CIRCULAR DATED 12 APRIL 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by Sinostar PEC Holdings Limited (the "Company", together with its subsidiaries, the "Group"). If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

This Circular is circulated to the shareholders of the Company (the "**Shareholders**") and the purpose of this Circular is to provide the Shareholders with information in relation to, and to seek Shareholders' approval for (a) the proposed adoption of an employee share options scheme; and (b) the proposed grant of options at a discount under the proposed employee share options scheme (collectively, the "**Proposed Transactions**") to be tabled at the extraordinary general meeting of the Company to be held on Monday, 29 April 2019 at 10.30 a.m. at Grand Salon Room, Level 2 Conrad Centennial Singapore, 2 Temasek Boulevard Singapore 038982 (or immediately after the preceding AGM) (the "**2019 EGM**").

If you have sold or transferred all your ordinary shares in the capital of the Company (the "**Shares**"), you should immediately forward this Circular, the Notice of the 2019 EGM and the accompanying Proxy Form immediately to the purchaser, transferee or the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (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.

中星石化
SINOSTAR

Sinostar PEC Holdings Limited

(Company Registration Number: 200609833N)
(Incorporated in the Republic of Singapore)

CIRCULAR IN RELATION TO

(A) THE PROPOSED ADOPTION OF THE SINOSTAR EMPLOYEE SHARE OPTION SCHEME ("SCHEME"); AND

(B) THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE SCHEME.

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

"2019 EGM"	:	The EGM of the Company to be held on Monday, 29 April 2019 at 10.30 a.m. at Grand Salon Room, Level 2 Conrad Centennial Singapore, 2 Temasek Boulevard Singapore 038982 (or immediately after the preceding AGM)
"AGM" or "Annual General Meeting"	:	Annual general meeting of the Company
"associate"	:	(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30.0%) or more; (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any 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 thirty per cent. (30.0%) or more
"Board" or "Directors"	:	The directors of the Company as at the date of this Circular and "Director" shall be construed accordingly
"CDP"	:	The Central Depository (Pte) Limited
"CEO"	:	Chief executive officer of the Company
"Committee"	:	A committee comprising Directors as may be duly nominated by the Board to administer the Scheme
"Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Company"	:	Sinostar PEC Holdings Limited
"Constitution"	:	The constitution or other regulations of the Company for the time being in force as originally framed, or as amended from time to time
"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly fifteen per cent. (15.0%) or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfied this paragraph is not a controlling shareholder; or (b) in fact exercises Control over the Company
"EGM"	:	Extraordinary general meeting of the Company
"EPS"	:	Earnings per Share
"Executive Director"	:	A Director of the Company, holding office in an executive capacity
"Exercise Price"	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option
"FY" or "Financial Year"	:	Financial year ended, or ending, as the case may be, on 31 December
"Group"	:	The Company and its subsidiaries as at the date of this Circular
"Intelligent People"	:	Intelligent People Holdings Limited
"Latest Practicable Date"	:	12 April 2019, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The mainboard listing manual of the SGX-ST, as amended, modified or supplemented from time to time
"Market Price"	:	The average of the last dealt price for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offering Date provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
"Mr Li"	:	Mr Li Xiang Ping, the Non-Executive Chairman of the Company
"Non-Executive Directors"	:	A director of the Group other than one who performs an executive function
"NTA"	:	Net tangible assets
"Offering Date"	:	The date on which an Option is granted pursuant to a Letter of Offer
"Option"	:	The right to acquire Shares granted or to be granted to a Group Employee pursuant to the Scheme and for the time being subsisting
"Participant"	:	A person selected by the Committee as the holder of an Option

"Participating Directors"	:	The Directors save for Mr. Li
"PRC"	:	The People's Republic of China
"Scheme"	:	The proposed "Sinostar Employee Share Option Scheme"
"SFA"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	The registered holders of the Shares in the register of members of the Company, except where the registered depositor is CDP, the term "Shareholders" shall, in relation to such Shares and where the context so admits, mean the persons to whose securities accounts maintained with CDP are credited with the Shares
"Shares"	:	Ordinary share(s) in the issued and paid-up capital of the Company
"subsidiary holdings"	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
"Substantial Shareholder"	:	A person (including a corporation) who has an interest in one (1) or more voting shares of the Company and the total votes attached to that share, or those shares, is not less than five per cent. (5.0%) of the total votes attached to all the voting shares in the Company
"Treasury Shares"	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company

Currencies, Units and Others

"RMB"	:	Renminbi, the lawful currency of the PRC
"S$" and "cents"	:	Singapore dollars and cents, the lawful currency of the Republic of Singapore
"%" or "per cent"	:	Per centum or percentage

Unless the contest otherwise requires:

(a) the terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the same meanings ascribed to them, respectively, in section 81SF of the SFA. The terms "**subsidiary**", "**related company**" and "**substantial shareholder**" shall have the meanings ascribed to them, respectively, in the Companies Act;

(b) 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 include corporations;

(c) the headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular;

(d) any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be;

(e) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them;

(f) any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time;

(g) any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated; and

(h) unless otherwise stated, the exchange rate of S$1:RMB4.9 has been used in this Circular.

SINOSTAR PEC HOLDINGS LIMITED

Company Registration Number 200609833N
(Incorporated in the Republic of Singapore)

Directors:

Mr Li Xiang Ping (Non-Executive Chairman)
Mr Zhang Liu Cheng (CEO and Executive Director)
Mr Teo Moh Gin (Independent Non-Executive Director)
Mr Zhao Jinqing (Independent Non-Executive Director)

Registered Office:

Six Battery Road #10-01
Singapore, 049909

12 April 2019

To: The Shareholders of Sinostar PEC Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 The Directors propose to table, for Shareholders' consideration and approval, the following matters:

(a) the proposed adoption of a new Scheme; and

(b) the proposed grant of Options at a discount under the Scheme,

(collectively, the "**Proposed Transactions**").

