

CIRCULAR DATED 7 APRIL 2022

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

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

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

If you have sold or transferred all or any of your shares in the capital of the Food Empire Holdings Limited (the "**Company**"), you should immediately inform the purchaser or transferee or the bank, stockbroker or agent through whom you effected the sale or transfer, for onward notification to the purchaser or transferee, that this Circular (together with the Notice of EGM (as defined herein) and the accompanying Proxy Form (as defined herein)) may be accessed on SGXNet or the Company's website at (www.foodempire.com).

This Circular has been made available on SGXNet and the Company's website and may be accessed at (www.foodempire.com).

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the 2022 EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the 2022 EGM by (a) watching the 2022 EGM proceedings via "live" audio-visual webcast and/or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the 2022 EGM and (c) voting by proxy at the 2022 EGM.

Please refer to Section 9 of this Circular and the Notice of EGM for further information, including the steps to be taken by Shareholders to participate at the 2022 EGM. The Notice of EGM may also be accessed at SGXNet and the Company's website at (www.foodempire.com).



Food Empire

FOOD EMPIRE HOLDINGS LIMITED

(Company Registration No.: 200001282G)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (A) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;**
- (B) THE PROPOSED ADOPTION OF THE FOOD EMPIRE HOLDINGS LIMITED EMPLOYEE SHARE OPTION SCHEME ("2022 OPTION SCHEME"); AND**
- (C) THE PROPOSED ADOPTION OF THE FOOD EMPIRE HOLDINGS LIMITED PERFORMANCE SHARE PLAN ("2022 AWARD PLAN")**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	20 April 2022 at 3.30 p.m.
Date and time of Extraordinary General Meeting	:	22 April 2022 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 3.00 p.m. on the same day and by way of electronic means)
Place of Extraordinary General Meeting	:	To be held by way of electronic means

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DEFINITIONS

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

- “2012 Option Scheme”** : The Company’s employee share option scheme approved and adopted at the EGM of the Company held on 27 April 2012
- “2021 EGM”** : The EGM of the Company which was held on 26 April 2021
- “2021 Share Buyback Mandate”** : The share buyback mandate approved by Shareholders at the 2021 EGM
- “2022 AGM”** : The AGM of the Company to be held on 22 April 2022
- “2022 Award Plan”** : The Food Empire Holdings Limited Performance Share Plan
- “2022 EGM”** : The EGM of the Company to be held on 22 April 2022, notice of which is set out on pages 72 to 76 of this Circular
- “2022 Option Scheme”** : The Food Empire Holdings Limited Employee Share Option Scheme
- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “AGM”** : Annual general meeting
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:-
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
- (a) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Auditors”** : The auditors of the Company for the time being
- “Award”** : A contingent award of Shares granted under the 2022 Award Plan
- “Award Date”** : In relation to an Award, the date of which the Award is granted pursuant to the rules of the 2022 Award Plan
- “Board”** : The board of Directors of the Company
- “CDP”** : The Central Depository (Pte) Limited

“Circular”	: This circular to Shareholders dated 7 April 2022
“Committee”	: The Remuneration Committee of the Company
“Companies Act”	: Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	: Food Empire Holdings Limited
“Constitution”	: The constitution of the Company, as the same may be amended, varied or supplemented from time to time
“Controlling Shareholder”	: A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of all voting shares in the Company, unless determined by the SGX-ST that such person is not a controlling shareholder; or (b) in fact exercises control over the Company
“CPF”	: Central Provident Fund
“CPF Agent Banks”	: Agent banks included under the CPFIS
“CPFIS”	: Central Provident Fund Investment Scheme
“CPFIS Investors”	: Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
“Date of Grant”	: In relation to an Option, the date on which the Option is granted in accordance with the rules of the 2022 Option Scheme
“Directors”	: A director of the Company
“EGM” or “Extraordinary General Meeting”	: Extraordinary general meeting
“EPS”	: Earnings per Share
“Exercise Price”	: The price at which a Participant shall subscribe for each Share upon the exercise of an Option, which shall be the price as determined in accordance with the rules of the 2022 Option Scheme
“FY2021”	: Financial year ended 31 December 2021
“Grantee”	: The person to whom an offer of an Option is made
“Group”	: The Company and its subsidiaries

“Group Employee”	: An employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the 2022 Option Scheme) selected by the Committee to participate in the 2022 Option Scheme in accordance with the rules of the 2022 Option Scheme
“Group Executive Director”	: A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
“Group Non-Executive Director”	: A director of the Company and/or any of its subsidiaries, as the case may be, who performs a non-executive function
“Latest Practicable Date”	: 9 March 2022, being the latest practicable date prior to the publication of this Circular
“Listing Manual”	: The listing manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“Market Day”	: A day on which the SGX-ST is open for trading of securities
“Market Price”	: A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive days on which the Shares are traded on the SGX-ST immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
“Market Purchases”	: Purchases or acquisitions of Shares made by way of on-market purchases transacted through the SGX-ST’s trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose
“Maximum Price”	: The maximum purchase price to be paid for a Share for each Market Purchase or Off-Market Purchase, as set out in further detail in Section 2.4(d) of this Circular
“Notice of EGM”	: The notice of the 2022 EGM as set out on pages 72 to 76 of this Circular
“NTA”	: Net tangible assets
“Option”	: The right to subscribe for Shares granted or to be granted to a participant pursuant to the 2022 Option Scheme and for the time being subsisting
“Ordinary Resolution 1”	: The ordinary resolution in relation to the Proposed Renewal of the Share Buyback Mandate
“Ordinary Resolution 2”	: The ordinary resolution in relation to the Proposed Adoption of the 2022 Option Scheme
“Ordinary Resolution 3”	: The ordinary resolution in relation to the Proposed Adoption of the 2022 Award Plan
“Off-Market Purchases”	: Purchases or acquisitions of Shares made by way of off-market purchases effected pursuant to an equal access scheme as defined in Section 76C of the Companies Act

“Participant”	: The holder of an Option or the holder of an Award, as the case may be
“Performance Condition”	: In relation to an Award, the condition specified on the Award Date in relation to that Award
“Performance Period”	: In relation to an Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition(s) is (are) to be satisfied
“Proposed Adoption of the 2022 Award Plan”	: The proposed adoption of the 2022 Award Plan
“Proposed Adoption of the 2022 Option Scheme”	: The proposed adoption of the 2022 Option Scheme
“Proposed Renewal of the Share Buyback Mandate”	: The proposed renewal of the Share Buyback Mandate
“Proposed Resolutions”	: Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 3
“Proxy Form”	: The proxy form in respect of the 2022 EGM as enclosed to the Notice of EGM
“Register of Members”	: The register of members of the Company
“Release”	: In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with the rules of the 2022 Award Plan, and “Released” shall be construed accordingly
“Released Award”	: An Award which has been Released in full or in part in accordance with the rules of the 2022 Award Plan
“Securities Account”	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA”	: Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share Buyback Mandate”	: The mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of such mandate
“Shareholders”	: Persons who are registered as holders of Shares in the register of members of the Company except that where the registered holder is CDP, the term “Shareholders” shall mean the Depositors who have Shares credited to their Securities Accounts
“Share Registrar”	: The share registrar of the Company, being Boardroom Corporate & Advisory Services Pte. Ltd.

“Shares”	: Ordinary shares in the capital of the Company
“SRS”	: Supplementary Retirement Scheme
“SRS Agent Banks”	: Agent banks included under the SRS
“SRS Investors”	: Investors who purchase Shares pursuant to the SRS
“Substantial Shareholder”	: A person who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company
“Take-over Code”	: The Singapore Code on Take-overs and Mergers
“Vesting”	: In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.
“Vesting Date”	: In relation to Shares which are the subject of a Released Award, the date as determined by the Committee and notified to the relevant Participant on which those Shares are to be vested pursuant to the rules of the 2022 Award Plan
“S\$” and “cents”	: Singapore dollars and cents, respectively
“US\$” and “US cents”	: United States dollars and cents, respectively
“%” or “per cent.”	: Per centum or percentage

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

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

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

Rounding. Any discrepancies in figures included in this Circular between amounts shown 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.

Shareholders. References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to Shareholders.

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

Subsidiary and Related Corporation. References to “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of the day and date in this Circular shall be a reference to Singapore time and date, respectively, unless otherwise stated.

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to the (a) Proposed Renewal of the Share Buyback Mandate, (b) Proposed Adoption of the 2022 Option Scheme and (c) Proposed Adoption of the 2022 Award Plan.

LETTER TO SHAREHOLDERS

FOOD EMPIRE HOLDINGS LIMITED

(Company Registration No.: 200001282G)
(Incorporated in the Republic of Singapore)

Directors:

Tan Wang Cheow (Executive Chairman)
Sudeep Nair (Group CEO and Executive Director)
Tan Guek Ming (Non-Independent Non-Executive Director)
Koh Yew Hiap (Non-Independent Non-Executive Director)
Ong Kian Min (Non-Independent Non-Executive Director)
Saw Meng Tee (Lead Independent Non-Executive Director)
Tan Cher Liang (Independent Non-Executive Director)
Adrian Chan Pengee (Independent Non-Executive Director)

Registered Office:

1 Harbourfront Avenue,
Keppel Bay Tower
#14-07
Singapore 098632

7 April 2022

To: **The Shareholders of Food Empire Holdings Limited**

Dear Sir/Madam

- (A) **THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;**
- (B) **THE PROPOSED ADOPTION OF THE FOOD EMPIRE HOLDINGS LIMITED EMPLOYEE SHARE OPTION SCHEME (“2022 OPTION SCHEME”); AND**
- (C) **THE PROPOSED ADOPTION OF THE FOOD EMPIRE HOLDINGS LIMITED PERFORMANCE SHARE PLAN (“2022 AWARD PLAN”)**

1. INTRODUCTION

- 1.1 The Directors are convening an EGM to be held on 22 April 2022 (the “**2022 EGM**”) to seek the approval of the Shareholders for the following proposals:
- (a) the Proposed Renewal of the Share Buyback Mandate, as an ordinary resolution (“**Ordinary Resolution 1**”);
 - (b) the Proposed Adoption of the 2022 Option Scheme, as an ordinary resolution (“**Ordinary Resolution 2**”); and
 - (c) the Proposed Adoption of the 2022 Award Plan, as an ordinary resolution (“**Ordinary Resolution 3**”),
- (collectively, the “**Proposed Resolutions**”).
- 1.2 Shareholders should note that each of Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 3 is independent of each other and the passing of Ordinary Resolution 1, Ordinary Resolution 2 and/or Ordinary Resolution 3 is not conditional upon the passing of any other resolution tabled at the 2022 EGM.
- 1.3 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Resolutions and to seek Shareholders’ approval in relation thereto at the 2022 EGM. The Notice of EGM is set out on pages 72 to 76 of this Circular.
- 1.4 The SGX-ST had on 1 March 2022 granted its in-principle approval for the listing and quotation of the new Shares to be allotted and issued pursuant to the exercise of Options under the 2022 Option Scheme and the vesting of Awards under the 2022 Award Plan, subject to:
- (a) the independent Shareholders’ approval for the 2022 Option Scheme and the 2022 Award Plan; and
 - (b) the Company’s compliance with the SGX-ST’s listing requirements and guidelines.

