

CIRCULAR DATED 3 JUNE 2020

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

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

Unless otherwise defined, capitalised terms on this cover shall have the same meaning as ascribed to them in the section titled "DEFINITIONS" of this Circular.

This Circular is issued to Shareholders of Silkroad Nickel Ltd. (the "**Company**"), together with the Company's Notice of AGM. The purpose of this Circular is to explain to Shareholders the rationale for and provide information to Shareholders relating to the Proposals to be tabled at the forthcoming Annual General Meeting of the Company to be held by way of electronic means on Thursday, 25 June 2020 at 2.00 p.m.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's Sponsor in accordance with Rule 226(2)(b) of the Catalist Rules.

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 Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

SILKROAD NICKEL LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200512048E)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ADOPTION OF THE SILKROAD PERFORMANCE SHARE PLAN;**
- (2) THE PROPOSED PARTICIPATION OF MR. HONG KAH ING, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE SILKROAD PERFORMANCE SHARE PLAN;**
- (3) THE PROPOSED PARTICIPATION OF MR. SYED ABDEL NASSER BIN SYED HASSAN ALJUNIED, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE SILKROAD PERFORMANCE SHARE PLAN; AND**
- (4) THE PROPOSED AMENDMENTS TO THE CONSTITUTION.**

CONTENTS

DEFINITIONS.....	3
LETTER TO SHAREHOLDERS.....	6
1. INTRODUCTION.....	6
2. THE PROPOSED ADOPTION OF THE SILKROAD PSP.....	7
3. THE PROPOSED AMENDMENTS TO THE CONSTITUTION.....	17
4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS.....	17
5. DIRECTORS' RECOMMENDATIONS.....	18
6. ABSTENTION FROM VOTING.....	19
7. ANNUAL GENERAL MEETING.....	19
8. ACTION TO BE TAKEN BY SHAREHOLDERS.....	19
9. DIRECTORS' RESPONSIBILITY STATEMENT.....	20
10. DOCUMENTS AVAILABLE FOR INSPECTION.....	20
APPENDIX A - RULES OF THE SILKROAD PERFORMANCE SHARE PLAN.....	21
APPENDIX B - THE PROPOSED AMENDMENTS TO THE CONSTITUTION.....	35

DEFINITIONS

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

“Act” or “Companies Act”	The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
“AGM”	The annual general meeting of the Company to be held by way of electronic means on Thursday, 25 June 2020 at 2.00 p.m.
“Associate” or “Associates”	<p>(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <ul style="list-style-type: none"> (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more</p>
“Auditors”	The auditors of the Company for the time being
“Award”	A contingent award of Shares granted under the SILKROAD PSP
“Board” or “Board of Directors”	The board of directors of the Company for the time being
“Business Day”	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
“Catalist”	The Catalist board of the SGX-ST
“Catalist Rules”	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
“CEO”	Chief Executive Officer
“Circular”	This circular to Shareholders dated 3 June 2020
“Committee”	Means the Remuneration Committee of the Company
“Company”	Silkroad Nickel Ltd.
“Constitution”	The Constitution of the Company, as amended or modified from time to time

“Controlling Shareholder”	A person who:- (a) holds directly or indirectly 15% or more of all voting shares in the Company (unless determined by SGX-ST that such person is not a controlling shareholder); or (b) in fact exercises control over the Company
“Date of Grant”	The date on which an Award is granted to a Participant pursuant to the rules of the SILKROAD PSP
“Director”	A director of the Company from for the time being
“EPS”	Earnings per Share
“Executive Director”	A Director for the time being of the Company who performs an executive function
“FY”	Financial year ending or ended (as the case may be) 31 December of a particular year as stated
“Group”	The Company and its subsidiaries, collectively
“Group Employee” or “Group Employees”	Any person who is a confirmed full-time employee of the Group
“Independent Director”	An independent Director of the Company
“Latest Practicable Date”	1 June 2020, being the latest practicable date prior to the issue of this Circular
“Market Day”	A day on which the SGX-ST is open for trading of securities
“New Shares”	The new shares which may be allotted and issued from time to time pursuant to the vesting of an Award under the SILKROAD PSP
“Non-Executive Director”	A Director (other than an Executive Director) of the Company
“Non-Independent Director”	A non-independent Director of the Company
“Notice of AGM”	The notice of the AGM dated 3 June 2020 issued by the Company on the SGX-ST’s website at https://www.sgx.com/securities/company-announcements ; and (ii) the Company’s corporate website at https://silkroadnickel.com/sgx-announcements/
“NTA”	Net tangible assets
“Participant”	A person who is eligible and who has been selected by the Committee to participate in the SILKROAD PSP in accordance with the rules of the SILKROAD PSP
“Proposals”	As defined herein in Section 1.1 of this Circular
“Proxy Form”	The proxy form in respect of the AGM
“SILKROAD PSP” or “SILKROAD Performance Share Plan”	The proposed SILKROAD Performance Share Plan, the rules of which are set out in the Appendix A to this Circular

“Securities Account”	Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time
“SFRS(I) 2”	Singapore Financial Reporting Standards (International) 2
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share Registrar”	Tricor Singapore Pte. Ltd.
“Shareholders”	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Shares”	Ordinary shares in the capital of the Company
“Sponsor”	ZICO Capital Pte. Ltd.
“Substantial Shareholders”	A person who has an interest in the voting Shares in the Company, and the total votes attached to that Share, or those Shares, represent not less than 5.0% of all the voting Shares
“Vesting Period”	In relation to an Award, a period or periods, the duration of which is to be determined by the Committee at the date of the grant of the Award
“S\$”, “SGD” or “\$” and “cents”	Singapore dollars and cents respectively
“%”	Percentage and per centum

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

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

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 reference to a time of a day in this Circular is a reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Circular between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

LETTER TO SHAREHOLDERS

SILKROAD NICKEL LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200512048E)

Directors:

Eddy Pramoto	<i>(Independent Non-Executive Chairman)</i>
Hong Kah Ing	<i>(CEO and Executive Director)</i>
Syed Abdel Nasser Bin Syed Hassan Aljunied	<i>(Executive Director)</i>
Giang Sovann	<i>(Lead Independent Non-Executive Director)</i>
Omri Samosir	<i>(Independent Non-Executive Director)</i>
Datuk Lim Kean Tin	<i>(Non-Independent Non-Executive Director)</i>

Registered Office:

50 Armenian Street
Wilmer Place #03-04
Singapore 179938

Date: 3 June 2020

To: The Shareholders of Silkroad Nickel Ltd.

Dear Sir/Madam,

1. INTRODUCTION

1.1 Circular to Shareholders

The Directors wish to seek Shareholders' approval in relation to the following resolutions set out in the Notice of AGM:

- (a) Ordinary Resolution 7 for the proposed adoption of the SILKROAD Performance Share Plan;
- (b) Ordinary Resolution 8 for the proposed participation of Mr. Hong Kah Ing ("**Mr. Hong**"), a Controlling Shareholder as well as the CEO and Executive Director, in the SILKROAD Performance Share Plan;
- (c) Ordinary Resolution 9 for the proposed participation of Mr. Syed Abdel Nasser Bin Syed Hassan Aljunied ("**Mr. Aljunied**"), a Controlling Shareholder as well as the Executive Director, in the SILKROAD Performance Share Plan; and
- (d) Special Resolution 10 for the proposed amendments to the Constitution,
(collectively, the "**Proposals**").

It should be highlighted that each of the passing of Ordinary Resolution 8 and Ordinary Resolution 9 is contingent upon the passing of Ordinary Resolution 7.