1.2 The purpose of this Circular is to explain the rationale for and provide information to Shareholders for the Proposed Transactions.

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

2. THE PROPOSED ADOPTION OF A NEW EMPLOYEE SHARE OPTION SCHEME

The Directors are proposing to implement a new employee share option scheme to be named the "Sinostar Employee Share Option Scheme". The Company has not previously implemented any share option scheme nor share award schemes.

2.1 RATIONALE FOR THE SCHEME

The Directors believe that the Scheme will serve as a powerful incentive in retaining and motivating qualified key employees to optimise their performance standards and increase their efficiency. In addition, the Scheme will provide the Company with the necessary flexibility and effectiveness to reward, retain and motivate employees to achieve superior performance. The scheme will also strengthen the Company's competitiveness in attracting and retaining talented employees.

The Scheme will provide incentives to high performing employees to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Scheme, the Company will be able to continue motivating its employees to strive for the Group's long-term shareholder value. In addition, the Scheme aims to continue to foster a greater ownership culture within the Group which more directly aligns the interest of employees with that of the Shareholders, and to improve performance and achieve sustainable growth for the Company in the changing business environment.

The Scheme is extended to the Non-Executive Directors of the Group (except for Mr Li). Although the Non-Executive Directors are not involved in the day-to-day running of the Group, they play an invaluable role in the success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is therefore desirable that the Non-Executive Directors (except for Mr Li) be allowed to participate in the Scheme to give recognition to their services and contributions and to further align their interests with that of the Group.

The Scheme uses methods that are fairly common among major local and multinational companies to incentivise and motivate its employees to create and enhance economic value for Shareholders. The Company believes that the Scheme will be an effective tool in motivating its employees to strive to deliver long-term shareholder value.

2.2 SUMMARY OF RULES

The following are summaries of the principal rules of the Scheme.

2.2.1 Eligibility

Group employees (including the Participating Directors) who have attained the legal age of 21 years on or before the Offering Date and are not undischarged bankrupts shall be eligible to participate in the Scheme. For the avoidance of doubt, controlling shareholders and their associates are not eligible to participate in the Scheme.

2.2.2 Options

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

2.2.3 Participants

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

2.2.4 Exercise Price

Under the Scheme, the Exercise Price of Options granted will be determined by the Committee, in its absolute discretion, on the Offering Date at:

(a) a price equal to the Market Price; or

(b) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price; and the Shareholders of the Company in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid.

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

2.2.5 Grant of Options at a Discounted Price

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

The ability to offer Options at a discount to the Market Price of the Shares will give the Company flexibility in structuring the Options granted, and ensures that the Company maintains the competitiveness of its compensation strategy. Being able to grant Options at a discount allows the Company to acknowledge a Participant's contributions where such means is more meaningful than paying a cash bonus, as these Options operate as a form of cashless reward from the Company with a greater potential for capital appreciation than Options granted at the Market Price. Further, because Options granted with a discount under the Scheme are subject to a longer vesting period of two years compared to one year for the Options granted at the Market Price, holders of such Options will be encouraged to have a long term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

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

2.2.6 Exercise Period

(a) Options granted to a Participant (except Non-Executive Directors)

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

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

(b) Options granted to Non-Executive Directors

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

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

2.2.7 Size and Duration of the Scheme

The total number of Shares which may be delivered pursuant to the exercise of Options granted under the Scheme on any date, when added to the number of Shares issued and issuable in respect of such other Shares issued and/or issuable under such other share-based incentive schemes of the Company, including but not limited to the Scheme, shall not exceed fifteen per cent. (15%) of the total issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date.

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

2.2.8 Operation of the Scheme

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

(a) an issue of new Shares; and/or

(b) the delivery of existing Shares (including treasury shares).

In determining whether to issue new Shares or to deliver existing Shares to Participants upon exercise of their Options, the Company 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 cost to the Company of either issuing new Shares or delivering existing Shares (including treasury shares).

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

2.2.9 Adjustment Events under the Scheme

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

(a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised;

(b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or

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

shall be adjusted by the Committee in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option and any adjustment must be confirmed in writing by the auditors of the Company for the time being (acting as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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

(i) the issue of securities as consideration for an acquisition of any assets by the Company or in connection with a private placement of securities; or

(ii) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the issue and allotment of Shares pursuant to the Scheme or any other share-based incentive schemes implemented by the Company); or

(iii) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) of such Shares undertaken by the Company on the SGX-ST during the period while a share purchase mandate granted by Shareholders (or any renewal thereof) is in force.