- 1.5 Shareholders should take note that the approval in-principle of the SGX-ST relates only to the listing and quotation of the new Shares on the Main Board of the SGX-ST and is not to be taken as an indication of merits of the 2022 Option Scheme, 2022 Award Plan, the new Shares, the Company and/or its subsidiaries.
- 1.6 The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

2. PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Background

At the 2021 EGM, Shareholders had approved, *inter alia*, the renewal of a share buyback mandate (the “**2021 Share Buyback Mandate**”) to enable the Company to purchase or otherwise acquire its issued Shares.

The 2021 Share Buyback Mandate will expire on the date of the forthcoming 2022 AGM to be held on 22 April 2022 immediately preceding the 2022 EGM. Accordingly, Shareholders’ approval is being sought for the renewal of the Share Buyback Mandate at the 2022 EGM immediately following the 2022 AGM.

2.2 Shares Purchased or Acquired during the Previous 12 Months

As at the Latest Practicable Date, the Company had, pursuant to the 2021 Share Buyback Mandate, purchased or acquired an aggregate of 3,181,100 Shares by way of Market Purchases. The lowest and highest price paid was S\$0.75157 and S\$0.94 per Share, respectively. The total consideration (including clearing charges etc.) paid was S\$2,580,781.91.

As at the Latest Practicable Date, the Company had not purchased or acquired any Shares by way of Off-Market Purchases pursuant to the 2021 Share Buyback Mandate.

2.3 Rationale for the Share Buyback Mandate

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

- (a) the proposed Share Buyback Mandate will give the Directors the flexibility to purchase or acquire its issued Shares during the period when the Share Buyback Mandate is in force, if and when the circumstances permit;
- (b) the purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, allow the Directors to better manage the Company’s capital structure with a view to enhancing the earnings per share and/or net asset value per Share of the Group; and
- (c) the purchases or acquisitions of the Shares may, in appropriate circumstances, also help mitigate short-term market volatility in the Company’s share price, offset the effects of short-term speculation and bolster Shareholders’ confidence.

The Directors will decide whether to effect the purchases or acquisitions of Shares after taking into account the prevailing market conditions, the financial position of the Group and other relevant factors. Share purchases or acquisitions will only be made if the Directors believe that such purchases or acquisitions would benefit the Group.

2.4 Terms of the Share Buyback Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate if renewed at the 2022 EGM are substantially the same as those previously approved by the Shareholders at the 2021 EGM, and are summarised below:

(a) Maximum Number of Shares

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

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate shall not exceed 10% of the total number of Shares (excluding subsidiary holdings and any Shares which are held as treasury shares) in issue as at the date of the 2022 EGM at which the renewal of the Share Buyback Mandate is approved.

(b) Duration of Authority

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the 2022 EGM at which the renewal of the Share Buyback Mandate is approved, up to the earliest of:

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

(c) Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

- (i) on-market purchases ("**Market Purchases**"), transacted through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or
- (ii) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme as defined in Section 76C of the Companies Act.

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Buyback Mandate, the Constitution of the Company, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Companies Act, an Off-Market Purchase must satisfy all the following conditions:

- (A) the offers under the scheme are to be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (B) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (C) the terms of all the offers are the same except that there shall be disregarded:
 - (I) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (II) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (III) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Additionally, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed share buyback;
- (4) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (5) whether the share buyback, if made, could affect the listing of the Shares on the SGX-ST;
- (6) details of any share buyback made by the Company in the previous 12 months (whether

market acquisitions or off-market acquisitions in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

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

(d) Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors, provided that such purchase price (the “**Maximum Price**”) must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
(ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price of the Shares,

in either case, excluding related expenses of the purchase or acquisition.

For the purposes of this Section 2.4(d):

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day of the Market Purchase by the Company, and deemed to be adjusted for any corporate action which occurs during the relevant five (5)-day period and the day on which the Market Purchase is made;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

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

2.5 Status of Purchased or Acquired Shares: Held in Treasury or Cancelled

Any Shares purchased or acquired by the Company pursuant to the Share Buyback Mandate will be dealt in such manner as may be permitted by the Companies Act.

Under the Companies Act, any Share purchased or acquired by the Company shall be deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share shall expire on cancellation), unless such Shares are held by the Company as treasury shares in accordance with Sections 76H to 76K of the Companies Act. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

(a) Treasury Shares

Under the Companies Act, the Company may hold or deal with Shares purchased or acquired by it as treasury shares. Certain provisions on treasury shares under the Companies Act are summarised below:

(i) **Maximum Holding**

The aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of issued Shares at that time. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess treasury shares within six (6) months from the day the aforesaid limit is first exceeded.

(ii) **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares and any purported

exercise of such right is void. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is also permitted if the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) **Disposal or Cancellation**

Where Shares are held as treasury shares, the Company may, subject to compliance with the Companies Act and the Listing Manual:

- (A) sell the treasury shares (or any of them) for cash;
- (B) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (C) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (D) cancel the treasury shares (or any of them); or
- (E) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (I) the date of the sale, transfer, cancellation and/or use of such treasury shares; (II) the purpose of such sale, transfer, cancellation and/or use of such treasury shares; (III) the number of treasury shares which have been sold, transferred, cancelled and/or used; (IV) the number of treasury shares before and after such sale, transfer, cancellation and/or use; (V) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use; and (VI) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

(b) Purchased or Acquired Shares Cancelled

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (i) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled, which shall include any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of Shares.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

2.6 Sources of Funds

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution of the Company and in accordance with applicable laws in Singapore. Under the Companies Act, a payment made by the Company in consideration of the purchase or acquisition of its Shares may be made out of the Company's profits and/or capital, so long as the Company is solvent.

The Company intends to use the Group's internal resources to finance its purchases or acquisitions of Shares pursuant to the Share Buyback Mandate. The amount of funding required for the Company to purchase or acquire Shares under the Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

2.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the Shares are purchased or acquired out of profits and/or capital of the Company and whether the Shares purchased or acquired are held by the Company as treasury shares or cancelled.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2021, are based on the assumptions set out below.

(a) Number of Shares Acquired or Purchased

As at the Latest Practicable Date, the total number of issued and paid-up Shares of the Company is 536,998,599, excluding 8,969,400 Shares which are held by the Company as treasury shares. There are no subsidiary holdings as at the Latest Practicable Date. Assuming:

- (i) no further Shares are issued;
- (ii) no further Shares held by the Company as treasury shares are transferred pursuant to the Company's employees' share schemes;
- (iii) no further Shares are purchased or acquired by the Company and held as treasury shares; and
- (iv) no Shares are held as subsidiary holdings,

on or prior to the 2022 EGM, not more than 53,699,859 Shares (representing 10% of the 536,998,599 Shares in issue (excluding Shares held by the Company as treasury shares) as at that date may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate).

(b) Purchase or Acquisition made out of Profits and/or Capital

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (which shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of Shares) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, this will not reduce the amount available for the distribution of cash dividends by the Company.

(i) **Purchases or Acquisitions made entirely out of profits**

Based on the audited financial statements of the Company and the Group for FY2021, the Company has distributable reserves of approximately US\$13,898,000. The financial effects on the purchase or acquisition of Shares by the Company made entirely out of profits are based on the utilisation of funds of up to US\$13,898,000.

In the case of Market Purchases by the Company made entirely out of profits and assuming

the use of distributable reserves of the Company of up to US\$13,898,000 for the purchase or acquisition of Shares at the Maximum Price of S\$0.49 or US\$0.362 (based on the exchange rate of S\$1.3526 to US\$1.0000) for each Share (being the price equivalent to 5% above the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum number of Shares (rounded to the nearest 1,000 Shares) which can be purchased or acquired by the Company is 38,392,000 Shares representing approximately 7.15% of the total number of Shares in issue as at the Latest Practicable Date.

In the case of Off-Market Purchases by the Company made entirely out of profits and assuming the use of distributable reserves of the Company of up to US\$13,898,000 for the purchase or acquisition of Shares at the Maximum Price of S\$0.54 or US\$0.399 (based on the exchange rate of S\$1.3526 to US\$1.0000) for each Share (being the price equivalent to 20% above the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date), the maximum number of Shares (rounded to the nearest 1,000 Shares) which can be purchased or acquired by the Company is 34,832,000 Shares representing approximately 6.49% of the total number of Shares in issue as at the Latest Practicable Date.

(ii) **Purchases or Acquisitions made entirely out of capital**

The financial effects on the purchase or acquisition of Shares by the Company made entirely out of capital are based on the purchase or acquisition of 53,699,859 Shares.

In the case of Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 53,699,859 Shares at the Maximum Price of S\$0.49 for each Share (being the price equivalent to 5% above the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 53,699,859 Shares is S\$26,313,000 (rounded to the nearest thousand).

In the case of Off-Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 53,699,859 Shares at the Maximum Price of S\$0.54 for each Share (being the price equivalent to 20% above the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 53,699,859 Shares is S\$28,998,000 (rounded to the nearest thousand).

(c) **Illustrative Financial Effects**

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Buyback Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

For illustrative purposes only, based on the audited financial statements of the Company and the Group for FY2021, the assumptions stated above and assuming the purchases or acquisitions of Shares by the Company are funded solely from internal resources and the transaction costs incurred for the purchases or acquisitions of the Shares are insignificant and are ignored, the effects of such purchases or acquisitions of Shares by way of Market Purchases and Off-Market Purchases on the financial positions of the Company and the Group under each of the Scenarios A to D described below are as follows.