The purpose of this Circular is to explain to Shareholders the rationale for and provide Shareholders with information relating to the Proposals to be tabled at the AGM, and to seek Shareholders' approval in relation thereto at the AGM.

2. THE PROPOSED ADOPTION OF THE SILKROAD PSP

2.1 Listing of New Shares

The Sponsor will be making an additional listing application to the SGX-ST, on behalf of the Company, for the listing of and quotation for the New Shares to be allotted and issued pursuant to the SILKROAD PSP, subject to independent Shareholders' approval being obtained for the proposed adoption of the SILKROAD PSP. An announcement of the receipt of the listing and quotation notice in relation to the New Shares (including the conditions that may be required to be fulfilled) will be made in due course when the listing and quotation notice is obtained.

2.2 Rationale

2.2.1 Rationale for the SILKROAD PSP

The Group has increased in size with the expansion of its downstream smelting business. As a result, the Company has undertaken a review of its employee remuneration and benefits and wishes to introduce a new compensation scheme that will promote higher performance, recognise employee achievements and retain talent within the Group. The SILKROAD PSP is an integral and important component of the Group's new compensation scheme and is designed to reward all Group Employees whose services and contributions are vital to the success of the Group.

The SILKROAD PSP contemplates the award of fully paid Shares to Participants after certain pre-determined benchmarks have been met. Under the SILKROAD PSP, the Group intends to award New Shares up to a maximum of 15% of the issued share capital of the Company over a period of five (5) years from the date of adoption of the SILKROAD PSP. The Committee will be entrusted to determine performance targets for employees to fulfil, upon which they may be awarded shares under the SILKROAD PSP, subject always to the rules of the SILKROAD PSP. In setting performance targets for employees under the SILKROAD PSP, the Committee intends to consider the previous and current performance of each Group Employee and seek to set performance targets which are incremental and are an improvement from the previous or current performance of the Group Employee. In setting such performance targets, the Committee will also take into consideration relevant factors such as market conditions, scope of work of the Group Employee and when such Group Employee's work performance may be more appropriately determined on a project basis, any qualitative criteria which may constitute appropriate performance targets.

The purpose of adopting the SILKROAD PSP is to give the Company greater flexibility to align the interests of the Group's employees with the interests of Shareholders. The SILKROAD PSP will:

- (a) provide an opportunity for Participants to participate in the equity of the Company, thereby creating a stronger sense of identification and promoting commitment, dedication and loyalty of the Participants towards the success of the Group;
- (b) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
- (c) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
- (d) 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.

2.2.2 Rationale for participation by Non-Executive Directors (including Independent Directors)

While the SILKROAD PSP caters principally to Group Employees and Executive Directors, it is recognised that the Group's Independent Non-Executive Directors also make significant contributions to the Group through their close working relationship with the Group, even though they are not employed within the Group. The Company's Independent Non-Executive Directors bring a wealth of knowledge and business expertise and play an important role in helping the Company shape its business strategy. It is important for

the Company to attract, retain and incentivise the Independent Non-Executive Directors along with the other employees.

Practice Guidance 7 of the Singapore Code of Corporate Governance 2018 states, among others, that the remuneration committee of a company should consider implementing schemes to encourage non-executive directors to hold shares in the company so as to better align the interests of such non-executive directors with the interests of shareholders.

The Committee will propose a performance framework comprising mainly non-financial performance measurement criteria to assess their services and contributions to the Group. It is the intention of the Board and the Committee that any award of shares under the SILKROAD PSP to any Independent Non-Executive Directors be measured and balanced against the performance framework so as to not compromise the objectivity and independence of Independent Non-Executive Directors. In addition, the Committee will also consider the scope of advice given, and any measurable advancement of the Company's business which the Company is able to make from or with the assistance, advice or recommendations of the Non-Executive Directors. The Committee may also decide that no Awards shall be made in any FY or no grant and/or Award may be made at all.

2.2.3 Rationale for participation by Controlling Shareholders and their Associates

One of the objectives of the SILKROAD PSP is to motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group. The objectives of the SILKROAD PSP should apply equally to Group Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders. The Company's view is that all deserving and eligible Participants should be motivated whether or not they are Controlling Shareholders or Associates of Controlling Shareholders. The Company believes that as the SILKROAD PSP is designed to motivate, retain and reward Group Employees and Directors who contribute to the growth and profits of the Company, Group Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders should be entitled to the same benefits as other Group Employees and should not be excluded from benefitting under the SILKROAD PSP solely for the reason that they are Controlling Shareholders or Associates of Controlling Shareholders. It is in the Group's interest that these Participants who are actively contributing to the Group's progress and development are given the incentive to continue to remain with the Company and contribute towards the Group's future progress and development. In respect of the determination as to eligibility and grant of Awards, the terms of the SILKROAD PSP do not differentiate between Group Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders and other Group Employees and Directors.

The Directors are of the view that there are sufficient safeguards against any abuse of the SILKROAD PSP resulting from the participation of Group Employees who are Controlling Shareholders or Associates of Controlling Shareholders. Clear justification or rationale for participation and the specific grants of such number of Awards to be made and their terms will be disclosed in circular(s) to Shareholders seeking such approval from independent Shareholders. Thereafter, details of the number of Awards granted and the number of Shares vested and released will be disclosed in the annual report(s) of the Company accordingly.

(a) Participation of Mr. Hong, a Controlling Shareholder, in the SILKROAD PSP

Mr. Hong is the CEO and Executive Director, and he is responsible for the Group's operational, marketing, corporate social responsibility matters and strategic partnership initiatives. Mr. Hong owns 72.5% of the issued share capital of Far East Mining Pte. Ltd. ("**FEM**"), a Controlling Shareholder of the Company, holding approximately 73.5% of the issued share capital of the Company as at the Latest Practicable Date. As such, Mr. Hong is a Controlling Shareholder of the Company as he is deemed to be interested in the Shares of the Company owned by FEM pursuant to Section 4 of the SFA. Mr. Hong is also a director of FEM.

The Directors are of the view that Mr. Hong's contributions to the Group as the CEO of the Company has been instrumental in the growth of the Group's business since he was appointed as the CEO. The Directors believe that there is substantial potential future development and contribution that may be made by Mr. Hong towards enhancing the competitiveness of the Company.

The Directors are of the view that the extension of the SILKROAD PSP to Mr. Hong is consistent with the Company's objectives to motivate its Group Employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr. Hong already has a shareholding interest in the Company by way of his shareholding in FEM (which is a Controlling Shareholder), the extension of the SILKROAD PSP to him will ensure that he is equally entitled, with the other Group Employees who are not Controlling Shareholders to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company. Due to the above reasons, the Directors believe that Mr. Hong deserves, and should be allowed to participate in the SILKROAD PSP.

Pursuant to Rule 852 of the Catalist Rules, the Company is seeking specific approval from the independent Shareholders at the AGM, for the proposed participation of Mr. Hong, a Controlling Shareholder, in the SILKROAD PSP.

(b) Participation of Mr. Aljunied, a Controlling Shareholder, in the SILKROAD PSP

Mr. Aljunied is an Executive Director, and he is responsible for the Group's corporate finance, investor relations and strategic partnership initiatives. Mr. Aljunied owns 27.5% of the issued share capital of FEM, a Controlling Shareholder of the Company, holding approximately 73.5% of the issued share capital of the Company as at the Latest Practicable Date. As such, Mr. Aljunied is a Controlling Shareholder of the Company as he is deemed to be interested in the Shares of the Company owned by FEM pursuant to Section 4 of the SFA. Mr. Aljunied is also a director of FEM.

