.

8.2 An Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:

- (a) upon the Participant ceasing to be in employment of the Group or the Associated Companies, for any reason whatsoever;
- (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;
- (c) in the event of misconduct or breach of term of employment contract on the part of the Participant, as determined by the Remuneration Committee in its discretion; or
- (d) in the event that the Remuneration Committee shall, at its discretion, deem it appropriate that such Option shall lapse on the grounds that any of the objectives of the GDS ESOS have not been met.

8.3 If any of the following situations apply to a Participant, and at the relevant time such Participant holds any unexercised Option, such Option may, at the absolute discretion of the Remuneration Committee, be fully exercisable by the Participant or duly appointed personal representatives of the Participant (as the case may be) from the relevant time until the end of the relevant Exercise Period and upon the expiry of such period, the Option shall immediately lapse:

- (a) death of the Participant;
- (b) ill health, injury, disability or accident (in each case, evidenced to the satisfaction of the Remuneration Committee; or
- (c) any other reason approved in writing by the Remuneration Committee.

9. TAKE-OVER AND WINDING UP OF THE COMPANY

9.1 Notwithstanding Rule 8 (*Rights to exercise Options*) but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him/her and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Remuneration Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

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- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the officer and with the approvals of the Remuneration Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or
- (b) the date of expiry of the Exercise Period relating thereto,

whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies 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 Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 8 (*Rights to exercise Options*), remain exercisable until the expiry of the Exercise Period relating thereto.

- 9.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, notwithstanding Rule 8 (*Rights to exercise Options*) but subject to Rule 9.5, to exercise any Option then held by him/her, in respect of such number of Shares comprised in that Option as may be determined by the Remuneration Committee in its absolute discretion, 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 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.
- 9.3 If an order is made for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 9.4 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 9.4) and thereupon, each Participant (or his/her personal representative) shall be entitled to exercise all or any of his/her Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the Aggregate Subscription Cost whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.
- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Remuneration Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.6 To the extent that an Option is not exercised within the periods referred to in this Rule 9, it shall lapse and become null and void.

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10. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 10.1 Subject to Rule 8.1, an Option may be exercised, in whole or in part, by a Participant giving the Exercise Notice, subject to such modification as the Remuneration Committee may from time to time determine. Every Exercise Notice must be accompanied by payment in cash for the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Remuneration Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the Aggregate Subscription Cost. All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.
- 10.2 Subject to such consent or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals or listing and quotation notice required from the SGX-ST, and compliance with applicable laws, the Rules, the Constitution and the Catalyst Rules, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:
- (a) the allotment and issuance to each Participant of the number of new Shares, deemed to be fully paid or credited upon their allotment and issuance; and/or
 - (b) the transfer of existing Shares to the Participants, including any Shares acquired by the Company pursuant to a share purchase mandate (if any) and/or held by the Company as treasury shares in accordance with applicable laws.

It is the intention of the Company that Shares will typically be delivered to Participants as soon as practicable upon the exercise of their Options by way of an issue of new Shares. However, the Company anticipates that the Company may, in very limited circumstances, purchase existing Shares on behalf of the participants upon the exercise of their Options. In determining whether to allot and issue new Shares or to purchase existing Shares for delivery to the participants upon the exercise of their Options, the Remuneration Committee will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing Market Price of the Shares, the cash position of the Company, the projected cash needs of the Company, the dilution impact (if any), the cost to the Company of either issuing new Shares or purchasing existing Shares, and the liquidity of the Shares based on the average daily trading volume of the Shares, and in particular whether the repurchase by the Company of existing Shares to deliver to Participants upon exercise of their Options would materially impact the Market Price of the Shares.

- 10.3 Subject to all such consents or other required action of any competent authority under any regulations or enactment for the time being in force as may be necessary and subject to the compliance with the terms of the Scheme and the Constitution, the Company shall, as soon as practicable after the exercise of an Option, allot and issue and/or transfer or procure the transfer (as the case may be) the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Remuneration Committee may deem fit. Where new Shares are allotted upon the exercise of an Option, 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, if necessary.
- 10.4 Shares which are issued or transferred on the exercise of an Option by a Participant shall be issued or transferred (as the case may be) in the name of CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, as the participant may elect.

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- 10.5 New Shares allotted and issued, and existing Shares procured by the Company for transfer on exercise of an Option shall:
- (a) be subject to all the provisions of the Constitution; and
 - (b) rank in full 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 date upon which such exercise occurred, and shall in all other respects rank *pari passu* with other existing Shares then in issue.
- 10.6 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

11. LIMITATION ON THE SIZE OF THE SCHEME

- 11.1 The aggregate number of Shares which may be issued and/or transferred pursuant to the exercise of Options to be granted under the Scheme on any date, when aggregated with:
- (a) the total number of new Shares issued and issuable, and existing Shares (including treasury shares) transferred and/or transferable pursuant to Options already granted under the Scheme; and
 - (b) the aggregate number of Shares over which options and/or awards granted under any other share option, share incentive, performance share or restricted share plans implemented by the Company and for the time being in force (including the GDS Performance Share Plan),

shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings from time to time, if any) on the day preceding that date.