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT BELOW, BASED ON THE RESPECTIVE ASSUMPTIONS STATED BELOW, ARE FOR ILLUSTRATION PURPOSES ONLY AND ARE NOT NECESSARILY REPRESENTATIVE OF FUTURE FINANCIAL PERFORMANCE. IN ADDITION, THE ACTUAL IMPACT WILL DEPEND ON, *INTER ALIA*, THE ACTUAL NUMBER AND PRICE OF SHARES THAT MAY BE PURCHASED OR ACQUIRED BY

THE COMPANY, WHETHER THE PURCHASE OR ACQUISITION OF SHARES IS MADE OUT OF THE PROFITS OR CAPITAL OF THE COMPANY AND WHETHER THE SHARES PURCHASED OR ACQUIRED ARE HELD IN TREASURY OR CANCELLED.

Although the Share Buyback Mandate would authorise the Company to purchase up to 10% of the total number of the Company's issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of the issued Shares (excluding treasury shares and subsidiary holdings) as mandated. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury. The Directors do not propose to exercise the Share Buyback Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Group taken as a whole, or result in the Company being delisted from the SGX-ST.

(1) **Market Purchases**

As at 31 December 2021	GROUP				
	Before Share Purchase	After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Share capital	45,420	45,420	45,420	45,420	25,981
Reserves	186,538	186,538	186,538	172,640	186,538
	231,958	231,958	231,958	218,060	212,519
Treasury shares	(4,242)	(18,140)	(23,681)	(4,242)	(4,242)
	227,716	213,818	208,277	213,818	208,277
Less: Non-controlling interests	(1,157)	(1,157)	(1,157)	(1,157)	(1,157)
Total Equity	226,559	212,661	207,120	212,661	207,120
Non-current liabilities	33,482	33,482	33,482	33,482	33,482
Non-current assets	151,528	151,528	151,528	151,528	151,528
Current assets	188,514	174,616	169,075	174,616	169,075
Current liabilities	80,001	80,001	80,001	80,001	80,001
Net current assets	108,513	94,615	89,074	94,615	89,074
Total liabilities	113,483	113,483	113,483	113,483	113,483
NTA ⁽¹⁾	217,373	203,475	197,934	203,475	197,934
Number of Shares ⁽²⁾	536,998,599	498,606,599	483,298,740	498,606,599	483,298,740
Financial Ratios					
NTA per Share ⁽³⁾ (US cents)	40.48	40.81	40.95	40.81	40.95
Diluted EPS (US cents)	3.60	3.88	4.00	3.88	4.00
Gearing ratio ⁽⁴⁾ (times)	0.50	0.53	0.55	0.53	0.55
Current ratio ⁽⁵⁾ (times)	2.36	2.18	2.11	2.18	2.11

Notes:

- (1) NTA does not equal total equity as the Group had US\$10,343,000 worth of intangible assets and non-controlling interests of US\$1,157,000.
- (2) Based on the number of Shares issued as at the Latest Practicable Date (excluding 8,969,400 Shares held in treasury) and adjusted for the effect of the Share purchases (excluding such Shares purchased and held in treasury).
- (3) NTA per Share is defined as NTA divided by the total number of Shares issued as at the Latest Practicable Date (excluding 8,969,400 Shares held in treasury) and adjusted for the effect of the Share purchases (excluding such Shares purchased and held in treasury).
- (4) Gearing ratio equals total liabilities divided by total equity.
- (5) Current ratio equals current assets divided by current liabilities.

As at 31 December 2021	COMPANY				
	Before Share Purchase	After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Share capital	45,420	45,420	45,420	45,420	25,981
Reserves	17,516	17,516	17,516	3,618	17,516
	62,936	62,936	62,936	49,038	43,497
Treasury shares	(4,242)	(18,140)	(23,681)	(4,242)	(4,242)
Total Equity	58,694	44,796	39,255	44,796	39,255
Non-current liabilities	150	150	150	150	150
Non-current assets	44,842	44,842	44,842	44,842	44,842
Current assets	15,989	2,091	15,989	2,091	15,989
Current liabilities	1,987	1,987	21,426	1,987	21,426
Net current assets / (liabilities)	14,002	104	(5,437)	104	(5,437)
Total liabilities	2,137	2,137	21,576	2,137	21,576
NTA ⁽¹⁾	58,694	44,796	39,255	44,796	39,255
Number of Shares ⁽²⁾	536,998,599	498,606,599	483,298,740	498,606,599	483,298,740
<u>Financial Ratios</u>					
NTA per Share ⁽³⁾ (US cents)	10.93	8.98	8.12	8.98	8.12
Diluted EPS (US cents)	1.05	1.13	1.17	1.13	1.17
Gearing ratio ⁽⁴⁾ (times)	0.04	0.05	0.55	0.05	0.55
Current ratio ⁽⁵⁾ (times)	8.05	1.05	0.75	1.05	0.75

Notes:

- (1) NTA equals total equity.
- (2) Based on the number of Shares issued as at the Latest Practicable Date (excluding 8,969,400 Shares held in treasury) and adjusted for the effect of the Share purchases (excluding such Shares purchased and held in treasury).
- (3) NTA per Share is defined as NTA divided by the total number of Shares issued as at the Latest Practicable Date (excluding 8,969,400 treasury shares) and adjusted for the effect of the Share purchases (excluding such Shares purchased and held in treasury).
- (4) Gearing ratio means total liabilities divided by total equity.
- (5) Current ratio means current assets divided by current liabilities.

(a) Scenario A: Market Purchases of 38,392,000 Shares made entirely out of profits and held as treasury shares

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and NTA of the Company and of the Group by the US\$ value of the Shares purchased. The consolidated NTA per Share of the Group as at 31 December 2021 will also increase from 40.48 US cents to 40.81 US cents.

Assuming that the purchase of Shares had taken place on 1 January 2021, the consolidated diluted EPS of the Group for the financial year ended 31 December 2021 would be increased from 3.60 US cents to 3.88 US cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

(b) Scenario B: Market Purchases of 53,699,859 Shares made entirely out of capital and held as treasury shares

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and NTA of the Company and of the Group by the US\$ value of the Shares purchased. The consolidated NTA per Share of the Group as at 31 December 2021 will also increase from 40.48 US cents to 40.95 US cents.

Assuming that the purchase of Shares had taken place on 1 January 2021, the consolidated diluted EPS of the Group for the financial year ended 31 December 2021 would be increased from 3.60 US cents to 4.00 US cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

(c) Scenario C: Market Purchases of 38,392,000 Shares made entirely out of profits and cancelled

As illustrated under Scenario C in the tables above, such purchase of Shares will have the effect of reducing the working capital and NTA of the Company and of the Group by the US\$ value of the Shares purchased. The consolidated NTA per Share of the Group as at 31 December 2021 will also increase from 40.48 US cents to 40.81 US cents.

Assuming that the purchase of Shares had taken place on 1 January 2021, the consolidated diluted EPS of the Group for the financial year ended 31 December 2021 would be increased from 3.60 US cents to 3.88 US cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

(d) Scenario D: Market Purchases of 53,699,859 Shares made entirely out of capital and cancelled

As illustrated under Scenario D in the tables above, such purchase of Shares will have the effect of reducing the working capital and NTA of the Company and of the Group by the US\$ value of the Shares purchased. The consolidated NTA per Share of the Group as at 31 December 2021 will increase from 40.48 US cents to 40.95 US cents.

Assuming that the purchase of Shares had taken place on 1 January 2021, the consolidated diluted EPS of the Group for the financial year ended 31 December 2021 would be increased from 3.60 US cents to 4.00 US cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

(2) **Off-Market Purchase**

As at 31 December 2021	GROUP				
	Before Share Purchase	After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Share capital	45,420	45,420	45,420	45,420	23,994
Reserves	186,538	186,538	186,538	172,640	186,538
	231,958	231,958	231,958	218,060	210,532
Treasury shares	(4,242)	(18,140)	(25,668)	(4,242)	(4,242)
	227,716	213,818	206,290	213,818	206,290
Less: Non-controlling interests	(1,157)	(1,157)	(1,157)	(1,157)	(1,157)
Total Equity	226,559	212,661	205,133	212,661	205,133
Non-current liabilities	33,482	33,482	33,482	33,482	33,482
Non-current assets	151,528	151,528	151,528	151,528	151,528
Current assets	188,514	174,616	167,088	174,616	167,088
Current liabilities	80,001	80,001	80,001	80,001	80,001
Net current assets	108,513	94,615	87,087	94,615	87,087
Total liabilities	113,483	113,483	113,483	113,483	113,483
NTA ⁽¹⁾	217,373	203,475	195,947	203,475	195,947
Number of Shares ⁽²⁾	536,998,599	502,166,599	483,298,740	502,166,599	483,298,740
Financial Ratios					
NTA per Share ⁽³⁾ (US cents)	40.48	40.52	40.54	40.52	40.54
Diluted EPS (US cents)	3.60	3.85	4.00	3.85	4.00
Gearing ratio ⁽⁴⁾ (times)	0.50	0.53	0.55	0.53	0.55
Current ratio ⁽⁵⁾ (times)	2.36	2.18	2.09	2.18	2.09

Notes:

- (1) NTA does not equal total equity as the Group had US\$10,343,000 worth of intangible assets and non-controlling interests of US\$1,157,000.
- (2) Based on the number of Shares in issue as at the Latest Practicable Date (excluding 8,969,400 Shares held in treasury) and adjusted for the effect of the Share purchases (excluding such Shares purchased and held in treasury).
- (3) NTA per Share is defined as NTA divided by the total number of Shares issued as at the Latest Practicable Date (excluding 8,969,400 Shares held in treasury) and adjusted for the effect of the Share purchases (excluding such Shares purchased and held in treasury).
- (4) Gearing ratio means total liabilities divided by total equity.
- (5) Current ratio means current assets divided by current liabilities.