The Directors believe that there is substantial potential future development and contribution that may be made by Mr. Aljunied towards enhancing the competitiveness of the Company.

The Directors are of the view that the extension of the SILKROAD PSP to Mr. Aljunied is consistent with the Company's objectives to motivate its Group Employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr. Aljunied already has a shareholding interest in the Company by way of his shareholding in FEM (which is a Controlling Shareholder), the extension of the SILKROAD PSP to him will ensure that he is equally entitled, with the other Group Employees who are not Controlling Shareholders to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company. Due to the above reasons, the Directors believe that Mr. Aljunied deserves, and should be allowed to participate in the SILKROAD PSP.

Pursuant to Rule 852 of the Catalist Rules, the Company is seeking specific approval from the independent Shareholders at the AGM, for the proposed participation of Mr. Aljunied, a Controlling Shareholder, in the SILKROAD PSP.

In accordance with Rule 853 of the Catalist Rules, any grant of Awards to each of Mr. Hong and Mr. Aljunied, being a director of FEM (the Company's parent company), together with Awards already granted to each of Mr. Hong and Mr. Aljunied, representing 5% or more of the total number of Awards available to each of Mr. Hong and Mr. Aljunied, will be approved by independent Shareholders at a general meeting.

Subject to independent Shareholders' approval at the AGM for the proposed adoption of the SILKROAD PSP and for their respective participation in the SILKROAD PSP, in the event that the Company decides to grant any Awards under the SILKROAD PSP to any of Mr. Hong and Mr. Aljunied, the Company will seek the approval of its independent Shareholders at a general meeting and make full disclosure to its independent Shareholders of the rationale and justification for, and the terms of such grant of Awards.

2.3 Overview of the SILKROAD PSP

The SILKROAD PSP is designed to reward its Participants by the issue of fully paid Shares according to the extent to which they achieve performance targets over set performance periods. Performance targets will be in the form of key performance indicators prescribed by the Committee and may include, for example, the successful completion of a project or the successful achievement of certain quantifiable performance conditions or targets, such as sales targets or productivity targets. The rules of the SILKROAD PSP are in compliance with the Catalist Rules relating to share schemes.

2.4 Awards granted under the SILKROAD PSP

The Awards granted under the SILKROAD PSP allow a Participant to receive fully paid Shares free of consideration upon the Participant achieving the performance target(s) prescribed by the Committee at its absolute discretion. The selection of a Participant and the number of Shares which are the subject of each Award granted to a Participant in accordance with the SILKROAD PSP shall be determined at the absolute discretion of the Committee. The Committee plans to exercise this discretion judiciously, taking into account criteria such as his rank, job performance, years of service and potential for further development, his contribution to the success and development of the Company and the extent of effort required to achieve the performance target within the performance period.

Subject to the prevailing legislation and the Catalist Rules, the Company will deliver Shares to the Participants upon vesting of their Awards by way of an issue of New Shares. In determining whether to issue New Shares, the Company shall have the right to take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of issuing New Shares. New Shares allotted and issued on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

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

2.5 Summary of SILKROAD PSP

The rules of the SILKROAD PSP are set out in the Appendix A to this Circular. The following is a summary of the rules of the SILKROAD PSP:

2.5.1 Eligibility

The following persons are eligible to participate in the SILKROAD PSP at the absolute discretion of the Committee:

- (a) confirmed full-time Group Employees;
- (b) the Executive Directors; and
- (c) Non-Executive Directors (including the Independent Directors),

who, in the opinion of the Committee, have contributed or will contribute to the success and development of the Group. All participants shall have attained the age of 18 years and above and shall not be an undischarged bankrupt.

Persons who are Controlling Shareholders and their Associates shall not participate in the SILKROAD PSP unless they meet the eligibility criteria set out above and satisfying the requirements under the Catalist Rules and:

- (a) his participation in the SILKROAD PSP; and
- (b) the actual number or maximum number of Shares comprised in the Award to be issued or transferred and the terms of any Awards to be granted to them,

has been approved by independent Shareholders in general meeting in separate resolutions for each Controlling Shareholder or Associate of a Controlling Shareholder, and in respect of each such person, in separate resolutions for each such person.

2.5.2 Operation of the SILKROAD PSP

Subject to the prevailing legislation and the Catalist Rules, the Company shall have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of an issue of New Shares and the Company 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 and the financial effect on the Company of issuing New Shares.

2.5.3 Administration of the SILKROAD PSP

The SILKROAD PSP shall be administered by the Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board of Directors. However, in compliance with the requirements of the Catalist Rules, a Participant who is a member of the Committee shall not be involved in the deliberations or decision in respect of Awards to be granted to or held by that Participant. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board of Directors. Shareholders who are eligible to participate in the SILKROAD PSP shall abstain from voting on any resolution relating to the SILKROAD PSP. Subject to the Companies Act and requirements of the Catalist Rules, the Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the SILKROAD PSP) for the implementation and administration of the SILKROAD PSP, to give effect to the provisions of the SILKROAD PSP and/or to enhance the benefit of the Awards and the released Awards to the Participants, as it may, at its absolute discretion, think fit. Any decision of the Committee, made pursuant to any provision of the SILKROAD PSP (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the SILKROAD PSP or any rule, regulation, or procedure thereunder or as to any rights under the SILKROAD PSP).

2.5.4 Grant of Awards

Awards represent the right conferred by the Company on a Participant to be issued free of charge, in accordance with the SILKROAD PSP.

The Committee shall decide, in its absolute discretion, in relation to each Award:

- (a) the Participant;
- (b) the Date of Grant;
- (c) the performance period and the performance target(s);
- (d) the number of Shares which are the subject of the Award;
- (e) the Vesting Period(s);
- (f) the extent to which Shares which are the subject of that Award shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the performance period; and
- (g) such other conditions that the Committee may determine in relation to the Award.

The Committee may amend or waive the Vesting Period(s), the performance period and/or the performance target(s) in respect of any Award:

- (a) in the event of a take-over offer (whether conditional or unconditional) being made for all or any part of the Shares of the Company, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) if anything happens which causes the Committee to conclude that:

- (i) an amended Vesting Period, performance target or performance period would be a fairer measure of performance and would be no less difficult to satisfy; and/or
- (ii) the Vesting Period, performance target or performance period should be waived,

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

Participants are not required to pay for the grant of Awards. An Award is personal to the Participant to whom it is granted and it may not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse. However, the Shares issued upon the release of the Award may be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part.

2.5.5 Acceptance of Awards

The grant of an Award to a Participant shall be accepted by the Participant within 15 days from the Date of Grant. The Participant may accept or refuse the whole but not part of the offer. The Committee shall within 15 Market Days of receipt of the acceptance form acknowledge receipt thereof. If the grant of the Award is not accepted by the Participant within 15 Market Days from the Date of Grant, such offer shall upon the expiry of the aforementioned period automatically lapse and shall be null and void.

2.5.6 Release of Awards

Subject to the rules of the SILKROAD PSP, an Award shall be released, in accordance with any conditions that the Committee may, at its absolute discretion specify in the letter of offer. 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 review by the Committee and the Company shall procure the allotment of such New Shares to each Participant of the number of Shares so determined in accordance with the Award.