- 11.2 The aggregate number of Shares which may be issued and/or transferred pursuant to the exercise of the Options granted under the Scheme to Participants who are Controlling Shareholders and their Associates shall not exceed 25.0% of the total number of Shares available under the Scheme.
- 11.3 The number of Shares which may be issued and/or transferred pursuant to the exercise of Options granted under the Scheme to each Participant who is a Controlling Shareholder or his/her Associate shall not exceed 10.0% of the total number of Shares available under the Scheme.
- 11.4 Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options granted by the Remuneration Committee under the Scheme.

12. ADJUSTMENT EVENTS

- 12.1 If a variation in the issued share capital of the Company (whether by way of capitalisation of profits or reserves or rights issue, or capital reduction, sub-division of Shares, consolidation of Shares or capital distribution, or otherwise howsoever) should take place, then:
- (a) the Exercise Price in respect of the Shares, comprised in the Option to the extent unexercised; and/or
 - (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 maximum entitlement in any one (1) financial year; and/or

APPENDIX C – RULES OF THE GDS ESOS

- (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration 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 bonus issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that, in their opinion, such adjustment is fair and reasonable.

- 12.2 Unless the Remuneration Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities, the issue of securities upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares of subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Catalist Rules, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment.

- 12.3 Notwithstanding the provisions of Rule 12.1, any adjustment must be made in such a way that:

- (a) a Participant will not receive a benefit that a Shareholder does not receive; and
- (b) the Remuneration Committee after considering all relevant circumstances considers it equitable to do so.

- 12.4 Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth the Exercise Price thereafter in effect and class and/or number of Shares thereafter to be issued and/or transferred on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

- 12.5 The restriction on the number of Shares to be offered to any Participant who has been granted Options, shall not apply to the number of additional Shares or Options over additional Shares issued or transferred by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 12.

13. ADMINISTRATION OF THE SCHEME

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

- 13.2 The Remuneration Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme, to give effect to the provisions of the Scheme and/or to enhance the benefit of the grant of Options to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Scheme and any dispute and uncertainty as to the interpretation of the Scheme, any rule, regulation or procedure thereunder or any rights under the Scheme shall be determined by the Remuneration Committee.

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- 13.3 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Remuneration Committee any liability whatsoever in connection with:
- (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme;
 - (b) the failure or refusal by the Remuneration Committee to exercise, or the exercise by the Remuneration Committee of, any discretion under the Scheme; and/or
 - (c) any decision or determination of the Remuneration Committee made pursuant to any provision of the Scheme.
- 13.4 Any decision or determination of the Remuneration Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive.
- 13.5 The Company shall bear the costs of establishing and administering the Scheme.

14. NOTICES

- 14.1 A Participant shall not by virtue of being granted any Option be entitled to receive copies of any notices or other documents sent by the Company to its Shareholders.
- 14.2 Any notice or other communication between the Company and a Participant may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office and, in the case of the Participant, his/her address as notified by him/her to the Company from time to time.
- 14.3 Any notice or other communication sent by post:
- (a) by the Company shall be deemed to have been received 24 hours after the same was put in the post properly addressed and stamped; and/or
 - (b) by the Participant shall be irrevocable, and shall be deemed to have been received when the same is received by the Company at the registered office of the Company.

15. MODIFICATIONS TO THE SCHEME

- 15.1 Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Remuneration Committee, except that:
- (a) any modification or alteration which shall adversely affect the rights attached to Option granted prior to such modification or alteration and which, in the opinion of the Remuneration Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the written consent of such number of participants under the Scheme who, if they exercised their Options in full, would thereby become entitled to not less than 75.0% of the number of all the Shares which would fall to be issued and/or transferred upon exercise in full of all outstanding Options under the Scheme;
 - (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
 - (c) any modification or alteration shall be made subject to the compliance with the requirements of the Catalist Rules and the requirements of the SGX-ST and any other regulatory authorities as may be necessary.

APPENDIX C – RULES OF THE GDS ESOS

- 15.2 Notwithstanding anything to the contrary contained in Rule 15.1, the Remuneration Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 15.3 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

16. TERMS OF EMPLOYMENT UNAFFECTED

Notwithstanding the provisions of any other Rule:

- (a) the Scheme or any Option shall not form part of any contract of employment between the Company, any Subsidiary or Associated Company (as the case may be) and/or any Employee or Associated Company Employee and the rights and obligations of any individual under the terms of the office or employment with any such company shall not be affected by his/her participation in the Scheme or any right which he may have to participate in it or any Option which he/she may be granted and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever (whether lawful or not); and
- (b) the Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company, any Subsidiary and/or Associated Company directly or indirectly or give rise to any cause of action at law or in equity against any such company, its directors or employees.