COMPANY					
As at 31 December 2021	Before Share Purchase	After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Share capital	45,420	45,420	45,420	45,420	23,994
Reserves	17,516	17,516	17,516	3,618	17,516
	62,936	62,936	62,936	49,038	41,510
Treasury shares	(4,242)	(18,140)	(25,668)	(4,242)	(4,242)
Total Equity	58,694	44,796	37,268	44,796	37,268
Non-current liabilities	150	150	150	150	150
Non-current assets	44,842	44,842	44,842	44,842	44,842
Current assets	15,989	2,091	15,989	2,091	15,989
Current liabilities	1,987	1,987	23,413	1,987	23,413
Net current assets / (liabilities)	14,002	104	(7,424)	104	(7,424)
Total liabilities	2,137	2,137	23,563	2,137	23,563
NTA ⁽¹⁾	58,694	44,796	37,268	44,796	37,268
Number of Shares ⁽²⁾	536,998,599	502,166,599	483,298,740	502,166,599	483,298,740
Financial Ratios					
NTA per Share ⁽³⁾ (US cents)	10.93	8.92	7.71	8.92	7.71
Diluted EPS (US cents)	1.05	1.12	1.17	1.12	1.17
Gearing ratio ⁽⁴⁾ (times)	0.04	0.05	0.63	0.05	0.63
Current ratio ⁽⁵⁾ (times)	8.05	1.05	0.68	1.05	0.68

Notes:

- (1) NTA means total equity.
- (2) Based on the number of Shares in issue as at the Latest Practicable Date (excluding 8,969,400 Shares held in treasury) and adjusted for the effect of the Share purchases (excluding such Shares purchased and held in treasury).
- (3) NTA per Share is defined as NTA divided by the total number of Shares issued as at the Latest Practicable Date (excluding 8,969,400 treasury shares) and adjusted for the effect of the Share purchases (excluding such Shares purchased and held in treasury).
- (4) Gearing ratio means total liabilities divided by total equity.
- (5) Current ratio means current assets divided by current liabilities.

(a) Scenario A: Off-Market Purchases of 34,832,000 Shares made entirely out of profits and held as treasury shares

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and NTA of the Company and of the Group by the US\$ value of the Shares purchased. The consolidated NTA per Share of the Group as at 31 December 2021 will also increase from 40.48 US cents to 40.52 US cents.

Assuming that the purchase of Shares had taken place on 1 January 2021, the consolidated diluted EPS of the Group for the financial year ended 31 December 2021 would be increased from 3.60 US cents to 3.85 US cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

(b) Scenario B: Off-Market Purchases of 53,699,859 Shares made entirely out of capital and held as treasury shares

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and NTA of the Company and of the Group by the US\$ value of the Shares purchased. The consolidated NTA per Share of the Group as at 31 December 2021 will also increase from 40.48 US cents to 40.54 US cents.

Assuming that the purchase of Shares had taken place on 1 January 2021, the consolidated diluted EPS of the Group for the financial year ended 31 December 2021 would be increased from 3.60 US cents to 4.00 US cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

(c) Scenario C: Off-Market Purchases of 34,832,000 Shares made entirely out of profits and cancelled

As illustrated under Scenario C in the tables above, such purchase of Shares will have the effect of reducing the working capital and NTA of the Company and of the Group by the US\$ value of the Shares purchased. The consolidated NTA per Share of the Group as at 31 December 2021 will also increase from 40.48 US cents to 40.52 US cents.

Assuming that the purchase of Shares had taken place on 1 January 2021, the consolidated diluted EPS of the Group for the financial year ended 31 December 2021 would be increased from 3.60 US cents to 3.85 US cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

(d) Scenario D: Off-Market Purchases of 53,699,859 Shares made entirely out of capital and cancelled

As illustrated under Scenario D in the tables above, such purchase of Shares will have the effect of reducing the working capital and NTA of the Company and of the Group by the US\$ value of the Shares purchased. The consolidated NTA per Share of the Group as at 31 December 2021 will also increase from 40.48 US cents to 40.54 US cents.

Assuming that the purchase of Shares had taken place on 1 January 2021, the consolidated diluted EPS of the Group for the financial year ended 31 December 2021 would be increased from 3.60 US cents to 4.00 US cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside of Singapore, should consult their own professional advisers.

2.9 Listing Manual

(a) No Purchases during Price Sensitive Developments

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase of Shares pursuant to the Share Buyback Mandate at any time after a price-sensitive development has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

In particular, in line with Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s half year and full year financial statements (if the Company does not announce its quarterly financial statements) or, if the Company announces its quarterly financial statements (whether required by the SGX-ST or otherwise), during the period of two (2) weeks immediately preceding the announcement of the Company’s first quarter and third quarter business updates announcements of its financial year and one month prior to the announcement of the Company’s half year and annual financial statements.

(b) Listing Status of the Shares

Under Rule 723 of the Listing Manual, a listed company shall ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word “public” is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are approximately 169,757,800 Shares, representing approximately 31.61% of the total number of issued Shares (excluding treasury shares), held by the public. In the event that the Company purchases up to the full 10% limit pursuant to the Share Buyback Mandate from public Shareholders, based on information available as at the Latest Practicable Date, the percentage of the Company’s public float would be reduced to approximately 24.01% of the total number of Shares in issue (excluding treasury shares).

Accordingly, based on information available as at the Latest Practicable Date, the Directors are of the view that, at present, there is a sufficient number of Shares in issue (excluding treasury shares) held by public Shareholders that would permit the Company to potentially undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate without affecting adversely the listing status of the Shares on the SGX-ST, and the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Shares.

Although the Share Buyback Mandate would authorise the Company to purchase up to 10% of the total number of the Company’s issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of the issued Shares (excluding treasury shares and subsidiary holdings) as mandated. The Directors would emphasise that they do not propose to exercise the Share Buyback Mandate to such an extent that would, or in circumstances that might, result in the Company being delisted from the SGX-ST.

(c) Reporting Requirements

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer.

Such announcement must include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares and subsidiary holdings) after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

2.10 Certain Take-over Code implications arising from the Proposed Share Buyback Mandate

Certain take-over implications arising from any purchase or acquisition by the Company of its Shares are summarised below.

(a) Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

(b) Persons Acting in Concert

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

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (i) the following companies:
 - (A) a company;
 - (B) the parent company of (A);
 - (C) the subsidiaries of (A);
 - (D) the fellow subsidiaries of (A);
 - (E) the associated companies of any of (A), (B), (C), or (D);
 - (F) companies whose associated companies include any of (A), (B), (C), (D) or (E); and
 - (G) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

For the above purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

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

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (i) the percentage of voting rights held by such Directors and their concert parties increases to 30% or more; or
- (ii) if such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, and their voting rights increases by more than 1% in any period of six (6) months.

In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date as set out in Section 6 of this Circular, the Directors are not aware of any of the Substantial Shareholders of the Company who would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code if the Company undertakes, as permitted by the proposed Share Buyback Mandate, share purchases up to the maximum limit of 10% of its Shares (excluding any Shares held by the Company as treasury shares) as at the Latest Practicable Date.

THE STATEMENTS HEREIN DO NOT PURPORT TO BE A COMPREHENSIVE OR EXHAUSTIVE DESCRIPTION OF ALL IMPLICATIONS THAT MAY ARISE UNDER THE TAKE-OVER CODE. SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS TO MAKE A TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY PURSUANT TO THE SHARE BUYBACK MANDATE SHOULD CONSULT THEIR PROFESSIONAL ADVISERS AND/OR THE SECURITIES INDUSTRY COUNCIL AT THE EARLIEST OPPORTUNITY.

3. THE PROPOSED ADOPTION OF THE FOOD EMPIRE HOLDINGS LIMITED EMPLOYEE SHARE OPTION SCHEME

3.1 Background

The Company's previous share option scheme (known as the "2012 Option Scheme") was approved and adopted at an extraordinary general meeting held on 27 April 2012. The duration of the 2012 Option Scheme was 10 years, commencing on 27 April 2012 and accordingly will expire on 27 April 2022.

The Company proposes to adopt a new share option scheme known as the "Food Empire Holdings Limited Employee Share Option Scheme" (the "2022 Option Scheme"), which is subject to Shareholders' approval at the 2022 EGM. The 2022 Option Scheme, if approved and adopted by Shareholders at the 2022 EGM, will take effect from the date of its adoption at the 2022 EGM.

3.2 Details of the 2012 Option Scheme

As at the Latest Practicable Date, an aggregate of 3,534,000 Shares (representing approximately 0.66% of the total number of issued Shares (excluding treasury shares)) were allotted and issued and/or delivered pursuant to the exercise of options granted under the 2012 Option Scheme. There were in total 25 participants in the 2012 Option Scheme. None of the options granted under the 2012 Option Scheme were subject to any material conditions.

As at the Latest Practicable Date, there are options granted under the 2012 Option Scheme in respect of 18,645,000 Shares which remain outstanding. The terms of the 2012 Option Scheme will continue to apply to these options that had been granted under the 2012 Option Scheme and which remain outstanding.

As at the Latest Practicable Date, the options granted to the Directors under the 2012 Option Scheme are set out below:

Name of Director	Date of Grant	Validity period of options	Date of Expiry	No. of Shares comprised in options granted	No of Shares comprised in options exercised	No. of Shares comprised in options outstanding
Sudeep Nair	6 March 2020	10 years	5 March 2030	1,500,000	0	1,500,000
Sudeep Nair	15 March 2019	10 years	14 March 2029	1,500,000	0	1,500,000
Sudeep Nair	16 March 2018	10 years	15 March 2028	1,500,000	0	1,500,000
Sudeep Nair	4 July 2016	10 years	3 July 2026	1,500,000	0	1,500,000
Sudeep Nair	8 March 2013	10 years	7 March 2023	1,500,000	0	1,500,000
Ong Kian Min	6 March 2020	5 years	5 March 2025	100,000	0	100,000
Ong Kian Min	15 March 2019	5 years	14 March 2024	100,000	0	100,000
Ong Kian Min	16 March 2018	5 years	15 March 2023	100,000	0	100,000
Ong Kian Min	4 July 2016	5 years	3 July 2021	100,000	100,000	0
Ong Kian Min	8 March 2013	5 years	7 March 2018	100,000	0	0
Saw Meng Tee	6 March 2020	5 years	5 March 2025	100,000	0	100,000

No options were granted under the 2012 Option Scheme to participants who are Controlling Shareholders and their Associates.

3.3 Rationale for the 2022 Option Scheme

The 2012 Option Scheme will expire on 27 April 2022 and the Company is proposing to adopt the 2022 Option Scheme to replace the 2012 Option Scheme.

The purpose of adopting the 2022 Option Scheme is to provide an opportunity for directors and employees of the Group to participate in the equity of the Company with the objective of, amongst others, aligning the interests of the Participants with the interests of the Shareholders, motivating Participants to achieve performance targets of the Company and offering a total compensation package sufficiently competitive to attract and retain talent to help achieve the Company's corporate objectives.

The 2022 Option Scheme is proposed on the basis that it is important to retain talent whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees within the Group as well as the Group Non-Executive Directors who have contributed to the growth and development of the Group. The 2022 Option Scheme will provide Participants an opportunity to have a personal equity interest in the Company and to motivate them towards better performance through increased dedication and loyalty.