New Shares which are issued and/or transferred on the release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the Securities Account of that Participant maintained with CDP, the securities sub-account of that Participant maintained with a Depository Agent New Shares allotted and issued held by the Company for transfer, upon the release of an Award, shall:

- (a) be subject to all the provisions of the Constitution of the Company; and
- (b) rank in full for all entitlements, including any dividends, right, allotment or other distribution declared or recommended in respect of the then existing Shares the Record Date of which is on or after the relevant vesting date and (subject as aforesaid) will rank *pari passu* in all respects with the other existing Shares then in issue.

2.5.7 Events prior to 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 an event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):

- (a) subject to Rule 6.3 of the SILKROAD PSP, the Participant, being an Employee, for any reason whatsoever ceasing to be in the employment of the Company and/or any subsidiary or in the event the company by which the Group Employee is employed ceases to be a company in the Group;
- (b) subject to Rule 6.3 of the SILKROAD PSP, the Participant, being a Director, ceasing to be a director of the Company for any reason whatsoever;
- (c) the Participants commit any breach of any of the terms of his Award;

- (d) misconduct or breach of term of employment contract on the part of the Participant as determined by the Committee at its discretion; and/or
- (e) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

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

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

and the Committee may 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.

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 for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders and/or sanctioned by the court under the Act;
- (d) an order for the compulsory winding-up of the Company is made; or
- (e) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Committee may consider, at its absolute discretion, whether or not to release any Award and take into account all circumstances on a case-by-case basis, including but not limited to the contributions made by that Participant. If the Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will have regard to the proportion of the performance period(s) which has lapsed and the extent to which the performance targets have been satisfied. Where such Awards are released, the Committee will, as soon as practicable after Awards have been released, procure the allotment of such New Shares 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 SILKROAD PSP.

In the event of a take-over offer (whether conditional or unconditional) being made for all or any part of the Shares, all Awards to the extent not yet released shall be released to all Participants and the Vesting Period waived so that they be entitled to exercise their rights under the take-over offer, on the date on which such take-over offer becomes or is declared unconditional, as the case may be.

2.5.8 Size and Duration

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the SILKROAD PSP on any date, when added to the number of Shares issued or issuable and/or transferred or transferable in respect of all Awards granted under the Plan and the number of Shares issued or issuable and/or transferred or transferable in respect of all options or awards granted under any other share option scheme, share award scheme or share incentive scheme of the Company then in force, shall not exceed 15%

of the total issued share capital of the Company from time to time (excluding treasury shares and subsidiary holdings). The Company currently does not have any other share incentive scheme in force.

The aggregate number of Shares which may be issued and/or transferred under the SILKROAD PSP to Controlling Shareholders and their Associates shall not exceed 25% of all the Shares available under the SILKROAD PSP, and the number of Shares which may be issued and/or transferred under the SILKROAD PSP to each of the Controlling Shareholders or their Associates shall not exceed 10% of all the Shares available under the SILKROAD PSP.

The SILKROAD PSP shall continue to be in force at the discretion of the Committee, subject to a maximum period of five (5) years commencing on the date on which the SILKROAD PSP is adopted by the Company in a general meeting, provided always that the SILKROAD PSP may continue beyond the stipulated period with the approval of Shareholders by an ordinary resolution in general meeting and of any relevant authorities which may then be required. The Plan may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be offered by the Company hereunder.

The expiry or termination of the SILKROAD PSP shall not affect Awards which have been granted and accepted as provided in the SILKROAD PSP whether such Awards have been released (whether fully or partially) or not.

2.5.9 Adjustment Events

If a variation in the issued ordinary share capital of the Company (whether by way of a bonus or rights issue, capital reduction, subdivision, consolidation, or distribution or otherwise or issues for cash or for shares or otherwise than for cash or otherwise howsoever) shall take place, then:

- (a) the class and/or the number of Shares which are the subject of an Award to the extent not yet vested and the rights attached thereto; and/or
- (b) the class and/or the maximum number of Shares in respect of which future Awards may be granted to Participants under the SILKROAD PSP; 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 Committee be adjusted and in such manner as the Committee may determine to be appropriate or equitable including retrospective adjustments where such variation occurs after the vesting of an Award but the record date relating to such variation precede such date of vesting.

No adjustment shall be made if, as a result the Participant receives a benefit that a Shareholder does not receive and any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Unless the Committee considers an adjustment to be appropriate or equitable, the following shall not be regarded as a circumstance requiring adjustment under Rule 9 of the SILKROAD PSP:

- (a) the issue of securities as consideration for a private placement of Shares or as consideration for or in connection with an acquisition of any assets;
- (b) the issue of Shares or 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
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Catalist during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate).

When any adjustment has to be made pursuant to the SILKROAD PSP, the Company shall notify the Participant (or his duly appointed personal representative where applicable) in writing and deliver to him (or his duly appointed personal representative where applicable) a statement setting forth the class and

number of Shares and/or existing Shares thereafter to be issued and/or transferred respectively on the vesting of an Award and the maximum entitlement in any one FY. Any adjustment shall take effect upon such written notification being given.

The 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 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, or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by the Auditors (acting only as experts and not as arbitrators) to be in their opinion appropriate.

2.5.10 Modifications to the SILKROAD PSP

Any or all of the provisions of the SILKROAD PSP may be modified and/or altered at any time and from time to time by a resolution of the Board on the recommendation of the Committee, save that:

- (a) any modification or alteration which materially and adversely alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if the Awards were released to them upon the expiry of all the Vesting Periods applicable to the Awards, would together hold not less than three-quarters (3/4) in aggregate such number of Shares which would fall to be vested upon the release of all outstanding Awards held by all Participants; and
- (b) any modification or alteration which would be to the advantage of the Participants under the SILKROAD PSP shall be subject to the prior approval of Shareholders in general meeting.

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

The Committee may at any time by a resolution (and without other formality or approval of the Participants, save for the prior approval of the SGX-ST) amend or alter the SILKROAD PSP in any way to the extent necessary to cause the SILKROAD PSP to comply with any statutory provision of the provision of 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 above shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

2.5.11 Disclosure in Annual Report

The Company shall make the following disclosures in its annual report to Shareholders for the duration of the SILKROAD PSP:

- (a) the names of the members of the Committee;
- (b) in relation to the Awards granted under the SILKROAD PSP, the following particulars:
 - (i) names of Participants;
 - (ii) the aggregate number of Shares comprised in Awards granted since the commencement of the SILKROAD PSP to the end of the FY under review;
 - (iii) the aggregate number of Shares comprised in Awards vested since the commencement of the SILKROAD PSP to the end of the FY under review;
 - (iv) the aggregate number of Shares comprised in Awards outstanding as at the end of the FY under review; and

(v) a statement that the directors and employees of the parent company (if any) and its subsidiaries are not eligible to participate in the SILKROAD PSP.

(c) The information in the table below for:

(i) Participants who are Directors;

(ii) Participants who are Controlling Shareholders and their Associates; and

(iii) Participants other than those in (c)(i) and (ii) above, who receive Awards comprising 5% or more of the aggregate of the total number of Shares available under the SILKROAD PSP, and

Name of Participant	Awards granted during the FY under review (including terms)	Aggregate Awards granted since commencement of the SILKROAD PSP to the end of FY under review	Aggregate Awards vested since commencement of the SILKROAD PSP to end of FY under review	Aggregate Awards not yet released as at end of FY under review
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(d) such other information as may be required under the Catalist Rules or the Act.

If any of the above disclosures are not applicable, an appropriate negative statement will be included in the annual report.

2.6 Financial Effects of the SILKROAD PSP

2.6.1 Share Capital

The SILKROAD PSP will result in an increase in the Company's issued share capital only if New Shares are allotted and issued upon the grant of the Awards under the SILKROAD PSP to Participants. The number of New Shares issued will depend on, *inter alia*, the size of the Awards granted under the SILKROAD PSP.