17. DURATION OF THE SCHEME

- 17.1 The Scheme shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 17.2 The Scheme may be terminated at any time by the Remuneration Committee, at the discretion of the Remuneration Committee, or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 17.3 The termination and expiry of the Scheme shall not affect Options which have been granted and accepted as provided in Rule 6.4, whether such Options have been exercised (whether fully or partially) or not.

18. DISCLOSURE IN ANNUAL REPORT

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Scheme continues in operation:

- (a) the names of the members of the Remuneration Committee;
- (b) the information in respect of Options granted to the following Participants in the table set out below:

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- (i) the Directors;
- (ii) Participants who are Controlling Shareholders or their Associates; and
- (iii) Participants, other than those in (i) or (ii) above, who received 5.0% or more of the total number of Options available under the Scheme;

Name of Participant	Number of Options Granted during Financial Year under Review (including terms)	Aggregate Number of Options Granted since Commencement of Scheme to End of Financial Year under Review	Aggregate Number of Options Exercised since Commencement of Scheme to End of Financial Year under Review	Aggregate Number of Options Outstanding as at End of Financial Year under Review

- (c) the number of Incentive Options during the financial year under review in the following bands:

Discount to the Market Price (%)	Aggregate Number of Incentive Options Granted during the Financial Year under Review	Proportion of Incentive Options to Market Price Options Granted during the Financial Year under Review
0 – 10		
>10 – 20		

- (d) such other information as may be required by the Catalist Rules or the Companies Act,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included in the annual report, noting that disclosure in the annual report of information on Options granted to directors and employees of the Company's parent company and its subsidiaries would not be necessary as such persons are not Participants.

19. ABSTENTION FROM VOTING

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Scheme and any modification thereof and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast. The Company will disregard any votes cast on a resolution by any person who is required to abstain from voting on a proposal at a general meeting.

In particular, all Shareholders who are eligible to participate in the Scheme shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Scheme; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

20. TAXES, COSTS AND EXPENSES OF THE SCHEME

- 20.1 The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of any Option. All taxes (including income tax) arising from the grant or exercise of any Option under the Scheme shall be borne by that Participant. The Company shall not be responsible for any failure by the

APPENDIX C – RULES OF THE GDS ESOS

Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his/her participation in the Scheme.

- 20.2 Notwithstanding anything herein, each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment and/or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP or the Participant's securities sub-account with a Depository Agent or CPF investment account with a CPF agent bank.

21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the Remuneration Committee shall not under any circumstances be held liable for any costs, losses, expenses liabilities or damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme, including but not limited to any delay or failure to issue, or procure the transfer of, the Shares or to apply for or procure the listing of new Shares on the SGX-ST in accordance with Rule 10.2 (and any other stock exchange on which the Shares are quoted or listed).

22. SHAREHOLDERS' APPROVAL

The participation of each Controlling Shareholder and each of his Associates in the Scheme be specifically approved by independent Shareholders in separate resolutions for each such person. Each grant of Options (including the actual number and the terms of the Options to be granted) to a Controlling Shareholder or his Associates must be specifically approved by independent Shareholders in separate resolutions.

23. CONDITION OF OPTION

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

24. DISPUTES

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by the Auditors in accordance with the Scheme) shall be referred to the Remuneration Committee and its decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the Scheme or any Rule, regulation, procedure thereunder or as to any rights under the Scheme).

25. GOVERNING LAW

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. In addition, the Scheme shall at all times, be in compliance with the Constitution, and the applicable laws and regulations of Singapore including the listing rules of the SGX-ST. The Participants, by being granted Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

26. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

No person other than the Company or a Participant shall have any right to enforce any provision of the Scheme or any Option by the virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

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Schedule A

GDS EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: _____

Date: _____

PRIVATE AND CONFIDENTIAL

To: **[Name]**
[Designation]
[Address]

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the GDS Employee Share Option Scheme (the “**Scheme**”), you have been nominated to participate in the Scheme by the Remuneration Committee (the “**Remuneration Committee**”) appointed by the Board of Directors of GDS Global Limited (the “**Company**”) to administer the Scheme. Terms as defined in the Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00 (or such equivalent in other currencies), an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$ _____ for each Share.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Remuneration Committee.
4. The Option shall be subject to the terms of the Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 (or such equivalent in other currencies) not later than 5.00 p.m. (Singapore time) on _____, failing which this offer will lapse.

Yours faithfully,

For and on behalf of
GDS GLOBAL LIMITED

Name:

Designation:

APPENDIX C – RULES OF THE GDS ESOS

Schedule B

GDS EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No: _____

Date: _____

To: The Remuneration Committee,
GDS Employee Share Option Scheme
GDS Global Limited
[Address]

Closing Date for Acceptance of Option : _____

Number of Shares Offered : _____

Exercise Price for each Share : S\$ _____

Total Amount Payable on Acceptance of Option
(exclusive of the relevant CDP charges) : S\$ _____

I have read your Letter of Offer dated _____ (the “**Date of Grant**”) and agree to be bound by the terms thereof and of the GDS Employee Share Option Scheme stated therein. 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 acquire such shares.