Participation by Group Non-Executive Directors (Including Independent Directors) in the 2022 Option Scheme

The 2022 Option Scheme is extended to the Group Non-Executive Directors (including independent Directors) of the Company. Although Group Non-Executive Directors are not involved in the day-to-day running of the Group, they play an invaluable role in the Group's success by applying their experience, drawing on their knowledge and expertise and tapping on their networks for the benefit of the Group. Furthermore, the participation of Group Non-Executive Directors in the 2022 Option Scheme will provide the Company with a further avenue to acknowledge and recognise their services and contributions to the Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. For instance, the Group Non-Executive Directors may bring strategic or other value to the Company which may be difficult to quantify in monetary terms. It is therefore desirable that the Group Non-Executive Directors (including independent Directors) be allowed to participate in the 2022 Option Scheme to give recognition to their services and contributions and to further align their interests with that of the Group.

In order to minimise any potential conflict of interests and to not compromise the independence of the Group Non-Executive Directors, our Group Non-Executive Directors will primarily continue to be remunerated for their services by way of directors' fees and the Company intends to grant only a nominal number of Options under the 2022 Option Scheme to Group Non-Executive Directors. Each Group Non-Executive Director may only be granted a maximum of only 3,000,000 Options under the 2022 Option Scheme, which as at the Latest Practicable Date represents 0.56% of the Company's total issued share capital and 3.72% of the total number of Options available under the 2022 Option Scheme.

When deciding on the selection and assessing the contributions of the Group Non-Executive Directors for the purposes of the 2022 Option Scheme, our Committee will propose a performance framework comprising mainly non-financial performance measurement criteria, such as the extent of involvement and responsibilities shouldered by the Group Non-Executive Directors. In addition, the Committee will also take into consideration the nature and extent of their services and contributions rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Group, as well as their involvement and commitment to the Board. The Committee may, where it considers relevant, take into account other factors such as the economic conditions and the performance of the Company. The Committee may also decide that no Options shall be made in any financial year or no grant of Options may be made at all. Group Non-Executive Directors will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Options to him is being considered.

In relation to Group Non-Executive Directors who are independent Directors, it is the intention that any Option granted to such Directors be measured and balanced against considerations if such award could interfere or be reasonably perceived to interfere with the exercise of independent business judgement by the independent Director. Taking the foregoing into consideration, the Board is of the view that the 2022 Option Scheme will not compromise the objectivity and independence of the independent Directors.

3.4 **Summary of the Rules of the 2022 Option Scheme**

The following is a summary of the principal terms of the 2022 Option Scheme. The rules of the 2022 Option Scheme are set out in full in Appendix A to this Circular.

(a) Eligibility

The following persons shall be eligible to participate in the 2022 Option Scheme, at the absolute discretion of the Committee:

- (i) Group Employees who, as at the Date of Grant, have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and

- (ii) Group Non-Executive Directors (including independent Directors) who, as at the Date of Grant, have attained the age of 21 years.

For the avoidance of doubt, Controlling Shareholders and their Associates are not eligible to participate in the 2022 Option Scheme.

(b) Size of the 2022 Option Scheme

The aggregate number of Shares which may be issued or transferred pursuant to the exercise of Options granted under the 2022 Option Scheme on any date, when aggregated with the number of Shares over which options or awards granted under any other share option schemes or share plans of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) on the day preceding that date.

(c) Grant of Options

There are no fixed periods for the grant of Options. As such, offers of the grant of Options may be made at any time and from time to time during the period when the 2022 Option Scheme is in force and at the discretion of the Committee, provided that:

- (i) no Option shall be granted during the period commencing (A) two (2) weeks before the announcement of the Company's first quarter and third quarter business updates announcements of its financial year and one (1) month prior to the announcement of the Company's half year and annual financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise); or (B) one (1) month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements); and
- (ii) in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the second Market Day from the date on which such announcement is released.

(d) Acceptance of Options

The grant of Options shall be accepted within 30 days from the Date of Grant of that Option. Offers of Options made to Grantees, if not accepted in the manner as provided in the 2022 Option Scheme shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect. Upon acceptance of the offer, the Grantee must pay the Company a consideration of S\$1.00 or such other amount as the Committee may require.

(e) Exercise Price and Exercise Period

The Exercise Prices for each Share in respect of which an Option is exercisable shall be a price equal to the Market Price as at the Date of Grant.

Subject as provided in the 2022 Option Scheme and any other conditions as may be introduced by the Committee from time to time, an Option shall be exercisable, in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiples thereof, as follows:

- (i) in the case of an Option held by a Group Employee, during the period commencing after the 1st anniversary of the Date of Grant and expiring on the 10th anniversary of such Date of Grant (or such other shorter period if so determined by the Committee); and
- (ii) in the case of an Option held by a Group Non-Executive Director, during the period commencing after the 1st anniversary of the Date of Grant and expiring on the 5th anniversary of such Date of Grant (or such other shorter period if so determined by the Committee).

(f) Termination of Options

Special provisions in the rules of the 2022 Option Scheme deal with the lapse of Options in certain circumstances which includes, without limitation, the termination of the Participant's employment and/or directorship with the Company and the winding-up of the Company.

(g) Exercise of Options

Subject to the rules of the Listing Manual and applicable laws, the Company shall have the flexibility to deliver Shares to Participants upon exercise of their Options by way of either (i) an allotment and issue of new Shares; and/or (ii) a transfer of existing Shares, including any Shares acquired by the Company in treasury pursuant to a share buyback mandate and/or held by the Company as treasury shares.

In determining whether to allot and issue new Shares or delivery existing Shares to Participants upon exercise of their Options, the Company will take into account factors such as, but not limited to, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or purchasing existing Shares.

The financial effects of the above methods are discussed in Section 5 below.

(h) Rights of Shares arising

Shares allotted and issued and existing Shares transferred on the exercise of an Option shall (i) be subject to the provisions of the Companies Act and the Constitution of the Company; and (ii) rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the record date for which falls on or after the relevant exercise date upon which such exercise occurred, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

(i) Adjustment Events

(i) 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 of capital, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (A) the Exercise Price of the Shares, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (B) the class and/or number of Shares over which Options may be granted under the 2022 Option Scheme,

shall be adjusted in such manner by the Committee to give such Participant the same proportion of the equity capital of the Company as that to which he was previously entitled, in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made as if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

(ii) Unless the Committee considers an adjustment to be appropriate, the following events will not normally be regarded as a circumstance requiring an adjustment:

- (A) the issue of securities as consideration for an acquisition or a private placement of securities;
- (B) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (C) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in a general meeting, including the 2022 Option Scheme; or
- (D) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

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

(j) Administration

The 2022 Option Scheme shall be administered by the Committee with such powers and duties conferred to it by the Board from time to time, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him.

(k) Modifications to the 2022 Option Scheme

The 2022 Option Scheme may be modified and/or altered from time to time by a resolution of the Committee, except that:

- (i) no modification or alteration shall adversely affect the rights attached to any Option granted prior to such modification or alteration except with the written consent of such number of Participants who, if they exercise their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be allotted or transferred upon exercise in full of all outstanding Options under the 2022 Option Scheme;
- (ii) any modification or alteration which would be to the advantage of Participants under the 2022 Option Scheme shall be subject to the prior approval of the Shareholders in a general meeting; and
- (iii) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

(l) Duration of the 2022 Option Scheme

The 2022 Option Scheme shall continue in operation at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the 2022 Option Scheme is adopted by the Company in a general meeting, provided that the 2022 Option Scheme may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

The 2022 Option Scheme may be terminated at any time by the Committee, at the discretion of the Committee or by resolution of the Company in a general meeting, subject to all relevant approvals which may be required.

The expiry or termination of the 2022 Option Scheme shall not affect Options which have been granted prior to such expiry or termination, whether such Options have been exercised (whether fully or partially) or not.

(m) Disclosures in Annual Reports

The Company will make such disclosures in its annual report for so long as the 2022 Option Scheme continues in operation from time to time as required by the Listing Manual, including the following (where applicable):

- (i) the names of the members of the Committee administering the 2022 Option Scheme;
- (ii) the information required in the table below for the following Participants;
 - (A) Participants who are Directors; and
 - (B) Participants, other than those in (A) above, who received 5% or more of the total number of Shares to be comprised in Options available under the 2022 Option Scheme; and

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of the financial year under review	Aggregate Options exercised since commencement of Scheme to end of the financial year under review	Aggregate Options outstanding as at end of financial year under review
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(iii) such other information as may be required by the Listing Manual or the Companies Act, provided that if any of the above requirements is not applicable, an appropriate negative statement shall be included therein.

(n) Abstention from Voting

Shareholders who are eligible to participate in the 2022 Option Scheme must abstain from voting on any resolution relating to the 2022 Option Scheme.

4. THE PROPOSED ADOPTION OF THE FOOD EMPIRE HOLDINGS LIMITED PERFORMANCE SHARE PLAN

4.1 Background

The Company proposes to adopt a new performance share plan known as the “Food Empire Holdings Limited Performance Share Plan” (the “**2022 Award Plan**”), which is subject to Shareholders’ approval at the 2022 EGM. The 2022 Award Plan, if approved and adopted by Shareholders at the 2022 EGM, will take effect from the date of its adoption at the 2022 EGM.

4.2 Rationale for the 2022 Award Plan

The 2022 Award Plan contemplates the contingent award of fully-paid Shares after certain pre-determined benchmarks and performance targets have been met over set performance periods.

Under the 2022 Award Plan, the size of the Award granted to a Participant will be determined based on, amongst others, his rank, job performance, years of service, performance history and potential for future development and his contribution to the success and development of the Group, as determined by the Committee prior to the date of grant of such Award. The Performance Period here is a forward-looking period for which Performance Conditions and targets are set and measured over the Performance Period. The final Award is determined by the performance achievement by the Participant over the Performance Period. The Performance Period and other conditions will be determined by the Committee administering the 2022 Share Plan.

Difference between the 2022 Option Scheme and the 2022 Award Plan

The purpose of adopting more than one share plan is to provide the Company with more flexibility to design appropriate incentive packages. The 2022 Option Scheme and the 2022 Award Plan are complementary to each other and provides the Company with a comprehensive and flexible set of tools to attract and retain talent in the Group, as well as to motivate and reward Participants whose services and contributions are vital to the well-being and success of the Group.