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

2.2.10 Modification or Alterations to the Scheme

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

(a) any proposed modification or amendment, which would be to the advantage of the Participants under the Scheme (as confirmed by the auditors of the Company for the time being, acting as experts and not arbitrators) shall be subject to the prior approval of the Company in general meeting;

(b) no modification or amendment shall be made which would adversely affect the rights attached to Options granted prior to such modification or alteration except with the prior consent in writing of such number of Participants under the Scheme who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all Shares which would be available under the Scheme; and

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

Notwithstanding anything to the contrary contained in the paragraph above, the Committee may at any time by resolution and without any other formality (save for the prior approval of the SGX-ST when necessary) modify or amend the rules of the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

2.2.11 Disclosures in Annual Reports

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

(a) the names and members of the Committee administering the Scheme;

(b) in respect of the following Participants of the Scheme:

(i) Participating Directors of the Company; and

(ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the grant of Options granted under the Scheme which, in aggregate represent 5% or more of the aggregate number of Options under the Scheme,

the following information:

(iii) the name of the Participant;

(iv) the number of Options granted to such Participant during the financial year under review;

(v) the aggregate number of Options granted since the commencement of this Scheme up to the end of the Financial Year in review;

(vi) the aggregate number of Options exercised since the commencement of this Scheme up to the Financial Year in review and in respect of such exercise, the proportion of:

(1) new Shares issued; and

(2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,

pursuant to the exercise of Options granted under the Plan; and

(vii) the aggregate number of Options outstanding as at the end of the Financial Year in review;

(c) the number and proportion of Options granted at a discount during the Financial Year in review in respect of every 10% range, up to the maximum quantum of discount granted; and

(d) such other information as may be required by the Listing Manual or the Companies Act.

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

2.2.12 Administration of the Scheme

The Scheme shall be administered by the Committee which will comprise Directors as may be nominated by the Board. Further, it is envisaged that consistent with the current policy of the Company, the Scheme will be administered by the remuneration committee of the Company.

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

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

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

2.2.13 Taxes, Costs and Expenses relating to the Scheme

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

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

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

2.3 FINANCIAL EFFECTS OF THE SCHEME

The following set out the financial effects of the Scheme:

2.3.1 Share Capital

The Scheme will result in an increase in the Company's issued Shares only where new Shares are issued to Participants. The number of new Shares issued will depend on, inter alia, the number of Shares comprised in the Options granted under the Scheme. In any case, the Scheme provides that the total number of new Shares to be issued will be subject to the maximum limit of 15% of the issued Shares (excluding treasury shares and subsidiary holdings) preceding the date of exercise of the Option. If, instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants or the Company pays the equivalent cash value or no Options are exercised, the Scheme will have no impact on the Company's issued ordinary share capital.

2.3.2 NTA

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

2.3.3 EPS

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

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

2.3.4 Potential Cost of Options

Any Options granted under the Scheme would have a fair value. In the event that such Options are granted at prices below the fair value of the Options, there will be a cost to the Company. The amounts of such costs may be more significant in the case of Options granted with Exercise Prices set at a discount to the Market Price of the Shares. In addition to the impact on the Company's consolidated EPS and consolidated NTA as described above, the cost to the Company of granting Options under the Scheme would be as follows:

(a) the exercise of an Option at the Exercise Price would translate into a reduction of the proceeds from the exercise of such Option, as compared to the proceeds that the Company would have received from such exercise had the exercise been made at the prevailing Market Price of the Shares. Such reduction of the exercise proceeds would represent the monetary cost to the Company; and

(b) the grant of Options under the Scheme will have an impact on the Company's reported profit under the FRS as share-based payment requires the recognition of an expense in respect of Options granted under the Scheme. The expense will be based on the fair value of the Options at the Date of Grant (as determined by an option pricing model) and will be recognised over the vesting period provided that the only condition to vest the Option is service period.

It should be noted that the financial effects discussed in Section 2.3.4(a) above will materialise only upon the exercise of the relevant Options. The cost of granting Options discussed in paragraph 2.3.4(b) above will be recognised in the financial statements even if the Options are not exercised in 2.3.4(b). Measured against the cost of granting the Options as described above, the desirable effect of the Scheme in attracting, recruiting and motivating Participating Directors and Employees could in the long term yield greater returns for the Company and Shareholders.

3. PARTICIPATION IN THE SCHEME

3.1 NON-PARTICIPATION IN THE SCHEME BY THE CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES

It is currently envisaged that the Controlling Shareholders, namely Mr Li, and their associates will not be participating in the Scheme.

3.2 PARTICIPATION IN THE SCHEME BY THE NON-EXECUTIVE DIRECTORS

While the proposed Scheme is primarily intended to cater to employees of the Group, it should also be recognised that there are other persons who make and can make significant contributions to the Group even though they are not employed within the Group. These may include the Non-Executive Directors who are from different professions and commercial backgrounds, bringing to the Group their wealth of knowledge, business expertise and contacts within the business community. They play an important role in helping the Group shape its business and growth strategies by allowing the Group to draw on their diverse backgrounds and experiences. It is crucial for the Group to attract and retain these Non-Executive Directors by allowing them to participate in the proposed Scheme. This allows the Company to give recognition to their services and contributions and to further align their interests with that of the Group.

The Directors are of the view that including the Non-Executive Directors (except for Mr Li) in the proposed Scheme will allow the Company to show its appreciation for the Non-Executive Directors of the Group (except for Mr Li) and to further motivate them to contribute towards the success of the Group.

However, the Company recognises that their services and contributions cannot be measured in the same way as the full-time employees of the Group. As such, the bulk of the Options will be granted to the full-time employees of the Group and any Options given to the Non-Executive Directors (except for Mr Li who is not eligible to participate in the Scheme) will be at the discretion of the Committee.

The Committee when deciding on the selection of the Non-Executive Directors (except for Mr Li who is not eligible to participate in the Scheme) to participate in the proposed Scheme and the number of Shares comprised in each Option, will take into consideration non-financial performance criteria such as the nature and extent of their input, assistance and expertise rendered to the boards on which they sit and impact thereof on the growth, success and development of the Company and the Group as well as their years of service and extent of involvement and commitment to the boards on which they sit.