2.6.2 NTA

The SILKROAD PSP will result in a charge to the Company's and Group's profit or loss which is equal to the fair value of the Awards on the Date of Grant. If new Shares are issued to the Participants under the SILKROAD PSP, the NTA of the Company and the Group would not decrease by the amount charged. Although the SILKROAD PSP will result in a charge to the profit or loss of the Company and the Group, it should be noted that Awards are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed or will contribute to its success including financial performance.

2.6.3 EPS

The SILKROAD PSP will result in a charge to earnings equivalent to the fair value of the Awards at the Date of Grant. Although the SILKROAD PSP will have a dilutive impact on the EPS of the Group following the increase in the number of issued Shares of the Company, the delivery of Shares to Participants in respect of Awards granted under the SILKROAD PSP is contingent upon the Participants meeting prescribed performance targets, which will take into consideration the contributions of the Participants towards the financial performance of the Group.

2.6.4 Dilutive Impact

It is expected that any dilutive impact of the SILKROAD PSP on the NTA per share and EPS would not be significant.

2.6.5 Potential Cost of Awards

The SILKROAD PSP is considered a share-based payment that falls under the scope of SFRS(I) 2. The Awards, if settled by way of the issue of New Shares, would be accounted for as equity-settled share-based payment transactions, as described in the following paragraphs.

The fair value of the grant of the Awards will be recognised as a charge to the profit or loss on the Date of Grant of an Award. The cost of these equity-settled transactions is determined by reference to the fair value of each Award granted at the Date of Grant to the vesting date, in accordance with SFRS(I) 2. No expense is recognised for Awards that are not accepted by the Participants.

2.6.6 Taxes

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

3. THE PROPOSED AMENDMENTS TO THE CONSTITUTION

3.1 Introduction

For good corporate governance, the Company is proposing to amend its Constitution to, *inter alia*, include that the office of a Director will be vacated in the event he fails to attend two (2) or more meetings of the board in succession, without special leave of absence from the Board and the Board passes a resolution that such Director has by reason of such absence vacated office.

Rule 730 of the Catalist Rules provides that if an issuer amends its articles of association or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of the amendment.

The Company is accordingly also proposing to amend its Constitution to align its Constitution with the prevailing rules of the Catalist Rules as at the Latest Practicable Date, in compliance with Rule 730 of the Catalist Rules.

3.2 Summary of the Proposed Amendments to the Constitution

The following is a summary of the proposed amendments to the Constitution and should be read in conjunction with Appendix B to this Circular.

(a) New Regulation 8A

It is proposed that a new Regulation 8A be inserted to provide that the Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued, as set out in Appendix B to this Circular. This is pursuant to paragraph 1(C) of Appendix 4C of the Catalist Rules.

(b) New Regulation 102(viii)

It is proposed that a new Regulation 102(viii) be inserted to provide that the office of a Director will be vacated in the event he fails to attend two (2) or more meetings of the board in succession, without special leave of absence from the Board and the Board passes a resolution that he has by reason of such absence vacated office, as set out in Appendix B to this Circular.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors and Substantial Shareholders in the Shares of the Company, as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Eddy Pramoto	-	-	-	-
Hong Kah Ing (“ Mr. Hong ”)	-	-	192,111,555 ⁽¹⁾	73.5
Syed Abdel Nasser Bin Syed Hassan Aljunied (“ Mr. Aljunied ”)	-	-	192,111,555 ⁽²⁾	73.5
Giang Sovann	-	-	-	-
Omri Samosir	-	-	-	-
Datuk Lim Kean Tin	8,252,400	3.2	-	-
Substantial Shareholders (other than Directors)				
Far East Mining Pte. Ltd. (“ FEM ”)	192,111,555	73.5	-	-

Notes:

- (1) Mr Hong owns 72.5% of the issued share capital of FEM. As such, he is deemed to be interested in the Shares of the Company owned by FEM pursuant to Section 4 of the SFA.
- (2) Mr Aljunied owns 27.5% of the issued share capital of FEM. As such, he is deemed to be interested in the Shares of the Company owned by FEM pursuant to Section 4 of the SFA.

5. DIRECTORS' RECOMMENDATIONS

5.1 Proposed Adoption of the SILKROAD PSP

All the Directors are eligible to participate in, and are therefore, interested in the proposed adoption of the SILKROAD PSP. Accordingly, the Directors have refrained from making any recommendation as to how Shareholders should vote in respect of the Ordinary Resolution 7 for the proposed adoption of the SILKROAD PSP as set out in the Notice of AGM.

5.2 Proposed Participation of Mr. Hong and Mr. Aljunied, as Controlling Shareholders, in the SILKROAD PSP

Mr. Hong, who is interested in his proposed participation, as a Controlling Shareholder, in the SILKROAD PSP, has refrained from making any recommendation as to how Shareholders should vote in respect of Ordinary Resolution 8 for the proposed participation of Mr. Hong, as a Controlling Shareholder, in the SILKROAD PSP as set out in the Notice of AGM.

Mr. Aljunied, who is interested in his proposed participation, as a Controlling Shareholder, in the SILKROAD PSP, has refrained from making any recommendation as to how Shareholders should vote in respect of Ordinary Resolution 9 for the proposed participation of Mr. Aljunied, as a Controlling Shareholder, in the SILKROAD PSP as set out in the Notice of AGM.

The Directors (other than Mr. Hong and Mr. Aljunied) having carefully considered, *inter alia*, the rationale for and information relating to the proposed participation of Mr. Hong and Mr. Aljunied, as Controlling Shareholders, in the SILKROAD PSP, are of the opinion that the proposed participation of Mr. Hong and Mr. Aljunied, as Controlling Shareholders, in the SILKROAD PSP is in the best interests of the Company. Accordingly, the Directors (other than Mr. Hong and Mr. Aljunied) recommend that Shareholders vote in favour of Ordinary Resolutions 8 and 9 for the proposed participation of Mr. Hong and Mr. Aljunied, as Controlling Shareholders, in the SILKROAD PSP as set out in the Notice of AGM.

5.3 Proposed Amendments to the Constitution

Having carefully considered, *inter alia*, the rationale for and information relating to the proposed amendments to the Constitution, the Directors are of the opinion that the proposed amendments to the Constitution are in the best interests of the Company. Accordingly, the Directors recommend that

Shareholders vote in favour of Special Resolution 10 for the proposed amendments to the Constitution as set out in the Notice of AGM.

6. ABSTENTION FROM VOTING

Shareholders and all the Directors entitled to participate in the SILKROAD PSP, as well as FEM (which is a Controlling Shareholder), shall abstain from voting in respect of their holdings of Shares at the AGM in respect of (i) Ordinary Resolution 7 for the proposed adoption of the SILKROAD PSP; (ii) Ordinary Resolution 8 for the proposed participation of Mr. Hong, a Controlling Shareholder, in the SILKROAD PSP; and (iii) Ordinary Resolution 9 for the proposed participation of Mr. Aljunied, a Controlling Shareholder, in the SILKROAD PSP.

The Chairman of the AGM shall not accept appointments as proxies for voting at the AGM in respect of the aforementioned Ordinary Resolutions 7 to 9 as set out in the Notice of AGM, unless specific instructions have been given in the proxy instrument on how Shareholders wish their votes to be cast for the aforementioned Ordinary Resolutions 7 to 9 as set out in the Notice of AGM.