I hereby accept the Option to subscribe for _____ ordinary shares in the capital of GDS Global Limited (the “**Shares**”) at S\$ _____ per Share and enclose cash/banker’s draft/cashier’s order/postal order no. _____ for S\$1.00 (or such equivalent in other currencies) 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 relating to or in connection with the issue and allotment or transfer of any Shares in CDP’s name, the deposit of share certificates with CDP, my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the “**CDP charges**”).

I confirm that 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;
- (b) I satisfy the eligibility requirements to participate in the Scheme as defined in Rule 4 (*Eligibility of Participants*) of the Scheme; and
- (c) I satisfy the other requirements to participate in the Scheme as set out in the Rules of the Scheme.

APPENDIX C – RULES OF THE GDS ESOS

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 accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

I agree to keep all information pertaining to the grant of the Option to me confidential.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

***NRIC/Passport No.** : _____

Signature : _____

Date : _____

* Delete accordingly

Notes:

- (1) The form entitled "*Exercise Notice*" must be forwarded to the Remuneration Committee in an envelope marked "*Private and Confidential*".

APPENDIX C – RULES OF THE GDS ESOS

Schedule C

GDS EMPLOYEE SHARE OPTION SCHEME

EXERCISE NOTICE

To: The Remuneration Committee,
GDS Employee Share Option Scheme
GDS Global Limited
[Address]

Total number of ordinary shares (the “**Shares**”) :
offered at S\$_____ for each Share
(the “**Exercise Price**”) under the GDS Employee
Share Option Scheme on _____

Number of Shares previously allotted and issued or :
transferred thereunder _____

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

Number of Shares now to be subscribed : _____

1. Pursuant to your Letter of Offer dated _____ (the “**Date of Grant**”) and my
acceptance thereof, I hereby exercise the Option to acquire Shares in GDS Global Limited (the
“**Company**”) at S\$_____ per Share.

2. I hereby request the Company to allot and issue or transfer to me the number of Shares specified
in paragraph 1 in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my
Securities Account with the CDP/Securities Sub-Account with a Depository Agent specified below
and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear
such fees or other charges as may be imposed by CDP (the “**CDP charges**”) and any stamp duties
in respect thereof:

*(a) Direct Securities Account Number : _____

*(b) Securities Sub-Account Number : _____

Name of Depository Agent : _____

3. I enclose a cheque/cashier’s order/bank draft/postal order no. _____ for S\$_____
in payment for the Exercise Price of S\$_____ for the total number
of the said Shares and the CDP charges of S\$_____.

4. I agree to acquire the Shares subject to the terms of the Letter of Offer, the GDS ESOS (as the
same may be amended pursuant to the terms thereof from time to time) and the Constitution of the
Company.

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

APPENDIX C – RULES OF THE GDS ESOS

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

***NRIC/Passport No.** : _____

***Direct Securities Account No.** : _____

OR

***Sub-Account No.** : _____

Name of Depository Agent : _____

Signature : _____

Date : _____

* Delete accordingly

Notes:

- (1) The form entitled "*Exercise Notice*" must be forwarded to the Remuneration Committee in an envelope marked "*Private and Confidential*".

NOTICE OF EXTRAORDINARY GENERAL MEETING

GDS GLOBAL LIMITED

(Company Registration Number: 201217895H)
(Incorporated in the Republic of Singapore on 19 July 2012)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of GDS Global Limited (the “**Company**”) will be held on 1 July 2024 at 10.00 a.m. (Singapore time), at 86 International Road, Singapore 629176, Level 3, for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions, with or without any amendment:

*All capitalised terms used in this Notice of EGM which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Company’s circular to Shareholders dated 14 June 2024 (including any supplements and modifications thereto) (the “**Circular**”).*

ORDINARY RESOLUTION 1:

THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 112,000,000 NEW ORDINARY SHARES (THE “RIGHTS SHARES”) IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.02 PER RIGHTS SHARE, WITH UP TO 224,000,000 FREE DETACHABLE UNLISTED AND TRANSFERABLE WARRANTS (“WARRANTS”), ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY AT THE RIGHTS ISSUE RECORD DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED, AND TWO (2) WARRANTS FOR EVERY ONE (1) RIGHTS SHARE VALIDLY SUBSCRIBED

THAT the renounceable non-underwritten rights cum warrants issue of up to 112,000,000 Rights Shares at the issue price of S\$0.02 per Rights Share, with up to 224,000,000 Warrants, with each Warrant entitling the holder thereof to subscribe for one (1) new ordinary share (“**Warrant Share**”) in the capital of the Company at an exercise price of S\$0.06 per Warrant Share, on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company held by the shareholders of the Company (the “**Shareholders**”) at a time and date to be determined by the Directors and announced by the Company in due course (the “**Rights Issue Record Date**”), and two (2) Warrants for every one (1) Rights Share validly subscribed, fractional entitlements to be disregarded (the “**Proposed Rights Cum Warrants Issue**”), be and is hereby approved and authority be and is hereby given to the Directors to:

- (a) create and issue:
 - (i) such number of Rights Shares as the Directors may determine up to 112,000,000 Rights Shares at an issue price of S\$0.02 for each Rights Share;
 - (ii) such number of Warrants as the Directors may determine up to 224,000,000 Warrants in registered form to be issued together with the Rights Shares, each such Warrant to entitle the holder thereof to subscribe for one (1) Warrant Share at an exercise price of S\$0.06 for each Warrant Share at any time during the period commencing on the date of issue of the Warrants and expiring at 5.00 p.m. (Singapore time) on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants subject to the terms and conditions of the deed poll to be executed by the Company constituting the Warrants (the “**Deed Poll**”) on such terms and conditions as the Directors may deem fit; and
 - (iii) such additional Warrants as may be required or permitted to be issued pursuant to the terms and conditions of the Deed Poll (any such additional Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Deed Poll);
- (b) provisionally allot and issue up to 112,000,000 Rights Shares with up to 224,000,000 Warrants at an

NOTICE OF EXTRAORDINARY GENERAL MEETING

- issue price of S\$0.02 for each Rights Share on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company held by the Shareholders as at the Rights Issue Record Date, and two (2) free Warrants for every one (1) Rights Share validly subscribed, fractional entitlements to be disregarded;
- (c) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
- (i) up to 224,000,000 Warrant Shares on the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Deed Poll, such Warrant Shares (when issued and paid) to rank *pari passu* in all respects with the then existing shares of the Company (save as may otherwise be provided in the terms and conditions of the Deed Poll) save for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the Warrant Shares; and
 - (ii) on the same basis as paragraph (c)(i) above, such additional ordinary shares in the capital of the Company as may be required to be allotted and issued on the exercise of any of the Warrants referred to in paragraph (a)(iii) above; and
- (d) effect the Proposed Rights Cum Warrants Issue on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may deem fit:
- (i) the provisional allotments of the Rights Shares with Warrants under the Proposed Rights Cum Warrants Issue shall be made on a renounceable basis to the Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited (“**CDP**”) as at the Rights Issue Record Date with registered addresses in Singapore or who have, at least three (3) Market Days prior to the Rights Issue Record Date, provided to the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents, on the basis of one (1) Rights Share for every one existing ordinary shares in the capital of the Company then held by the Shareholders, and two (2) Warrants for every one (1) Rights Share validly subscribed or in such other proportions as the Directors may deem fit;
 - (ii) no provisional allotment of the Rights Shares with Warrants shall be made in favour of Shareholders with registered addresses outside Singapore as at the Rights Issue Record Date or who have not, at least three (3) Market Days prior thereto, provided to the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”);
 - (iii) the entitlements to the Rights Shares with Warrants which would otherwise be provisionally allotted to Foreign Shareholders shall be disposed of or otherwise dealt with by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the rights entitlements relating thereto to purchasers thereof and to deal with the net proceeds from all such sales (if any), after deduction of all expenses therefrom, at the discretion of the Company in accordance with the terms to be set out in the Offer Information Statement;
 - (iv) the entitlements to the Rights Shares with Warrants not taken up or allotted for any reason (other than allotments to Foreign Shareholders referred to above) shall be used to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Catalist Rules; and
 - (v) the Rights Shares when issued and fully paid up will rank *pari passu* in all respects with the then existing ordinary shares in the capital of the Company, save for any dividends, rights, allotments or other distribution, the record date for which falls before the date of issue of the

NOTICE OF EXTRAORDINARY GENERAL MEETING

Rights Shares,

and the Directors be and are hereby authorised to take such steps, do all such acts and things, make such amendments to the terms of the Proposed Rights Cum Warrants Issue, the Rights Shares, the Warrants and the Warrant Shares, and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters and the transactions contemplated and/or authorised by this Resolution 1.

ORDINARY RESOLUTION 2:

THE PROPOSED ADOPTION AND IMPLEMENTATION OF THE GDS PERFORMANCE SHARE PLAN

THAT:

- (a) the performance share plan to be known as the “GDS Performance Share Plan” (the “**GDS PSP**”), the summary of which is set out in, and the rules of which (the “**GDS PSP Rules**”) have been appended as **Appendix B** (*Rules of the GDS PSP*) to, the Circular and under which awards (the “**Awards**”) of fully paid-up Shares will be granted, free of charge to such selected eligible persons on such terms and conditions and in accordance with the GDS PSP Rules, be and is hereby approved and adopted; and
- (b) the Directors and/or the Remuneration Committee, be and are hereby authorised as follows:
 - (i) to establish and administer the GDS PSP;
 - (ii) to modify and/or amend the GDS PSP from time to time, provided that such modifications and/or amendments are effected in accordance with the GDS PSP Rules and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the GDS PSP;
 - (iii) in accordance with Section 161 of the Companies Act, to grant Awards in accordance with the GDS PSP Rules and to allot and issue or deliver, from time to time, such number of new Shares required pursuant to the vesting of the Awards under the GDS PSP (provided that the aggregate number of Shares over which options or awards are granted under the GDS PSP, the GDS ESOS (as defined below) and any other share-based incentive schemes or share plans of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time));
 - (iv) subject to the same being allowed by law, to apply any Share purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any shares held in treasury) towards the satisfaction of the Awards granted under the GDS PSP; and
 - (v) to complete and do all acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the transactions contemplated and authorised by this resolution or as they shall deem fit in the interests of the Company.

ORDINARY RESOLUTION 3:

THE PROPOSED ADOPTION AND IMPLEMENTATION OF THE GDS EMPLOYEE SHARE OPTION SCHEME

THAT:

- (a) the employee share option scheme to be known as the “GDS Employee Share Option Scheme” (the

NOTICE OF EXTRAORDINARY GENERAL MEETING

“**GDS ESOS**”), the summary of which is set out in, and the rules of which (the “**GDS ESOS Rules**”) have been appended to as **Appendix C** (*Rules of the GDS ESOS*) to, the Circular and under which options of the Company (the “**Options**”) will be granted to such selected eligible persons to subscribe for Shares in the Company on such terms and conditions and in accordance with the GDS ESOS Rules, be and is hereby approved and adopted; and

- (b) the Directors and/or the Remuneration Committee, be and are hereby authorised as follows:
- (i) to establish and administer the GDS ESOS;
 - (ii) to modify and/or amend the GDS ESOS from time to time, provided that such modifications and/or amendments are effected in accordance with the GDS ESOS Rules and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the GDS ESOS;
 - (iii) in accordance with Section 161 of the Companies Act, to grant Options in accordance with the GDS ESOS Rules and to allot and issue or deliver, from time to time, such number of new Shares required pursuant to the exercise of the Options under the GDS ESOS (provided that the aggregate number of Shares over which options or awards are granted under the GDS ESOS, the GDS PSP and any other share-based incentive schemes or share plans of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time));
 - (iv) subject to the same being allowed by law, to apply any Share purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any shares held in treasury) towards the satisfaction of the Options granted under the GDS ESOS; and
 - (v) to complete and do all acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the transactions contemplated and authorised by this resolution or as they shall deem fit in the interests of the Company.

ORDINARY RESOLUTION 4:

THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS UNDER THE GDS EMPLOYEE SHARE OPTION SCHEME AT A DISCOUNT

THAT, subject to and contingent upon Ordinary Resolution 3 as set out in this Notice of EGM being approved:

- (a) approval be and is hereby given for Options to be granted under the GDS ESOS with exercise prices set at a discount not exceeding 20.0% of the Market Price (as defined below) for the Shares at the time of the grant of the Option, provided that such discount does not exceed the relevant limits set by the SGX-ST from time to time; and
- (b) in this Notice of EGM, the term (i) “**Market Price**” means the average of the last dealt prices 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 Date of Grant 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, rounded to the nearest whole cent in the event of fractional prices; and (ii) “**Market Day**” means a day on which the SGX-ST is open for trading in securities.

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ORDINARY RESOLUTION 5:

THE PROPOSED PARTICIPATION OF MR. TANG HEE SUNG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE GDS PERFORMANCE SHARE PLAN

THAT, subject to and contingent upon Ordinary Resolution 2 as set out in this Notice of EGM being approved, the participation by Mr. Tang Hee Sung, a Controlling Shareholder of the Company, in the GDS PSP, be and is hereby approved.

ORDINARY RESOLUTION 6:

THE PROPOSED PARTICIPATION OF MR. TANG HEE SUNG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE GDS EMPLOYEE SHARE OPTION SCHEME

THAT, subject to and contingent upon Ordinary Resolution 3 set out in this Notice of EGM being approved, the participation by Mr. Tang Hee Sung, a Controlling Shareholder of the Company, in the GDS ESOS, be and is hereby approved.

ORDINARY RESOLUTION 7:

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

THAT,

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Percentage (defined below), at such price(s) as may be determined by the directors of the Company from time to time up to the Maximum Price (defined below), whether by way of:
- (i) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchases ("**Off-Market Purchases**"), (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution relating to the Share Buyback Mandate and expiring on:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held, whichever is the earlier;
 - (ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting; or
 - (iii) the date on which the acquisition or purchase of Shares have been carried out to the full extent

NOTICE OF EXTRAORDINARY GENERAL MEETING

mandated under the Share Buyback Mandate,

whichever is the earliest;

(c) in this Resolution relating to the Share Buyback Mandate:

“Maximum Percentage” means the number of issued Shares representing 10.0% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date);

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase of a Share, 105.0% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase of a Share, 120.0% of the Average Closing Price of the Shares;

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the market purchase by the Company 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, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

“day of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

- (d) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors of the Company; either be cancelled or held in treasury and dealt with in accordance with the Companies Act; and
- (e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/ or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution 7.