Notwithstanding the eligibility of the Non-Executive Directors (except for Mr Li who is not eligible to participate in the Scheme) to participate in the Scheme, the Directors are of the view that the participation of the other Non-Executive Directors will not compromise their independent status for the following reasons:

(a) the primary purpose of the Scheme is to function as an additional tool for the Company to motivate the eligible employees through the tailoring of attractive remuneration packages for the particular Participant's circumstances;

(b) it is envisaged that the number of Shares to be delivered to the participating Non-Executive Directors (if any), will not be significant and will only be made in exceptional circumstances having regard to the criteria as set out above.

Based on the foregoing reasons, the Directors are of the view that the participation by the Non-Executive Directors will not compromise their independent status.

3.3 LISTING OF THE NEW SHARES

The SGX-ST has granted in-principle approval of the listing and quotation of the new Shares arising from the Scheme, subject to the following conditions:

(a) independent shareholders' approval for the Scheme being obtained; and

(b) compliance with the SGX-ST's listing requirements and guidelines.

The approval-in-principle of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the new Shares and/or the Company and its subsidiaries.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHARHEOLDERS

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

	Direct Interests		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Li Xiang Ping	–	–	356,801,800[(2)]	55.75
Zhang Liu Cheng	200,000	0.03		
Teo Moh Gin	100,000	0.02	–	–
Zhao Jinqing	–	–	–	–
Substantial Shareholders				
Intelligent People Holdings Limited	329,996,000	51.56	26,805,800[(1)]	4.19

Notes:

(1) Intelligent People Holdings Limited is deemed to be interested in 26,805,800 Shares held on its behalf under the name of its nominee - RHB Securities Singapore Pte. Ltd.

(2) Mr Li, by virtue of the provisions of Section 7 of the Companies Act, is deemed to have an interest in the aggregate number 356,801,800 Shares that Intelligent People is interested or deemed to be interested in, due to his 100.0% shareholding interest in Intelligent People.

5. ABSTENTION FROM VOTING

Shareholders who are entitled to participate in the Scheme, are required to abstain from voting at the EGM on the Resolutions 1 to 3 as set out in the Notice of Extraordinary General Meeting on page 35 to 36 and should decline appointment as proxies for voting at the Extraordinary General Meeting in respect of the aforesaid resolutions, unless specific instructions have been given in the proxy form on how the votes are to be cast for each of the aforesaid resolutions.

In addition, the Company will procure persons who are eligible to participate in the Scheme, and are Shareholders, to abstain from voting on Resolutions 1 to 3.

The Company will procure that the interested Directors and persons who are eligible to participate in the Scheme decline to accept appointment as proxies for Shareholders to vote on Resolutions 1 to 3 unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of Resolutions 1 to 3.

6. DIRECTORS' RECOMMENDATIONS

Save for Mr Li, all of the Directors are eligible to participate in, and are therefore interested in, the Scheme. Accordingly, the Participating Directors have abstained from making any recommendation on Resolutions 1 to 3, being the resolution relating to the proposed adoption of the Scheme at the 2019 EGM.

For the reasons set out in Section 2 above, Mr Li (being the only Director who is not eligible to participate in the Scheme), is of the opinion that the proposed adoption of the Scheme is in the interest of the Company and accordingly, recommend that the Shareholders vote in favour of Resolutions 1 to 3, being the resolution relating to the proposed adoption of the Scheme at the 2019 EGM.

Save as disclosed above, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Scheme.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Six Battery Road #10-01, Singapore 049909, during normal business hours from the date hereof up to and including the date of the 2019 EGM:

(a) the Constitution of the Company;

(b) the annual report of the Company for FY2018; and

(c) the rules of the Scheme.

8. DIRECTORS' RESPONSBILITY 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 Transactions, 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 the Circular in its proper form and context.

Yours faithfully
For and on behalf of the Board of Directors of
SINOSTAR PEC HOLDINGS LIMITED

Zhang Liu Cheng
Chief Executive Officer and Executive Director

RULES OF THE SINOSTAR EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

This Scheme shall be called the "Sinostar Employee Share Option Scheme" (the "**Scheme**").

2. DEFINITIONS

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

"Acceptance Period"	:	The period within which an Option may be accepted, as described in Rule 7.2
"associate"	:	(a) in relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:- (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30.0%) or more; (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any 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 thirty per cent. (30.0%) or more
"Associated Company"	:	A company in which at least twenty per cent. (20.0%) but no more than fifty per cent. (50.0%) of its shares are held by the Company
"Auditors"	:	The auditors of the Company for the time being
"Board of Directors" or "Board"	:	The board of Directors of the Company
"CDP"	:	The Central Depository (Pte) Limited
"Committee"	:	A committee comprising Directors as may be duly nominated by the Board to administer the Scheme
"Company" or "Sinostar"	:	Sinostar PEC Holdings Limited
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operation policies of the Company

"Controlling Shareholder"	:	A person who:- (a) holds directly or indirectly fifteen per cent. (15.0%) or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfied this paragraph is not a controlling shareholder; or (b) in fact exercises Control over the Company
"Directors"	:	The directors (including non-executive directors and independent directors) of the Group for the time being and/or its subsidiaries as the case may be
"Executive Director"	:	A director who is an employee of the Group and who performs an executive function
"Exercise Price"	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 8, or such adjusted price as may be applicable pursuant to Rule 12
"Financial Year"	:	Each period of twelve (12) months or more or less than twelve (12) months, at the end of which the balance of accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company
"Grantee"	:	The person to whom an offer of an Option is made
"Group"	:	The Company and its subsidiaries
"Group Employee"	:	Any confirmed employee of the Group (including any Participating Director) selected by the Committee to participate in the Scheme in accordance with the rules herein
"Letter of Offer"	:	Shall have the meaning ascribed to it in Rule 6.3
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Market Price"	:	The average of the last dealt price for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offering Date provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
"Mr Li"	:	Mr Li Xiang Ping, the Non-Executive Chairman of the Company
"Non-Executive Director"	:	A director of the Group other than one who performs an executive function