The Company will disregard any votes cast by Directors and any Shareholder (including FEM), in respect of the aforementioned Ordinary Resolutions 7 to 9 as set out in the Notice of AGM, who are required to abstain from voting on such resolutions.

7. ANNUAL GENERAL MEETING

The AGM, notice of which was issued by the Company on 3 June 2020 on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>; and (ii) the Company's corporate website at <https://silkroadnickel.com/sgx-announcements/>, will be held by way of electronic means on **Thursday, 25 June 2020 at 2.00 p.m.** for the purpose of, *inter alia*, considering and, if thought fit, passing, with or without any modification, the following:

- (i) Ordinary Resolution 7 for the proposed adoption of the SILKROAD PSP;
- (ii) Ordinary Resolution 8 for the proposed participation of Mr. Hong, a Controlling Shareholder, in the SILKROAD PSP;
- (iii) Ordinary Resolution 9 for the proposed participation of Mr. Aljunied, a Controlling Shareholder, in the SILKROAD PSP; and
- (iv) Special Resolution 10 for the proposed amendments to the Constitution.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to vote on the resolutions at the AGM must appoint the Chairman of the AGM as their proxy to vote on their behalf by completing the Proxy Form in which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive via (i) post at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd), at 80 Robinson Road, #11-02, Singapore 068898; or (ii) email at sg.is.proxy@sg.tricorglobal.com, not later than 72 hours before the time fixed for holding the AGM.

Please refer to the alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM as set out in the Company's announcement dated 3 June 2020, which has been published, together with this Circular, on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at <https://silkroadnickel.com/sgx-announcements/>.

A Depositor shall not be regarded as a member of the Company and his/her/its Proxy Form may be rejected by the Company unless his/her/its name appears on the Depository Register at least 72 hours before the time fixed for holding the AGM, as certified by the CDP.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the current registered office of the Company at 50 Armenian Street, 03-04 Wilmer Place, Singapore 179938 during normal business hours from the date of this Circular up to and including the time and date of the AGM:

- (a) the annual report of the Company for the financial year ended 31 December 2019;
- (b) the Constitution of the Company; and
- (c) the proposed rules of the SILKROAD PSP.

However, as a result of the movement restrictions pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020, access to the abovementioned premises may not be possible during this period. Instead, please email irianni@silkroadnickel.com so that arrangements can be made for inspection of such documents.

This Circular and the annual report of the Company for the financial year ended 31 December 2019 are also available on SGX-ST's website at <https://www.sgx.com/securities/company-announcements> and the home page of the Company's corporate website at <https://silkroadnickel.com/sgx-announcements/>.

Yours faithfully

Abdul Jabbar
Company Secretary
For and on behalf of
Silkroad Nickel Ltd.

APPENDIX A – RULES OF THE SILKROAD PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

This Plan shall be called the “SILKROAD 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:

“Act” or “Companies Act”	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Adoption Date”	The date on which the Plan is adopted by resolution of the Shareholders of the Company
“Associate”	Has the meaning ascribed to it in the Catalist Rules
“Auditors”	The auditors for the time being of the Company
“Award”	A contingent award of Shares under the Plan
“Award Letter”	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
“Board”	The board of Directors for the time being of the Company
“Catalist”	The Catalist board of the SGX-ST
“Catalist Rules”	Listing Manual Section B: Rules of Catalist of the SGX-ST, as the case may be, as amended, supplemented or modified from time to time
“CDP”	The Central Depository (Pte) Limited
“Committee”	The Remuneration Committee of the Company from time to time
“Company”	Silkroad Nickel Ltd.
“Constitution”	The Constitution of the Company as amended or modified from time to time
“control”	the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	A person who: (a) holds directly or indirectly 15% or more of the value of all voting shares in the Company; or (b) in fact, exercises control over the Company, unless otherwise determined.
“Date of Grant”	In relation to an Award, the date on which the Award is granted to a Participant
“Director”	A director of the Company from time to time

“Employee” or “Group Employee”	Any person who is a confirmed full-time employee of the Group
“Executive Director”	A director from time to time of the Company, who performs an executive function
“FY”	Financial year ending or ended (as the case may be) 31 December of a particular year as stated
“Group”	The Company and its Subsidiaries, collectively
“Market Day”	A day on which the SGX-ST is open for trading of securities
“Market Price”	The average of the dealt price for a Share on the SGX-ST over 5 consecutive Market days, on which transactions in the Shares were recorded, immediately preceding the date on which the Award shall be vested
“New Shares”	The new Shares which may be allotted and issued from time to time pursuant to the vesting of an Award under the Plan
“Non-Executive Director”	A director (other than an Executive Director) from time to time of the Company
“Participant”	A person who is eligible and who has been selected by the Committee to participate in the Plan in accordance with the provisions of the Plan
“performance target(s)”	The performance target(s) prescribed by the Committee to be fulfilled by a Participant for any particular period determined by the Committee based on factors including but not limited to the Group’s business goals and directions for each financial year, the Participant’s job scope and responsibilities, and the prevailing market and economic conditions
“Plan”	The SILKROAD 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 with the Company or with CDP (as the case may be) in order to participate in the dividends, rights, allotments or other distributions
“Register of Members”	The register of members of the Company
“Rules”	Rules of the Plan and any reference to a particular Rule shall be construed accordingly
“SFA”	The Securities and Futures Act, Chapter 289 of Singapore as may be amended, varied or supplemented from time to time
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shares”	Ordinary shares in the capital of the Company
“Shareholders”	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall (in relation to such Shares and where the context admits) mean the persons named as Depositors in the Depository Register maintained by CDP and to whose securities accounts such Shares are credited

“SIC”	Securities Industry Council of Singapore
“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
“Subsidiary Holdings”	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act
“Substantial Disposal”	The sale of all or substantially all of the Company’s assets due to corporate actions undertaken by the Company including but not limited to merger, demerger, restructuring and acquisition of the Company
“Treasury Shares”	Has the meaning ascribed to it in Section 4 of the Act
“Trading Day”	A day on which the Shares are traded on the SGX-ST
“Vesting Period”	In relation to an Award, a period or periods, the duration of which is to be determined by the Committee at the date of the grant of the Award
“S\$”	Singapore dollars
“%” or “per cent.”	Per centum or percentage

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

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

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 or term defined under the Companies Act, the Catalist Rules or any statutory modification thereof and used in the Plan shall, where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules or any statutory modification thereof, as the case may be, unless the context requires otherwise.

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 program.

The objectives of the Plan are as follows:

- (a) foster a culture of ownership within the Group which aligns the interests of Group Employees with the interests of Shareholders;
- (b) provide an opportunity for Participants to participate in the equity of the Company, thereby creating a stronger sense of identification and promoting commitment, dedication and loyalty of the Participants towards the success of the Group;
- (c) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;

- (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 for the long-term growth and profitability of the Group.

4. ELIGIBILITY OF PARTICIPANTS

4.1 Any person shall be eligible to participate in the Plan at the absolute discretion of the Committee if at the Date of Grant:

- (a) he/she shall be:
 - (i) a confirmed full-time Group Employee; or
 - (ii) an Executive Director or
 - (iii) a Non-Executive Director (including independent directors);
- (b) shall have attained the age of 18 years and above; and
- (c) shall not be an undischarged bankrupt,

PROVIDED ALWAYS THAT if any such person is a Controlling Shareholder or an associate of a Controlling Shareholder (notwithstanding that they may meet the eligibility criteria above) shall not participate in the Plan unless each of the following:

- (a) his participation in the Plan; and
- (b) the actual number or maximum number of Shares comprised in the Award to be issued or transferred to them and the terms of any Awards to be granted to them,

has been approved by independent Shareholders in general meeting in separate resolutions for each Controlling Shareholder or associate of a Controlling Shareholder, and in respect of each such person, in separate resolutions for each such persons.