While the 2022 Option Scheme is designed to provide its Participants with an opportunity to participate in the equity of the Company through Options which they may exercise to subscribe for Shares, the 2022 Award Plan is designed to reward Participants by the award of Shares according to the extent to which performance targets or conditions imposed on the Award are achieved at the end of a specified Performance Period. The duration of each Performance Period (where applicable) will serve to align the Participants’ performance goals with the corresponding performance cycle of the Company, and the strategies and objectives for the Group over the short to medium term.

The 2022 Award Plan thus seeks to focus Participants on medium to longer term critical performance targets, to develop a reward-for-performance culture in the Group, and to encourage Participants to continuously improve their performance. As the actual number of Shares which the Participant will receive under 2022 Award Plan will depend ultimately on the extent to which he satisfies the performance targets

or conditions set for each Performance Period, this creates a strong incentive for the Participant to focus on assigned tasks and to excel.

When deciding on the number of Awards or Options to award or grant (as the case may be) to a Participant at any one point in time, the Committee will also take into consideration the number of Awards or Options to be awarded or granted (as the case may be) to that Participant under any other share scheme at that time, if any.

4.3 **Summary of the Rules of the 2022 Award Plan**

The following is a summary of the principal terms of the 2022 Award Plan. The rules of the 2022 Award Plan are set out in full in Appendix B to this Circular.

(a) Eligibility

- (i) Group Employees who, as at the Award Date, have attained the age of 21 years and who hold such rank as may be designated by the Committee from time to time shall be eligible to participate in the 2022 Award Plan, at the absolute discretion of the Committee.
- (ii) For the avoidance of doubt, Group Non-Executive Directors (including independent Directors), Controlling Shareholders and their Associates are not eligible to participate in the 2022 Award Plan.
- (iii) The eligibility of Participants to participate in the 2022 Award Plan and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the 2022 Award Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including but not limited to the financial performance of the Group, his rank, job performance, years of service, performance history and potential for future development, his contribution to the success and development of the Group and, if applicable, the extent of effort to achieve the performance target(s) within the performance period.

(b) Size of the 2022 Award Plan

The aggregate number of Shares over which the Committee may grant new Awards on any date, when aggregated with (i) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to Awards already granted under the 2022 Award Plan; and (ii) the total number of Shares subject to any other share option schemes or share plans of the Company, shall not exceed 15% of the total number of all issued Shares (excluding treasury shares) on the date preceding that date.

(c) Grant of Awards

There are no fixed periods for the grant of Awards. The Committee may grant Awards to eligible Group Employees as the Committee may select, in its absolute discretion, at any time during the period when the 2022 Award Plan is in force.

The Committee shall decide, in relation to each Award:

- the Participant;
- the Award Date;
- the number of Shares which are the subject of the Award (subject to the rules of the 2022 Award Plan);
- the Performance Condition(s);
- the Performance Period;
- the extent to which Shares which are subject of that Award shall be released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;

- the Vesting Date; and
- any other condition which our Committee may determine in relation to that Award.

An Award Letter confirming the Award and specifying, in relation to the Award, the Award Date, the number of Shares which are the subject of the Award, the Performance Condition(s), the Performance Period and the extent to which Shares which are the subject of the Award will be released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, the Vesting Date of the Award and any other condition which the Committee may determine in relation to that Award, will be sent to each Participant as soon as reasonably practicable after the making of an Award.

(d) Nature of the Awards

Awards represent the right of a Participant to receive fully paid Shares free of charge, provided that certain prescribed Performance Condition(s) and/or any condition applicable to that Award are met and upon expiry of the prescribed Performance Period.

An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.

(e) Events prior to Vesting Date

(i) An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (A) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (B) in the event a Participant commits any breach of any terms of his Award;
- (C) subject to Section 4.3(e)(ii) below, upon the Participant, as the case may be, ceasing to be in the employment and/or directorship with the Group for any reason whatsoever; or
- (D) in the event that an order is made for the winding-up of the Company on the basis of, or by reason of, its insolvency.

For the purposes of paragraph (C) above, a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination or notice of resignation (as the case may be) is tendered by or is given to him, unless such notice is withdrawn prior to its effective date.

(ii) In any of the following events:

- (A) the Participant is adjudicated a bankrupt or enters into an arrangement or composition with his creditors or any event occurs which results in him being deprived of the legal or beneficial ownership of any Awards held by him;
- (B) where the Participant ceases his employment and/or directorship with the Group, by reason of:
 - (I) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (II) redundancy;
 - (III) retirement at or after the legal retirement age;
 - (IV) retirement before the legal retirement age with the consent of the Committee;

- (V) (where applicable) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group; or
- (VI) his transfer to any governmental ministry or statutory body or corporation at the direction of any company within the Group;
- (C) the death of a Participant; or
- (D) any other event approved by the Committee,

the Committee may, in its absolute discretion, determine whether an Award then held by such Participant, to the extent not yet Released, shall lapse or that all or any part of such Award shall be preserved. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition(s) has or have been satisfied.

(iii) If any of the following occurs:

- (A) a take-over offer for the Shares becomes or is declared unconditional;
- (B) 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 being approved by shareholders of the Company and/or sanctioned by the court under the Companies Act; or
- (C) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Section 4.3(e)(i)(D) above or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release such Award. If the Committee decides to Release such Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee so determines, the Release of such Award may be satisfied by way of an allotment or transfer of Shares to each Participant of the number of Shares to be determined in accordance with Section 4.3(f) below.

(f) Vesting of Awards

Subject to the applicable laws, the Company will deliver Shares to Participants upon vesting of their Awards by way of an allotment or transfer to the Participant of the relevant number of Shares (which may, in the case of a transfer of Shares, include Shares held by the Company as treasury shares).

In determining whether to issue new Shares or deliver existing Shares to Participants, the Company will take into account factors such as, but not limited to, the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

The financial effects of the above methods are discussed in Section 5 below.

(g) Rights of Shares arising

Shares allotted and issued and existing Shares procured by the Company for transfer pursuant to the release of an Award shall (i) be subject to all the provisions of the Companies Act and the Constitution of the Company; and (ii) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the later of (A) the relevant Vesting Date of the Award; and (B) the date of issue of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

(h) Adjustment Events

- (i) If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction of capital, subdivision, consolidation, distribution or otherwise) shall take place, then:
- (A) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
 - (B) the class and/or number of Shares in respect of which future Awards may be granted under the 2022 Award Plan,

shall be adjusted in such manner as the Committee may determine, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

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

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

(i) Administration

The 2022 Award Plan shall be administered by the Committee in its absolute discretion with such powers and duties conferred to it by the Board from time to time, provided that no member of the Committee shall participate in any deliberation or decision in respect of the Awards granted to him or held by him.

(j) Modification to the 2022 Award Plan

The 2022 Award Plan may be modified and/or altered from time to time by a resolution of the Committee, except that:

- (i) no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the written consent of such number of Participants who, if their Awards were Released to them upon the Performance Condition(s) relating to their Awards being satisfied in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Condition(s) for all outstanding Awards being satisfied in full;
- (ii) any modification or alteration which would be to the advantage of Participants under the 2022 Award Plan shall be subject to the prior approval of the Shareholders in a general meeting; and
- (iii) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

(k) Duration of the 2022 Award Plan

The 2022 Award Plan 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 2022 Award Plan is adopted

by the Company in general meeting, provided always that the 2022 Award Plan 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.

The expiry or termination of the 2022 Award Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

(l) Disclosure in Annual Reports

The Company will make such disclosures in its annual report for so long as the 2022 Award Plan continues in operation from time to time as required by the Listing Manual, including the following (where applicable):

- (i) the names of the members of the Committee administering the 2022 Award Plan;
- (ii) the information required in the table below for the following Participants:
 - (A) Participants who are Directors;
 - (B) Participants, other than those in (A) above, who received Shares pursuant to the Release of Awards granted under the 2022 Award Plan which, in aggregate, represent 5% or more of the total number of Shares available under the 2022 Award Plan; and

Name of Participant	Aggregate number of Shares comprised in Awards granted during financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of Plan to end of the financial year under review	Aggregate number of Shares comprised in Awards Vested which have been issued and/or transferred since commencement of Plan to end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at end of financial year under review

- (iii) such other information as may be required by the Listing Manual or the Companies Act, provided that if any of the above requirements is not applicable, an appropriate negative statement shall be included therein.

(m) Abstention from Voting

Shareholders who are eligible to participate in the 2022 Award Plan must abstain from voting on any resolution relating to the 2022 Award Plan.

5. FINANCIAL EFFECTS OF THE 2022 OPTION SCHEME AND THE 2022 AWARD PLAN

5.1 Share Capital

The 2022 Option Scheme and the 2022 Award Plan will result in an increase in the Company's issued share capital when new Shares are issued to Participants upon the exercise of the Options or pursuant to the vesting of Awards, as the case may be.

The number of new Shares issued will depend on, *inter alia*, in the case of the Awards, the size of the Awards granted under the 2022 Award Plan and in the case of Options, the number of Shares comprised in the Options, the number of Options that are exercised and the Exercise Price of the Shares comprised in the Options.

In any case, the 2022 Option Scheme and the 2022 Award Plan each provides that the number of Shares to be issued or transferred under the 2022 Option Scheme or the 2022 Award Plan (as the case may be), when aggregated with the aggregate number of shares which options are granted under any other share option schemes of the Company (including the 2022 Option Scheme or the 2022 Award Plan (as the case may be)), will be subject to the maximum limit of 15% of the Company's total number of issued shares (excluding Shares held by the Company as treasury shares) from time to time.

If instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants, the 2022 Option Scheme and the 2022 Award Plan will have no impact on the Company's issued share capital.

5.2 **NTA**

As described in Section 5.3 below on EPS, the 2022 Option Scheme and the 2022 Award Plan are likely to result in a charge to the Company's income statement upon the exercise of the Options and/or over the period from the grant date to the vesting date of the Awards (as the case may be). The amount of the charge will be computed in accordance with Singapore Financial Reporting Standard (International) 2 – Share-based Payment (“**SFRS(I) 2**”).

When new Shares are issued under the 2022 Award Plan, there would be no effect on the NTA due to the offsetting effect of expenses recognised and the increase in share capital. However, if instead of issuing new Shares to Participants, existing Shares are purchased for delivery to participants, there would not be any impact on the NTA.

It should be noted that the delivery of Shares to Participants under the 2022 Award Plan will generally be contingent upon the eligible Participants meeting prescribed performance targets and conditions.