"Offering Date"	:	The date on which an Option is granted pursuant to a Letter of Offer
"Option"	:	The right to acquire Shares granted or to be granted to a Group Employee pursuant to the Scheme and for the time being subsisting
"Option Period"	:	The period for the exercise of an Option as set out in Rule 9.1 or 9.2 (as the case may be)
"Participant"	:	A person selected by the Committee as the holder of an Option
"Participating Director"	:	The Directors save for Mr Li
"Rules"	:	The rules of this Scheme, as may be amended from time to time
"Scheme"	:	Sinostar Share Option Scheme, as modified or amended from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share(s)"	:	Ordinary share(s) in the issued and paid-up capital of the Company
"Shareholders"	:	The registered holders of the Shares in the register of members of the Company, except where the registered depositor is CDP, the term "Shareholders" shall, in relation to such Shares and where the context so admits, mean the persons to whose securities accounts maintained with CDP are credited with the Shares
"subsidiary holdings"	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
"%" or "per cent"	:	Per centum or percentage

2.1. The terms "Depositor", "Depository Register" and "Depository Agent: shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act.

2.2. 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 gender and vice versa. References to persons shall include corporations.

2.3. Any reference in Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in this Scheme shall, where applicable, have the same meaning assigned to it under the Companies Act.

2.4. Any reference in this Scheme to a time of day shall be a reference to Singapore time.

3. OBJECTIVES

The objectives of the Scheme are as follow:

(a) to motivate Participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group;

(b) to retain key employees whose contributions are important to the long term growth and prosperity of the Group;

(c) to attain a harmonious employer/employee relations as well as the strengthening of working relationships with the Group's close business associates;

(d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders;

(e) to align the interests of the Participants with the interests of the Shareholders; and

(f) to develop a participatory style of management which promotes greater commitment and dedication among the employees and instill loyalty and a stronger sense of identification with the long term prosperity of the Group.

4. ELIGIBILITY

4.1. Subject to the absolute discretion of the Committee, Group Employees (including Participating Directors) who:

(a) have attained the legal age of 21 years on or before the Offering Date; and

(b) are not undischarged bankrupts,

shall be eligible to participate in the Scheme. For the avoidance of doubt, controlling shareholders and their associates are not eligible to participate in the Scheme.

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

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

5. LIMITATIONS UNDER THE SCHEME

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

(a) all Options granted under the Scheme; and

(b) all Shares, options or awards granted under any other share option or share-based incentive scheme,

shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) on the day preceding the Offering Date.

6. GRANT OF OPTIONS

6.1. The Committee may grant Options at any time during the period when the Scheme is in force.

6.2. Subject to Rules 4 and 5, the number of Shares which are the subject of each Option to be granted to a Participant under the Scheme shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as the seniority of position, performance, length of service and potential for future development of the eligible Group Employee.

6.3. An offer to grant an Option to a Participant shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Schedule 1 of this Scheme, subject to such amendments as the Committee may determine from time to time.

7. ACCEPTANCE OF OFFER

7.1. An option is personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

7.2 An Option offered to a Participant pursuant to Rule 6 may only be accepted by the Participant within thirty (30) days after the relevant Offering Date and not later than 5.00 p.m. on the 30th day from such Offering Date. The grant of an Option must be accepted by completing, signing and returning of the Acceptance Form in or substantially in the form set out in Schedule 2 of this Scheme, subject to such modification as the Committee may from time to time determine, accompanied by payment of S$1.00 as consideration or such other amount and such other documentation as the Committee may require. The Option is deemed not accepted until the Company is in actual receipt of the Acceptance Form.

7.3. Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:

(a) a grant of an Option is not accepted strictly in the manner as provided in Rule 7.2 within the Acceptance Period;

(b) the Grantee dies prior to his acceptance of the Option;

(c) the Grantee is adjudicated a bankrupt or enters into a composition with his creditors prior to his acceptance of the Option;

(d) the Grantee being an Executive Director or, as the case may be, an Employee ceases to be in the employment of the Group or (being a Non-Executive Director) ceases to be a Director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or

(e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

7.4 The Company shall be entitled at its absolute discretion to reject any purported acceptance of a grant of an Option made pursuant to this Rule 7 or Exercise Notice (as defined in Rule 11) given pursuant to Rule 11 which does not strictly comply with the terms of this Scheme.

7.5. In the event that the grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

8. EXERCISE PRICE

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

(a) the Market Price; or

(b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20.0% of the Market Price in respect of that Option.

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

(a) the performance of the Company, its subsidiaries and associated companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;

(b) the years of service and individual performance of the eligible Group Employee;

(c) the contribution of the eligible Group Employee to the success and development of the Company and/or the Group; and

(d) the prevailing market conditions.

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

9. EXERCISE OF OPTION

9.1. Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1000 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offering Date of that Option, provided always that:

(a) in the case of a Participant (except Non-Executive Directors), the Options shall be exercised before the tenth anniversary of the relevant Offering Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and he shall have no claim against the Company; or

(b) in the case of a Non-Executive Director, the Options shall be exercised before the fifth anniversary of the relevant Offering Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and he shall have no claim against the Company.