BY ORDER OF THE BOARD OF DIRECTORS

Low Mei Mei, Maureen,
Chiang Wai Ming
Joint Company Secretaries

Singapore, 14 June 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM will be held on 1 July 2024 at 10.00 a.m. (Singapore time), at 86 International Road, Singapore 629176, Level 3. The EGM will be convened in a **physical format** only and **there will be no option for members of the Company to participate virtually**. Printed copies of the Circular will NOT be despatched to members as the Company's Constitution provides for the use of electronic communications pursuant to the Catalist Rules (all as defined herein). Accordingly, only hardcopies of this Notice of EGM, Proxy Form and Request Form will be sent by post to members. Members who wish to obtain a printed copy of the Circular by way of ordinary post to an address in Singapore should complete the Request Form and return it to the registered office of the Company at 86 International Road, Singapore 629176 or via email to finance@Gliderol.com.sg, no later than 24 June 2024. A printed copy will be mailed to such members upon receiving their request.
2. The Circular, Notice of EGM, Proxy Form and Request Form will be made available on SGXNet at <https://www.sqx.com/securities/company-announcements> and may be accessed at the Company's website at <http://www.qdsglobal.com.sg>. An internet browser and PDF reader are required to view these documents on SGXNet or the Company's website.
3. Members (including Supplementary Retirement Scheme investors ("**SRS Investors**")) may participate in the EGM by:
 - (a) attending the EGM in person;
 - (b) raising questions at the EGM or submitting questions in advance of the EGM; and/or
 - (c) voting at the EGM either by themselves personally or through their duly appointed proxy(ies).
4. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.
5. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in section 181(6) of the Companies Act 1967 of Singapore, being either:

 - (a) a banking corporation licensed under the Banking Act 1970, 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 market services license to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953, 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
6. SRS Investors may attend and cast his/her vote(s) at the EGM in person. SRS Investors who are unable to attend the EGM but would like to vote, may inform their SRS Operators to appoint the Chairman of the EGM to act as their proxy, at least seven (7) Business Days before the EGM (i.e. by **10.00 a.m. (Singapore time) on 20 June 2024**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form.
7. If no specific direction as to voting or abstentions from voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion (except where the Chairman of the EGM is appointed as the member's proxy, in which case the appointment of the Chairman of the EGM as the member's proxy for the resolution will be treated as invalid).
8. A proxy, including the Chairman of the EGM, need not be a member of the Company.
9. The Proxy Form must be submitted to the Company in the following manner:
 - (a) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. by email at srs.proxy@boardroomlimited.com; or

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; and

in either case **no later than 10.00 a.m. (Singapore time) on 28 June 2024** (being not less than seventy-two (72) hours before the time appointed for holding the EGM), and in default the Proxy Form shall not be treated as valid. A member who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before sending it by email to the email address provided above.

The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised or in such manner as appropriate under the applicable laws. A copy of the power of attorney or such other authority must be submitted together with the Proxy Form, failing which the Proxy Form may be treated as invalid.

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time fixed for holding the EGM, as certified by the CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend, speak and vote at the EGM unless his name appears on the Depository Register seventy-two (72) hours before the time fixed for holding the EGM.

10. Members may raise questions which are substantial and relevant to the Proposals tabled for approval at the EGM by writing to the Company in advance of the EGM. For Members who would like to submit questions in advance of the EGM, they may do so in the following manner:

(a) by email to srs.teamd@boardroomlimited.com; or

(b) by post to the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632,

in either case, by 5.00 p.m. (Singapore time) on 21 June 2024.

Members submitting questions are requested to state: (i) their full name (for individuals) / company name (for corporates); (ii) the member's identification / registration number; (iii) email address; (iv) contact number; and (v) shareholding type and number of shares held, failing which the Company shall be entitled to regard the submission as invalid. Investors who hold Shares through relevant intermediaries, including under SRS, should approach their respective SRS Operators to submit their questions based on the abovementioned instructions. For questions submitted in advance of the EGM, the Company will endeavour to address the questions which are substantial and relevant to the agenda of the EGM prior to the EGM and by publication on SGXNET and the Company's website at <http://www.gdsglobal.com.sg> by 10.00 a.m. (Singapore time) on 26 June 2024. Where substantial and relevant questions submitted by Shareholders are unable to be addressed prior to the EGM, including any questions received by the Company after 5.00 p.m. (Singapore time) on 21 June 2024, the Company will address them during the EGM.

11. For verification purposes, when submitting any questions via email, Shareholders MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held), failing which the submission will be treated as invalid.