For the purposes of obtaining such approval from the independent Shareholders, our Company shall procure that the letter to Shareholders in connection therewith shall set out (i) clear justifications for the participating of such Controlling Shareholder's or Associates of Controlling Shareholders; and (ii) clear rationale for the terms of the Awards to be granted to such Controlling Shareholders or Associates of Controlling Shareholder(s).

4.2 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 Performance Period shall be determined at the absolute discretion of the Committee, which shall take into account:

- (a) the financial performance of the Group;
- (b) in respect of a Participant being an Employee or Executive Director, criteria such as his rank;
- (c) job performance, years of service, potential for future development and his contribution to the success and development of the Group;
- (d) in respect of a Participant being a Non-Executive Director, criteria such as his extent of involvement, responsibilities within the Board, contribution to the success and development of the Group; and

- (e) the extent of effort required to achieve the performance target(s) within the Performance Period shall also be considered.

4.3 Save as prescribed by the Catalist Rules, there shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme, implemented or to be implemented by any company within the Group.

4.4 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

5. GRANT OF AWARDS

5.1 Except as provided in Rule 8, the Committee may grant Awards to Employees as the Committee may select in its absolute discretion, at any time during the period when the Plan is in force, provided that no Participant who is a member of the Committee shall participate in any deliberation or decision in respect of Award granted or to be granted to him.

5.2 The 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 performance target(s);
- (e) the performance period;
- (f) the Vesting Period(s);
- (g) the extent to which Shares which are the subject of that Award shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the performance period; and
- (h) such other conditions that the Committee may determine in relation to the Award.

5.3 The Committee may amend or waive the Vesting Period(s), the performance period and/or the performance target(s) in respect of any Award:

- (a) in the event of a take-over 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 under the Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) if anything happens which causes the Committee to conclude that:
 - (i) an amended Vesting Period, performance target or performance period would be a fairer measure of performance and would be no less difficult to satisfy;
 - (ii) the Vesting Period, performance target or performance period should be waived,

and the Committee 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 Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Date of Grant;
- (b) the number of Shares which are the subject of the Award;
- (c) the performance target(s) and the performance period;
- (d) the extent to which Shares which are the subject of that Award shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the performance period; and
- (e) any other condition which the Committee may determine in relation to that Award.

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

5.6 An Award is personal to the Participant to whom it is granted and it may not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse. However, the Shares issued to a Participant upon the release of the Award may be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part.

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 an event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):

- (a) subject to Rule 6.3, a Participant, being an Employee, ceasing for any reason whatsoever, to be in the employment of the Company and/or the relevant Subsidiary or in the event the company by which the Employee is employed ceases to be a company in the Group;
- (b) subject to Rule 6.3, a Participant, being a Director, ceasing to be a director of the Company or any reason whatsoever;
- (c) a Participant commits any breach of any of the terms of his Award;
- (d) misconduct or breach of term of employment contract on the part of a Participant as determined by the Committee in its discretion; and/or
- (e) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rules 6.1(a) above, an Employee shall be deemed to have ceased to be in the employment of the Company or the Subsidiary (as the case may be) on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Employee has (with the consent of the Company or the Subsidiary (as the case may be)) withdrawn such notice.

For the purpose of Rule 6.1(b), a Participant shall be deemed to have ceased to be a Director as of the date the notice of resignation of or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 The Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other Rules including Rule 6.1. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 6.1. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the performance target has been satisfied.

6.3 The Awards shall be deemed not to have become void nor cease to have effect in accordance with the Plan if a Participant ceases to be employed before the release of the Award by reason of:

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

and the Committee may 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.

6.4 Without prejudice to the provisions of Rule 5.3, to the extent of an Award yet to be released, if 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 an arrangement or compromise between the Company and its Shareholders for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders and/or sanctioned by the Court under the Act;
- (d) an order for the compulsory winding-up of the Company is made; or
- (e) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Committee may consider, at its absolute discretion, whether or not to release such Award and take into account all circumstances on a case-by-case basis, including but not limited to the contributions made by that Participant. If the Committee decides to release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the performance period(s) which has lapsed and the extent to which the performance targets have been satisfied. Where such Award is released, the Committee will, as soon as practicable after such release, procure the allotment or transfer to each Participant of the number of Shares so determined in accordance with such Award, such allotment or transfer to be made in accordance with Rules of the Plan.

6.5 In the event of a take-over offer (whether conditional or unconditional) being made for all or any part of the Shares, all Awards to the extent not yet released shall be released to all Participants and the Vesting Period waived so that they be entitled to exercise their rights under the take-over offer, on the date on which such take-over offer becomes or is declared unconditional, as the case may be.

7. ACCEPTANCE AND RELEASE OF AWARDS

Acceptance of Awards

7.1 The grant of an Award to a Participant shall be accepted by the Participant within 15 days from the Date of Grant. The Participant may accept or refuse the whole but not part of the offer.

7.2 The Committee shall within 15 Market Days of receipt of the acceptance form acknowledge receipt thereof. If the grant of the Award is not accepted by the Participant within 15 Market Days from the Date of Grant, such offer shall upon the expiry of the aforementioned period automatically lapse and shall be null and void.

Release of Awards

7.3 (a) As soon as reasonably practicable after the end of the relevant performance period(s), the Committee shall review the performance target(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.

If the Committee determines in its sole discretion that the performance target(s) has/have not been satisfied, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.3(a)) shall be of no effect.

The Committee shall have the discretion to determine whether the performance target(s) has/have been satisfied (whether fully or partially) or exceeded and, in making any such determination, the Committee shall have the right to make reference to and 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 Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events and further the right to amend the performance target(s) if the Committee decides that a changed performance target would be a fairer measure of performance

The release of Awards is subject to:

- (i) the Committee having determined that the performance target(s) has/have been satisfied;
- (ii) the relevant Participant (being an Employee) having continued to be an Employee from the Date of Grant up to the end of the relevant performance period, or as the case may be, the relevant Participant (being a Director) having continued to be a Director from the Date of Grant up to the end of the relevant performance period;
- (iii) the Committee being of the opinion that the performance of the relevant Participant has been satisfactory;
- (iv) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (v) compliance with the terms of the Award, the Plan, the Constitution of the Company;
- (vi) where Shares are to be issued or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and
- (vii) where new Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the released Award will be listed for quotation on the SGX-ST, upon the expiry of each performance period in relation to an Award, the Company shall release to the relevant Participant the Shares to which his Award relates on the vesting Date.

(b) 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 7.3(a) and, the Company shall within 10 Market Days after the vesting Date, issue and/or procure the transfer to each Participant of the relevant Shares and dispatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit, do such acts or things which are necessary for the transfer to be effective.

(c) Where new Shares are allotted upon the vesting of any Award, the Company shall, as soon as practicable after such vesting, apply to the SGX-ST for permission to deal in and for quotation of such Shares.

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

7.5 New Shares allotted and issued upon the release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company; and

- (b) rank in full for all entitlements, including any dividends, right, allotment or other distribution declared or recommended in respect of the then existing Shares on the Record Date of which is on or after the relevant vesting Date and (subject as aforesaid) will rank *pari passu* in all respects with the other existing Shares then in issue.