9.2. Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1000 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offering Date of that Option, provided always that:

(a) in the case of a Participant (except Non-Executive Directors), the Options shall be exercised before the tenth anniversary of the relevant Offering Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and he shall have no claim against the Company; or

(b) in the case of a Non-Executive Director, the Options shall be exercised before the fifth anniversary of the relevant Offering Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and he shall have no claim against the Company.

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

(a) subject to Rules 9.4, 9.5, and 9.6, upon the Participant ceasing to be in the employment of the Company or any of the Companies within the Group for any reason whatsoever; or

(b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or

(c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 9.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

9.4. If a Participant ceases to be employed by the Group by reason of his:

(a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;

(b) redundancy;

(c) retirement at or after a normal retirement age;

(d) retirement before that age with the consent of the Committee; or

(e) for any other reason approved in writing by the Committee,

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

9.5. If a Participant ceases to be employed by a subsidiary:

(a) by reason of the subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group; or

(b) for any other reason, provided the Committee gives its consent in writing,

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

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

9.7. If a Participant, who is also an Executive Director or a Non-Executive Director (as the case may be), ceases to be a director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

10. TAKE-OVER AND WINDING UP OF COMPANY

10.1 Notwithstanding Rule 9 but subject to Rule 10.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise in full or in part any Option held by him and as yet unexercised, in the period commencing on the date on which such offer is made or, if such offer is unconditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

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

(b) the date of the expiry of the Option Period relating thereto,

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

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall subject to Rule 9 remain exercisable until the expiry of the Option Period relating thereto.

10.2. If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1) shall be entitled, notwithstanding the provisions under Rule 9 but subject to Rule 10.5, to exercise any Option then held by him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option period relating thereto), whereupon the Option shall lapse and become null and void.

10.2. If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent that they are unexercised, shall be deemed or become null and void.

10.3. In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Participants ((including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1) shall be entitled within 30 days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto), to exercise any unexercised Option, after which period such unexercised Option shall lapse and become null and void.

10.5. If in connection with the making of a general offer referred to in Rule 10.1 or the scheme referred to in Rule 10.2 or the winding-up referred to in Rule 10.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no exercise of an Option (to the extent not yet exercised) shall be made in such circumstances.

10.6. To the extent that an Option is not exercised within the periods referred to in this Rule 10, it shall lapse and become null and void.

11. MANNER OF EXERCISE

11.1. An Option may be exercised during the Option Period, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiples thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule 3 of this Scheme (the "**Exercise Notice**"), subject in each case to such modifications as the Committee may from time to time determine. Every Exercise notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which must have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. An Option shall be deemed to be exercised upon the receipt by the Company of Exercise Notice duly completed, the relevant documentation required by the Committee and the aggregate Exercise price.

11.2. All payments shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.

11.3. Subject to the Companies Act and the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:

(a) an issue and allotment of new Shares; and/or

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

In determining whether to issue new Shares or to deliver existing Shares to Participants upon the exercise of their Options, the Company will take into account factors such as (but not limited to):

(i) the prevailing Market Price of the Shares;

(ii) the prevailing Market Price of the Shares relative to the financial performance of the Company;

(iii) the cash position of the Company;

(iv) the projected cash needs of the Company;

(v) the dilution impact (if any);

(vi) the cost to the Company of either issuing new Shares or purchasing existing Shares; and

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

11.4. Subject to:

(a) such consents or other required actions of any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and

(b) compliance with the Rules of this Scheme and the Constitution of the Company,

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

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

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

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

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

12. ADJUSTMENT EVENTS

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

(a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised;

(b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or

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

shall be adjusted by the Committee in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable. For this purpose, "Record Date" means the date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributors (as the case may be).

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

(a) the issue of securities as consideration for an acquisition of any assets by the Company or in connection with a private placement of securities;

(b) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the issue and allotment of Shares pursuant to or any other share-based incentive schemes implemented by the Company); or

(c) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) of such Shares undertaken by the Company on the SGX-ST during the period while a share purchase mandate granted by Shareholders (or any renewal thereof) is in force.

12.3 Notwithstanding Rule 12.1, no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

12.4 Upon any adjustment made, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the new Exercise Price thereafter in effect and the number of Shares thereafter comprised in the Option insofar as it is unexercised. Any adjustment shall take effect upon such written notice being given.

13. ADMINISTRATION OF THE SCHEME

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

13.2. The Committee shall have the power, from time to time, to make and vary such rules and regulations or impose terms and conditions necessary, desirable or expedient for the implementation and administration of the Scheme as it may think fit including, but not limited to, imposing restrictions on the number of Options that may be exercised within particular sections of the relevant Option Period.

13.3. Any decision of the Committee, made pursuant to any provision of this Scheme (other than a matter to be certified or confirmed by the auditors of the Company for the time being, acting as experts and not as arbitrators), shall be final and binding (including any decisions pertaining to disputes as to interpretation of the Scheme or any regulation, rule or procedure thereunder or as to any rights under the Scheme).

14. MODIFICATIONS AND ALTERATIONS TO THE SCHEME

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

(a) any proposed modification or amendment, which would be to the advantage of the Participants under the Scheme (as confirmed by the auditors of the Company for the time being, acting as experts and not arbitrators) shall be subject to the prior approval of the Company in general meeting;

(b) no modification or amendment shall be made which would adversely affect the rights attached to Options granted prior to such modification or alteration except with the prior consent in writing of such number of Participants under the Scheme who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all Shares which would be available under the Scheme; and

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

14.2. Notwithstanding anything to the contrary contained in the paragraph above, the Committee may at any time by resolution and without any other formality (save for the prior approval of the SGX-ST when necessary) modify or amend the rules of the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

14.3. The Company shall give written notice of any modification or alteration made in accordance with this Rule to be given to all Participants.