PERSONAL DATA PRIVACY:

Where a member of the Company submits a Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

The contact person for the Sponsor is Ms Audrey Mok (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

PROXY FORM

GDS GLOBAL LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 201217895H

IMPORTANT:

1. The Extraordinary General Meeting (the "EGM") of GDS Global Limited (the "Company") will be held on 1 July 2024 at 10.00 a.m. (Singapore time) at 86 International Road Singapore 629176, Level 3.
2. An investor who holds shares under the Supplementary Retirement Scheme (the "SRS Investor") (as may be applicable) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies. Alternatively, SRS Investors may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective SRS Operators to submit their votes at least seven (7) Business Days before the EGM (i.e. by 10.00 a.m. (Singapore time) on 20 June 2024), and such SRS Investors shall be precluded from attending the EGM.
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purported to be used by them.

*I/We _____ NRIC/Passport/Co. Registration No. _____

of _____

being *a member/members of **GDS GLOBAL LIMITED** hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

or failing the person, or either or both of the persons referred to above, the Chairman of the EGM as *my/our *proxy/proxies to attend, speak or vote on *my/our behalf at the EGM of the Company to be held at 86 International Road Singapore 629176, Level 3 on 1 July 2024 at 10.00 a.m. (Singapore time) and at any adjournment thereof.

*I/We have directed *my/our proxy/proxies to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. If no specific directions as to voting or abstentions from voting are given, the *proxy/proxies may vote or abstain from voting at *his/their discretion, as *he/they will on any other matters arising at the EGM and/or at any adjournment thereof (except where the Chairman of the EGM is appointed as my proxy, in which case the appointment of the Chairman of the EGM as my proxy for the resolution will be treated as invalid).

Voting would be conducted by poll. Please indicate your vote "For" or "Against" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing the Chairman not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

No.	Ordinary Resolutions Relating To	For	Against	Abstain
1.	To approve the Proposed Rights Cum Warrants Issue.			
2.	To approve the Proposed GDS PSP.			
3.	To approve the Proposed GDS ESOS.			
4.	To approve the Proposed GDS ESOS Discount.			

PROXY FORM

5.	To approve the Proposed Participation of Mr. Tang Hee Sung in the GDS PSP.			
6.	To approve the Proposed Participation of Mr. Tang Hee Sung in the GDS ESOS.			
7.	To approve the Proposed Adoption of the Share Buyback Mandate.			

*Delete where applicable

All capitalised terms used in this Proxy Form which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Company's Circular to Shareholders dated 14 June 2024 (including any supplements and modifications thereto).

Dated this _____ day of _____ 2024

Total Number of Shares Held

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

IMPORTANT
PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. This Proxy Form may be downloaded from SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: <http://www.qdsglobal.com.sg>.
2.
 - (a) A member (who is not a relevant intermediary) entitled to attend, speak and vote at the EGM is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in this Proxy Form (expressed as a percentage of a whole). If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's Proxy Form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in this Proxy Form. In such event, the relevant intermediary shall submit a list of its proxies setting out number and class of shares in relation to which each proxy has been appointed together with the information required in this Proxy Form to the Company.
3. **"Relevant intermediary"** has the meaning ascribed to it in section 181(6) of the Act, being either:
 - (a) a banking corporation licensed under the Banking Act 1970, 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 market services license to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
 - (c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act 1953, 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
4. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. This Proxy Form must be submitted to the Company in the following manner: (a) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com; or (b) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632, **in each case, by 10.00 a.m. (Singapore time) on 28 June 2024 (not less than 72 hours before the time appointed for holding the EGM).**
6. A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can download a copy of this Proxy Form from the Company's website and SGXNet, and complete and sign this Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
7. Subject to note 11, completion and return of this Proxy Form does not preclude a member from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under this Proxy Form, to the EGM.
8. This Proxy Form must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
9. Where this Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if this Proxy Form is submitted by post, be lodged with this Proxy Form or, if this Proxy Form is submitted electronically via email, be emailed with this Proxy Form, failing which this Proxy Form may be treated as invalid.
10. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
11. SRS Investors: (a) may attend and cast their vote(s) at the EGM in person if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they

PROXY FORM

should approach their respective SRS Operators to submit their votes at least seven (7) Business Days before the EGM (i.e. by **10.00 a.m. (Singapore time) on 20 June 2024**), and such SRS Investors shall be precluded from attending the EGM.

12. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on this Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject an Proxy Form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM (i.e. **10.00 a.m. (Singapore time) on 28 June 2024**), as certified by CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and vote thereat unless his/her/its name appears on the Depository Register 72 hours before the time appointed for the EGM.

PERSONAL DATA PRIVACY:

Where a member of the Company submits a Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy(ies)'s and/or representative(s)'s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM. Accordingly, the personal data of a member of the Company and/or its proxy(ies) or representative(s) (such as his/her name, his/her presence at the EGM and any questions he/ she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.