The issue of new Shares upon the exercise of the Options will increase 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 will be accretive if the Exercise Price is above the Company's consolidated NTA per Share, but dilutive otherwise.

5.3 **EPS**

The issuance of new Shares under the 2022 Award Plan and/or upon the exercise of Options granted under the 2022 Option Scheme will have a dilutive impact on the consolidated EPS of the Group.

The 2022 Award Plan is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with SFRS(I) 2.

It should again be noted that the delivery of Shares to Participants of the 2022 Award Plan will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

5.4 **Potential Cost of Awards and Options**

The grant of any Options and Awards under the 2022 Option Scheme and the 2022 Award Plan respectively, is considered a share-based payment that falls under SFRS(I) 2.

Under SFRS(I) 2, the recognition of an expense in respect of Options granted under the 2022 Option Scheme is required, as described in the following paragraphs:

- (a) The expense will be based on the fair value of the Options at each date of grant of the Options. This fair value is normally estimated by applying the option pricing model at the date of grant of the Options, taking into account the terms and conditions of the grant of the Options and recognised as a charge to the Company's consolidated profit and loss statement (“**P&L**”).
- (b) At the end of each accounting year, the estimate of the number of Options that are expected to vest in each Participant by the Vesting Date is revised, and the impact of the revised estimate is recognised in the consolidated P&L. After the Vesting Date, no adjustment of the charge to the consolidated P&L is made.

With respect to the Awards, as Participants will receive Shares in settlement of the Awards, the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs:

- (i) The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the period between the grant date and the vesting date of an Award. The amount recognised as an expense is adjusted to reflect the number of Awards for which the service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of Awards that meet the service and non-market performance conditions at the vesting date of such Award. At each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the amount charged to the income statement is made.
- (ii) The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition, the fair value per share of the Awards granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to the income statement if the awards do not ultimately vest.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 Interests of Directors

As at the Latest Practicable Date, based on the Register of Directors' shareholdings maintained by the Company, the interests in Shares held by Directors of the Company are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Tan Wang Cheow ⁽²⁾⁽³⁾ (Executive Chairman)	-	-	120,814,600	22.50
Tan Guek Ming ⁽⁴⁾⁽⁵⁾ (Non-Independent Non-Executive Director)	27,547,400	5.13	93,267,200	17.37
Sudeep Nair ⁽⁶⁾⁽⁷⁾ (Group CEO and Executive Director)	4,200,000	0.78	60,076,399	11.19
Ong Kian Min ⁽⁸⁾ (Non-Independent Non-Executive Director)	820,000	0.15	-	-

Notes:

- (1) All references to percentage shareholding of the issued Shares of the Company in this Section 6.1 are rounded to the nearest two decimal places and based on the total issued Shares of the Company as at the Latest Practicable Date, being 536,998,599 Shares in issue (excluding 8,969,400 Shares held in treasury).
- (2) Mr Tan Wang Cheow is deemed to have an interest in the 52,440,000 Shares held through United Overseas Bank Nominees (Private) Limited.
- (3) Mr Tan Wang Cheow is the spouse of Mdm Tan Guek Ming, and is deemed to have an interest in the 68,374,600 Shares which Mdm Tan Guek Ming has an interest in.
- (4) Mdm Tan Guek Ming is deemed to have an interest in 40,827,200 Shares held through DB Nominees (Singapore) Pte. Ltd.

- (5) Mdm Tan Guek Ming is the spouse of Mr Tan Wang Cheow, and is deemed to have an interest in the 52,440,000 Shares which Mr Tan Wang Cheow has an interest in.
- (6) Mr Sudeep Nair is deemed to have an interest in the 60,076,399 Shares held through Raffles Nominees (Pte) Ltd, DBSN Services Pte Ltd and DBS Nominees (Private) Limited.
- (7) Mr Sudeep Nair also has an interest in options comprising an aggregate of 7,500,000 Shares granted under the 2012 Option Scheme.
- (8) Mr Ong Kian Min also has an interest in options comprising an aggregate of 300,000 Shares granted under the 2012 Option Scheme.

6.2 Interests of Substantial Shareholders

As at the Latest Practicable Date, based on the Register of Substantial Shareholders maintained by the Company, the interests in Shares held by the Substantial Shareholders (other than Directors) of the Company are set out below.

Substantial Shareholders (other than Directors)	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Anthoni Salim ⁽²⁾	-	-	132,079,200	24.60
Trevose International Pte Ltd ⁽³⁾	-	-	132,079,200	24.60
Universal Integrated Corporation Consumer Products Pte Ltd	132,079,200	24.60	-	-
FMR LLC on behalf of the managed accounts of its direct and indirect subsidiaries & FIL Ltd. on behalf of the managed accounts of its direct and indirect subsidiaries	-	-	48,292,200	8.99

Notes:

- (1) All references to percentage shareholding of the issued Shares of the Company in this Section 6.2 are rounded to the nearest two decimal places and based on the total issued Shares of the Company as at the Latest Practicable Date, being 536,998,599 Shares in issue (excluding 8,969,400 Shares held in treasury).
- (2) Mr Anthoni Salim is the controlling shareholder of Trevose International Pte Ltd, which is the sole shareholder of Universal Integrated Corporation Consumer Products Pte Ltd. Accordingly, Mr Anthoni Salim is deemed to have an interest in the shares held by Universal Integrated Corporation Consumer Products Pte Ltd.
- (3) Trevose International Pte Ltd is the sole shareholder of Universal Integrated Corporation Consumer Products Pte Ltd. Accordingly, Trevose International Pte Ltd is deemed to have an interest in the shares held by Universal Integrated Corporation Consumer Products Pte Ltd.

7. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the 2022 Option Scheme shall abstain from voting at the 2022 EGM in respect of Ordinary Resolution 2 (in relation to the Proposed Adoption of the 2022 Option Scheme).

All the Directors (excluding Directors who are Controlling Shareholders or their Associates) will be eligible to participate in the 2022 Option Scheme. Therefore, the Directors (excluding Directors who are Controlling Shareholders or their Associates) shall abstain, and shall procure that their respective associates abstain, from voting at the 2022 EGM in respect of Ordinary Resolution 2 (in relation to the Proposed Adoption of the 2022 Option Scheme).

Shareholders who are eligible to participate in the 2022 Award Plan shall abstain from voting at the 2022 EGM in respect of Ordinary Resolution 3 (in relation to the Proposed Adoption of the 2022 Award Plan).

Mr Sudeep Nair will be eligible to participate in the 2022 Award Plan. Therefore, he shall abstain, and shall procure that his respective associates abstain, from voting at the 2022 EGM in respect of Ordinary Resolution 3 (in relation to the Proposed Adoption of the 2022 Award Plan).

The Company will disregard any votes cast by the aforementioned Shareholders in respect of the relevant Proposed Resolutions. Such Shareholders should also not accept appointments as proxies or otherwise for voting at the 2022 EGM in respect of the relevant Proposed Resolutions unless specific instructions have been given in the Proxy Form on how the appointor (being a Shareholder who is not subject to the aforesaid voting restrictions) wish their votes to be cast for Ordinary Resolution 2 and Ordinary Resolution 3 (as the case may be).

8. DIRECTORS' RECOMMENDATION

8.1 Proposed Renewal of the Share Buyback Mandate

Having considered the rationale and terms of the Proposed Renewal of the Share Buyback Mandate, the Directors are unanimously of the opinion that the Proposed Renewal of the Share Buyback Mandate is in the best interests of the Company and is not prejudicial to the interests of the Shareholders. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Ordinary Resolution 1 in respect of the Proposed Renewal of the Share Buyback Mandate as set out in the Notice of EGM.

8.2 Proposed Adoption of the 2022 Option Scheme

Having considered the rationale and the terms of the Proposed Adoption of the 2022 Option Scheme, Mr Tan Wang Cheow and Mdm Tan Guek Ming (each being a Controlling Shareholder of the Company and therefore is not eligible to participate in the 2022 Option Scheme) are unanimously of the opinion that the Proposed Adoption of the 2022 Option Scheme is in the best interests of the Company and is not prejudicial to the interests of the Shareholders. Accordingly, Mr Tan Wang Cheow and Mdm Tan Guek Ming unanimously recommend that Shareholders vote in favour of the Ordinary Resolution 2 in respect of the Proposed Adoption of the 2022 Option Scheme as set out in the Notice of EGM.

As all of the Directors (save for Mr Tan Wang Cheow and Mdm Tan Guek Ming) are eligible to participate in the 2022 Option Scheme, they are therefore deemed interested in the Proposed Adoption of the 2022 Option Scheme. Accordingly, all Directors (save for Mr Tan Wang Cheow and Mdm Tan Guek Ming) have refrained from making any recommendations to Shareholders in respect of Ordinary Resolution 2 as set out in the Notice of EGM.

8.3 Proposed Adoption of the 2022 Award Plan

Having considered the rationale and terms of the Proposed Adoption of the 2022 Award Plan, the Directors (save for Mr Sudeep Nair) are unanimously of the opinion that the Proposed Adoption of the 2022 Award Plan is in the best interests of the Company and is not prejudicial to the interests of the Shareholders. Accordingly, the Directors (save for Mr Sudeep Nair) unanimously recommend that Shareholders vote in favour of the Ordinary Resolution 3 in respect of the Proposed Adoption of the 2022 Award Plan as set out in the Notice of EGM.

Mr Tan Wang Cheow, being a Controlling Shareholder of the Company, is not eligible to participate in the 2022 Award Plan. As Mr Sudeep Nair is eligible to participate in the 2022 Award Plan, he is therefore deemed interested in the Proposed Adoption of the 2022 Award Plan. Accordingly, Mr Sudeep Nair has refrained from making any recommendations to Shareholders in respect of Ordinary Resolution 3 as set out in the Notice of EGM.

9. EXTRAORDINARY GENERAL MEETING

The 2022 EGM, notice of which is set out on pages 72 to 76 of this Circular, will be held by way of electronic means on 22 April 2022 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the 2022 AGM to be held at 3.00 p.m. on the same day and by way of electronic means) for the purpose of considering and, if thought fit, passing with or without modifications, the Proposed Resolutions set out in the Notice of EGM. Shareholders will not be able to attend the 2022 EGM in person.

Shareholders can participate in the 2022 EGM by:

- (a) watching and/or listening to the 2022 EGM via "live" webcast;
- (b) submitting questions ahead of the 2022 EGM; and
- (c) voting by proxy at the 2022 EGM.