15. DURATION OF THE SCHEME

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

15.2. Upon the termination of the Scheme, no additional Options shall be granted by the Company hereunder.

15.3. The termination of this Scheme shall not affect the rights accrued to Options which have been granted and accepted, whether such Options have been exercised (whether fully or partial) or not.

16. DISCLOSURES IN ANNUAL REPORT

16.1. The Company shall disclose the following in its annual report to Shareholders in compliance with the Listing Manual for so long as the Scheme continues in operation:

(a) the names and members of the Committee;

(b) in respect of the following Participants of the Scheme:

(i) Participating Directors of the Company; and

(ii) Participants (other than those in paragraph (i) above) who have received Shares pursuant to the grant of Options granted under the Scheme which, in aggregate represent 5% or more of the aggregate number of Options under the Scheme,

the following information:

(iii) the name of the Participant;

(iv) the number of Options granted to such Participant during the financial year under review;

(v) the aggregate number of Options granted since the commencement of this Scheme up to the end of the Financial Year in review;

(vi) the aggregate number of Options exercised since the commencement of this Scheme up to the Financial Year in review and in respect of such exercise, the proportion of;

(1) new Shares issued; and

(2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased

pursuant to the exercise of Options granted under the Plan; and

(vii) the aggregate number of Options outstanding as at the end of the Financial Year in review;

(c) the number and proportion of Options granted at a discount during the Financial Year in review in respect of every 10% range, up to the maximum quantum of discount granted; and

(d) such other information as may be required by the Listing Manual or the Companies Act.

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

17. NOTICES

17.1. Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses as may be notified by the Company to him in writing.

17.2. Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company or at the last known address of the Participant and if sent by post, shall be deemed to have been given on the day following the date of posting.

17.3. Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service by post, it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper.

18. TERMS OF EMPLOYMENT UNAFFECTED

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

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

19. TAXES, COSTS AND EXPENSES

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

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

19.3. Save for the above, all other fees, costs and expenses incurred by the Company in relation to the Scheme shall be borne by the Company.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or applying for or procuring the listing of the Shares on the SGX-ST in accordance with Rule 11.5.

21. DISPUTES

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

22. ISSUE OF SHARES CONTRARY TO LAW

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

23. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Scheme must abstain from voting on any resolution relating to the Scheme (other than a resolution relating to the participation of, or grant of options to, directors and employees of the issuer's parent company and its subsidiaries).

24. GOVERNING LAW

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

SCHEDULE 1

SINOSTAR PEC HOLDINGS LIMITED
EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Date: **PRIVATE AND CONFIDENTIAL**

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Committee to participate in the Sinostar Employee Share Option Scheme (the "**Scheme**"). Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S$[●], to subscribe for and be allotted [●] Shares of S$[●] each in the capital of the Company at the price of S$[●] per Share (the "**Exercise Price**"). The Option shall be subject to the terms of this Letter of Offer and the Rules of the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme). You may obtain a copy of the Rules of the Scheme from the Company.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

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

Yours faithfully
For and on behalf of
Sinostar PEC Holdings Limited

Name:
Designation

SCHEDULE 2

SINOSTAR PEC HOLDINGS LIMITED
EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Date:

To: The Committee
Sinostar Employee Share Option Scheme
c/o The Company Secretary
[address]

Closing Date and Time for Acceptance of Option : _____

No. of Shares in respect of which Option is offered : _____

Exercise Price per Share : _____

Total Amount Payable on acceptance of Option : _____
(exclusive of the relevant CDP charges)

I have read your Letter of Offer dated [●] (the "**Offering Date**") and agree to be bound by the terms hereof and of the Sinostar Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I hereby accept the Option to subscribe for [●] Shares of S$[●] each in the capital of the Company (the "**Shares**") at S$[●] per Share and enclose a *cheque/banker's draft/cashier's order/postal order no. [●] for S$[●] being payment for the purchase of the Option.

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

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment of any Shares 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 or CPF investment account with a CPF agent bank.

I confirm as at the date hereof:

(a) I am not less than 21 year old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors; and

(b) I satisfy the eligibility requirements to participate in the Scheme and such other requirements to participate in the Scheme as set out in the Rules of the Scheme.

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer. I agree to keep all information pertaining to the grant of the Option to me confidential.

SCHEDULE A – RULES OF THE SINOSTAR EMPLOYEE SHARE OPTION SCHEME

PLEASE PRINT IN BLOCK LETTERS

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

* Delete where inapplicable

Notes:

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

SCHEDULE 3

SINOSTAR PEC HOLDINGS LIMITED
EMPLOYEE SHARE OPTION SCHEME

EXERCISE NOTICE

To: The Committee
Sinostar Employee Share Option Scheme
c/o The Company Secretary
[address]

Total Number of Shares S$[●] each (the "Share") at S$[●] per Share under an Option granted on [date] : _____

No. of Shares previously allotted and issued thereunder : _____

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

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

Pursuant to your Letter of Offer dated [●] (the "**Offering Date**") and my acceptance thereof, I hereby exercise the Option to subscribe for Shares in Sinostar PEC Holdings Limited (the "**Company**") at S$[●] per Share.