8. LIMITATION ON THE SIZE OF THE PLAN

8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when added to the number of Shares issued or issuable and/or transferred or transferable in respect of all Awards granted under the Plan and the number of Shares issued or issuable and/or transferred or transferable in respect of all options or awards granted under any other share option scheme, share award scheme or share incentive scheme of the Company then in force, shall not exceed 15% of the total issued share capital of the Company from time to time (excluding treasury shares).

8.2 The aggregate number of Shares which may be issued and/or transferred pursuant to all Awards granted under this Plan to Controlling Shareholders and their Associates shall not exceed 25% of the total number of Shares available under this Plan.

8.3 The number of Shares which may be issued and/or transferred pursuant to all Awards granted under this Plan to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Plan.

8.4 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be subject of further Awards granted by the Committee under this Plan.

9. ADJUSTMENT EVENTS

9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a bonus or rights issue, capital reduction, subdivision, consolidation, or distribution or otherwise or issues for cash or for shares or otherwise than for cash or otherwise howsoever) shall take place, then:

- (a) the class and/or the number of Shares which are the subject of an Award to the extent not yet vested and the rights attached thereto; and/or
- (b) the class and/or the maximum number of Shares in respect of which future Awards may be granted to Participants 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 Committee, be adjusted in such manner as the Committee may determine to be appropriate or equitable including retrospective adjustments where such variation occurs after the vesting of an Award but the record date relating to such variation precede such date of vesting. No adjustment shall be made if, as a result the Participant receives a benefit that a Shareholder does not receive.

9.2 Unless the Committee considers an adjustment to be appropriate or equitable, the following shall not be regarded as a circumstance requiring adjustment under Rule 9:

- (a) the issue of securities as consideration for a private placement of Shares or as consideration for or in connection with an acquisition of any assets; or
- (b) the issue of Shares or 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
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Catalist during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate).

9.3 Any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

9.4 Upon any adjustment being made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and number of Shares thereafter to be issued and/or transferred on the vesting of an Award and the maximum entitlement in any one financial year. Any adjustment shall take effect upon such written notification being given

9.5 The 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 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 Subject to Rule 8.1 of the Plan, the restriction on the number of Shares to be issued and/or transferred to Awards granted under the Plan shall not apply to the number of additional Shares or Awards over additional Shares issued by virtue of any adjustment to the number of Shares and/or Awards pursuant to Rule 9.

10. ADMINISTRATION OF THE PLAN

10.1 The Plan shall be administered by the Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him or held by him. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board of Directors.

10.2 The 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.

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

10.4 Any decision of the Committee, made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation, or procedure thereunder or as to any rights under the Plan).

10.5 Shareholders who are eligible to participate in the Plan shall abstain from voting on any resolution relating to the Plan.

10.6 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:

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

10.7 Any decision or determination of the 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 disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

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 the holders of Shares.

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 address as notified by him 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;
- (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 the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Board on the recommendation of the Committee, except that:

- (a) any modification or alteration which materially and adversely alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if the Awards were released to them upon the expiry of all the Vesting Periods applicable to the Awards, would together hold not less than three-quarters (3/4) in aggregate such number of Shares which would fall to be vested upon the release of all outstanding Awards held by all Participants;
- (b) any modification or alteration which would be to the advantage of the Participants under the Plan shall except with the prior approval of Shareholders in general meeting;
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

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

12.3 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary to cause the Plan 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).

12.4 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 and/or any Subsidiary and/or any 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 participation in the Plan or any right which he may have to participate in it or any Award which he may be granted and the Plan or any Award 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 Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Group directly or indirectly or give rise to any cause of action at law or in equity against any the Group, its Directors or Employees.

14. DURATION OF THE PLAN

14.1 The Plan shall continue to be in operation at the discretion of the Committee for a maximum period of five (5) 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. The Plan may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be offered by the Company hereunder.

14.2 The expiry or termination of the Plan shall not affect Awards which have been granted and accepted as provided in the Plan, whether such Awards have been released (whether fully or partially) or not.

15. ANNUAL REPORT DISCLOSURE

The Company shall in relation to the Plan, as required by law, the SGX-ST or other relevant authority make the following disclosures in its annual report to Shareholders for the duration of the Plan:

- (a) the names of the members of the Committee;
- (b) in relation to the Awards granted under the SILKROAD PSP, the following particulars:
- (i) name of Participants;
 - (ii) the aggregate number of Shares comprised in Awards granted since the commencement of the SILKROAD PSP to the end of the FY under review;
 - (iii) the aggregate number of Shares comprised in Awards vested since the commencement of the SILKROAD PSP to the end of the FY under review;
 - (iv) the aggregate number of Shares comprised in Awards outstanding as at the end of the FY under review; and
 - (v) a statement that the directors and employees of the parent company (if any) and its subsidiaries are not eligible to participate in the SILKROAD PSP.
- (c) information as required in the table below for the following Participants:
- (i) Participants who are Directors;
 - (ii) Participants who are Controlling Shareholders and Associates of Controlling Shareholders;
 - (iii) Participants, other than those in (c)(i) and (ii) above, who receive Awards comprising Shares representing 5% or more of the aggregate of the total number of Shares available under the Plan, and

Name of Participant	Awards granted during the financial year	Aggregate Awards granted since commencement of the Plan to	Aggregate Awards released since commencement of the Plan to	Awards not yet released
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	under review (including terms)	end of financial year under review	end of financial year under review	as at end of financial year under review
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(d) such other information as may be required under the Catalist Rules or the Act.

If any of the disclosure above in the foregoing of this Rule 15 is not applicable, an appropriate negative statement will be included in the annual report.

16. TAXES, COSTS AND EXPENSES OF THE PLAN

16.1 Notwithstanding anything herein, each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the 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.

16.2 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 participation in the Plan.

16.3 Save for the taxes referred to in Rule 16 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue or transfer of Shares pursuant to the release of any Award, shall be borne by the Company.

17. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Company, its Directors or employees or the 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 the Shares or to apply for or procure the listing of New Shares on the SGX-ST in accordance with Rule 7.3(c).

18. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Plan are to abstain from voting on any shareholders' resolution relating to the Plan 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. In particular, Shareholders who are eligible to participate in the Plan shall abstain from voting on the following resolutions, where applicable (i) implementation of the Plan; and (ii) participation by and grant of Awards to Controlling Shareholders and their Associates.

19. 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 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).

20. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. 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.

APPENDIX B – THE PROPOSED AMENDMENTS TO THE CONSTITUTION

The proposed amendments to the Constitution are set out below. It is proposed that the following Regulations in the Constitution be amended in the following manner where text in strikethrough indicates deletions from and underlined text indicates additions to the Constitution.

8A. The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.

102. The office of a Director shall be vacated in any of the following events, namely:

- (i) if he becomes disqualified from being a director or is prohibited by law from acting as a Director by reason of any order made under any provision of the Statutes;
- (ii) if he becomes disqualified from being a Director by virtue of his or her automatic disqualification or removal or the revocation of his or her appointment as a director, as the case may be, under any provision of the Statutes;
- (iii) if (not being a Director holding any executive office for a fixed term) he shall resign by writing under his hand left at the registered office of the Company or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
- (iv) if he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
- (v) if he becomes disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds;
- (vi) if he becomes mentally disordered or if in Singapore or elsewhere, an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
- (vii) if he is removed by the Company in a General Meeting pursuant to the provisions of these presents; or
- (viii) if he fails to attend two (2) or more meetings of directors in succession, without special leave of absence from the Board and the Board passes a resolution that he has by reason of such absence vacated office.