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

*(a) Direct Securities Account Number : _____

*(b) Securities Sub-Account Number : _____

Name of CDP Depository Agent : _____

*(c) CPF Investment Account Number : _____

Name of CPF agent bank : _____

I enclose a *cheque/cashier's order/bank draft/postal order no. [●] for S$[●] in payment for the subscription of S$[●] for the total number of [●] Shares and the CDP charges of S$[●].

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

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

*Delete where inapplicable

SINOSTAR PEC HOLDINGS LIMITED

Company Registration Number 200609833N
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Sinostar PEC Holdings Limited the "**Company**") will be held at Grand Salon Ballroom Level 2, Conrad Centennial Singapore,2 Temasek Boulevard Singapore 038982 on Monday, 29 April 2019 at 11.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolutions::

*Unless otherwise defined, all terms defined in this Notice of EGM shall have the same meanings as those defined or construed in the circular to the shareholders dated 12 April 2019 (the "**Circular**") issued by the Company to the Shareholders.*

1. Proposed Adoption of the New Sinostar Employee Share Option Scheme

That:

(a) a new share incentive scheme to be known as the "Sinostar Employee Share Option Scheme" (the "**Scheme**"), the details and rules whereof are set out in the Appendix to Shareholders dated 12 April 2019, under which options (the "**Options**") will be granted, to selected employees of the Company and its subsidiaries, including Directors of the Company, or to selected Non-Executive Directors be and is hereby approved;

(b) the Directors of the Company be and are hereby authorised to establish and administer the Scheme;

(c) the Directors of the Company be and are hereby authorised to modify and/or amend the Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme; and

(d) the Directors of the Company be and are hereby authorised to allot and/or issue from time to time such number of Options as may be required to be allotted and/or issued pursuant to the Scheme, provided that the aggregate number of Shares to be allotted and/or issued pursuant to the Scheme and any other share based schemes of the Company shall not exceed fifteen per cent. (15%) of the total issued shares excluding treasury shares and subsidiary holdings of the Company from time to time. **(Resolution 1)**

2. Authority to issue shares under the Sinostar Employees Share Option Scheme

That:

Subject to and contingent upon Resolution 1 being passed, pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be authorised and empowered to offer and grant options under the Scheme and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme and any other share based schemes (if applicable) shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

See Explanatory Note **(Resolution 2)**

3. Proposed Grant of Options under the Scheme at a Discount

That:-

Subject to and contingent upon Resolution 1 being passed, approval be and is hereby given for the offer and grant of Options in accordance with the rules of the Scheme with exercise prices set at a discount not exceeding twenty per cent. (20%) to the Market Price, as determined by the Committee authorised and appointed to administer the Scheme, provided that such discount does not exceed the relevant limits as may be set by the SGX-ST from time to time.

(Resolution 3)

By Order of the Board

Tan Chee How
Company Secretary

Singapore, 12 April 2019

Explanatory Notes:

1. The Resolution 2 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) 15% of the total number of issued shares excluding treasury shares and subsidiary holdings in the capital of the Company from time to time, and the aggregate number of ordinary shares which may be issued pursuant to the Scheme and any other share based schemes (if applicable) is limited to 15% of the total issued share capital of the Company excluding treasury shares and subsidiary holdings from time to time.

Notes:

(i) A Member of the Company entitled to attend and vote at the Extraordinary General Meeting may appoint not more than two proxies to attend and vote instead of him.

(ii) Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

(iii) If the member is a corporation, the instrument appointing the proxy must be under its common seal or the hand of its attorney or a duly authorised officer.

(iv) The instrument appointing a proxy must be deposited at the registered office of the Company at Six Battery Road #10-01 Singapore 049909 not less than 72 hours before the time appointed for holding the Extraordinary General Meeting.

Personal Data Privacy

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

SINOSTAR PEC HOLDINGS LIMITED

Company Registration Number 200609833N
(Incorporated in the Republic of Singapore)

Important:
1. For investors who have used their CPF monies to buy shares in the capital of Sinostar PEC Holdings Limited, this circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We* _____ (Name) of

_____(Address)

being a Member/Members* of Sinostar PEC Holdings Limited (the "**Company**") hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or failing him/her (delete as appropriate):

Name	**NRIC/Passport Number**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing him, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies, to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll at the Extraordinary General Meeting of the Company to be held at Grand Salon Ballroom Level 2, Conrad Centennial Singapore,2 Temasek Boulevard Singapore 038982 on Monday, 29 April 2019 at 11.30 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion.

	No. of votes *For	**No. of votes *Against**
Ordinary Resolution 1 **Proposed Adoption of the New Sinostar Employee Share Option Scheme**		
Ordinary Resolution 2 **Authority to issue shares under the Sinostar Employees Share Option Scheme**		
Ordinary Resolution 3 **Proposed Grant of Options under the Scheme at a Discount**		

* Please indicate how you wish to vote "For" or "Against" with an "X" within the box provided.

** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2019

Total Number of Shares in:	
(a) CDP	
(b)Register of Members	

_____

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member (other than a Relevant Intermediary*) appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at Six Battery Road #10-01 Singapore 049909, not less than Seventy-two (72) hours before the time appointed for the EGM.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with section 179 of the Companies Act (Chapter 50) of Singapore.

9. Investors who have used their CPF monies ("**CPF Investors**") to buy shares in the Company may attend and cast their vote at the meeting in person. CPF Investors who are unable to attend the meeting but would like to vote, may inform CPF Approved Nominees to appoint Chairman of the Meeting to act as their proxy, in which case, the CPF Investor shall be precluded from attending the meeting.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such Members are not shown to have shares entered against their names in the Depository Register as at seventy-Two (72) hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 12 April 2019.