9.1 **Registration to attend the 2022 EGM remotely**

Shareholders will be able to watch the proceedings of the 2022 EGM through “live” audio-visual webcast or listen to the proceedings of the 2022 EGM through “live” audio-only feed. In order to do so, Shareholders must pre-register by the registration deadline of 3.30 p.m. on 19 April 2022 at the following link: https://live.motionmediaworks.com/foodempire_reg to create an account. Following authentication of the Shareholders’ status as a Shareholder, such Shareholder will receive email instructions on how to access the 2022 EGM.

Shareholders who have pre-registered by the registration deadline of 3.30 p.m. on 19 April 2022 but do not receive email instructions by 12.00 p.m. on 21 April 2022 should contact the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. for assistance at foodempire-agmegm2022@boardroomlimited.com or at +65 6536 5355 during normal business hours from Monday to Friday, 8.30 a.m. to 5.30 p.m..

9.2 **Prior submission of questions**

Shareholders may also submit questions relating to the Proposed Resolutions. To do so, all questions must be submitted no later than 5.00 p.m. on 14 April 2022:

- (a) by post, at 31 Harrison Road, #08-01 Food Empire Building, Singapore 369649;
- (b) via email, at agm@foodempire.com; or
- (c) via website, at https://live.motionmediaworks.com/foodempire_reg.

For questions submitted by post or via email, Shareholders are to include their full name, number of Share held and the manner in which such Shares are held for verification purposes.

The Company will allow all eligible shareholders, at least seven (7) calendar days after its publication of the Notice of EGM, to submit their questions to the Company.

The Company will respond to substantial and relevant questions related to the Proposed Resolutions by way of an announcement, as received from Shareholders at least 48 hours prior to the closing date and time for lodgement of the Proxy Forms. On the same day, the Company will upload an announcement on such response to SGXNet and the Company’s website.

The Company will, within one (1) month from the date of the 2022 EGM, publish the minutes of the 2022 EGM on SGXNet and upload the same on the Company’s website, and the minutes will include the responses to the questions referred to above.

The Company will also notify shareholders of these latest measures and the relevant timelines for the submission of questions prior to the 2022 EGM in its letter to shareholders, to be issued together with the Notice of EGM and this Circular.

Please note that Shareholders will not be able to ask questions at the 2022 EGM live during the webcast and audio stream.

9.3 **Voting by proxy**

Shareholders (whether individual or corporate) who wish to exercise their votes must submit a proxy form to appoint the Chairman of the 2022 EGM to vote on their behalf at the 2022 EGM. In appointing the Chairman of the 2022 EGM as proxy, a Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment of the Chairman of the 2022 EGM as proxy for that resolution will be treated as invalid.

Shareholders who wish to submit their Proxy Forms must do so through any one of the following means by 3.30 p.m. on 20 April 2022, being not less than 48 hours before the time appointed for the 2022 EGM:

- (a) by email, sending a scanned PDF copy of the duly completed Proxy Form to foodempire-agmegm2022@boardroomlimited.com; or
- (b) if in hard copy and sent personally or by post, the Proxy Form must be deposited / sent to the Company’s registered office at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to vote on the Proposed Resolutions at the 2022 EGM must appoint the Chairman of the 2022 EGM as his proxy to attend, speak and vote on his behalf at the 2022 EGM.

Shareholders must submit the completed and signed Proxy Form in the manner set out herein by no later than 3.30 p.m. on 20 April 2022 (being 48 hours before the time fixed for the 2022 EGM).

A Depositor shall not be regarded as a Shareholder entitled to attend the 2022 EGM unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP at least 72 hours before the 2022 EGM.

11. INFORMATION RELATING TO CPFIS AND SRS INVESTORS

CPFIS Investors and SRS Investors who wish to attend and vote at the 2022 EGM should approach their respective CPF Agent Banks and SRS Agent Banks to submit their votes at least seven (7) working days before the date of the 2022 EGM and are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information. If they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, during normal business hours from the date of this Circular up to and including the date of the 2022 EGM:

- (a) the Constitution;
- (b) the annual report of the Company for FY2021;
- (c) the proposed rules of the 2022 Option Scheme; and
- (d) the proposed rules of the 2022 Award Plan.

Due to the mandatory safe distancing measures in relation to the COVID-19 outbreak, please contact the Company at +65 6536 5355 prior to making any visits to arrange for a suitable time slot for the inspection.

Yours faithfully,
For and on behalf of the Board of Directors of
FOOD EMPIRE HOLDINGS LIMITED

Kevin Cho
Company Secretary

APPENDIX A

RULES OF THE FOOD EMPIRE HOLDINGS LIMITED EMPLOYEE SHARE OPTION SCHEME

FOOD EMPIRE HOLDINGS LIMITED EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

The Scheme shall be called the “**FE Employee Share Option Scheme**”.

2. DEFINITIONS

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

“ Act ”	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time.
“ Adoption Date ”	The date on which the Scheme is adopted by the Company in general meeting.
“ Aggregate Subscription Cost ”	The total amount payable for Shares which may be acquired on the exercise of an Option.
“ Associate ”	Shall have the meaning assigned to it in the Listing Manual.
“ Auditors ”	The auditors of the Company for the time being.
“ Board ”	The board of Directors of the Company for the time being.
“ CDP ”	The Central Depository (Pte) Limited.
“ Committee ”	The Remuneration Committee of the Company.
“ Company ”	Food Empire Holdings Limited.
“ Constitution ”	The constitution of the Company, as amended, modified or supplemented from time to time.
“ Controlling Shareholder ”	A person who: (a) holds directly or indirectly fifteen per cent. (15%) or more of the total voting rights in the Company (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or (b) in fact exercises control over the Company.

“CPF”	The Central Provident Fund.
“Date of Grant”	In relation to an Option, the date on which the Option is granted pursuant to Rule 6.
“Director”	The directors of the Company for the time being.
“Exercise Period”	The period for the exercise of an Option, being a period commencing: <ul style="list-style-type: none"> (a) in the case of an Option held by a Group Employee, on or after the first (1st) anniversary of the Date of Grant and expiring on the tenth (10th) anniversary of such Date of Grant; and (b) in the case of an Option held by a Group Non-Executive Director, on or after the first (1st) anniversary of the Date of Grant and expiring on the fifth (5th) anniversary of such Date of Grant.
“Exercise Price”	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 7, as adjusted in accordance with Rule 12.
“Grantee”	The person to whom an offer of an Option is made.
“Group”	The Company and its Subsidiaries, and “Group Company” shall mean any one of them.
“Group Employee”	An employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Scheme) selected by the Committee to participate in the Scheme in accordance with Rule 4.
“Group Executive Director”	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
“Group Non-Executive Director”	A director of the Company and/or any of its subsidiaries, as the case may be, who performs a non-executive function.
“Letter of Offer”	A letter in or substantially in the form of Schedule A delivered to the Grantee in relation to each Option, setting out the grant of the Option, the Exercise Price and certain other details.
“Listing Manual”	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
“Market Day”	A day on which the SGX-ST is open for trading in securities.
“Market Price”	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five consecutive Trading Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices.
“Option”	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Scheme and for the time being subsisting.

“Participant”	The holder of an Option.
“Record Date”	The date as at the close of business (or such other time as may be prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be).
“Rules”	Rules of the Scheme.
“Scheme”	The Food Empire Holdings Limited Employee Share Option Scheme, as the same may be modified or altered from time to time.
“Securities Account”	The securities account maintained by a Depositor with CDP.
“SGX-ST”	The Singapore Exchange Securities Trading Limited.
“Shareholders”	The registered holders for the time being of the Shares.
“Shares”	Ordinary shares in the capital of the Company.
“Trading Day”	A day on which the Shares are traded on the SGX-ST.
“S\$”	Singapore dollars.
“per cent.” or “%”	Per centum or percentage.

2.2 The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

2.3 Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

2.4 Any reference to a time of a day in the Scheme is a reference to Singapore time.

2.5 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in the Scheme shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. **OBJECTIVES OF THE SCHEME**

3.1 The Scheme is a share incentive scheme. The Scheme is proposed on the basis that it is important to retain talent whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees within the Group as well as the Group Non-Executive Directors who have contributed to the growth and development of the Group. The Scheme will give Participants an opportunity to have a personal equity interest in the Company.

3.2 The objectives of the Scheme are as follows:

- (a) to motivate the Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees and directors of our Group whose contributions are essential to the long-term growth and profitability of the Group;

- (c) to instil loyalty to, and a stronger identification by the Participants with the long-term goals of, the Company;
- (d) to attract potential employees with relevant skills to contribute to the Group, and to create value for the shareholders of the Company; and
- (e) to align the interests of Participants with the interests of the shareholders of the Company.

4. **ELIGIBILITY OF PARTICIPANTS**

4.1 The following persons shall be eligible to participate in the Scheme, at the absolute discretion of the Committee:

- (a) Group Employees who, as at the Date of Grant, have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time; and
- (b) Group Non-Executive Directors (including independent Directors) who, as at the Date of Grant, have attained the age of twenty-one (21) years.

4.2 For the avoidance of doubt, Controlling Shareholders and their Associates are not eligible to participate in the Scheme.

4.3 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) from time to time.

4.4 Subject to the Act and any requirements of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee.

5. **LIMITATION ON THE SIZE OF THE SCHEME**

5.1 The aggregate number of Shares which may be issued or transferred pursuant to Options granted under the Scheme on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share plans of the Company, shall not exceed fifteen per cent. (15%) of the total number of all issued Shares (excluding Shares held by the Company as treasury shares) on the day preceding that date.

5.2 Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options granted by the Committee under the Scheme.

6. **GRANT AND ACCEPTANCE OF OPTIONS**

6.1 Save as provided in Rule 5, the Committee may grant Options at any time and from time to time during the period when the Scheme is in force, provided that:

- (a) no Options shall be granted during the period commencing (i) two (2) weeks before the announcement of the Company's first quarter and third quarter business updates announcements of its financial year and one (1) month prior to the announcement of the Company's half year and annual financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise) or (ii) one (1) month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements); and
- (b) in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the second Market Day from the date on which such announcement is released.

6.2 The Letter of Offer to grant the Option shall be in, or substantially in, the form set out in **Schedule A**, subject to such modification as the Committee may determine from time to time. An Option may be granted subject to such conditions as may be determined by the Committee, in its absolute discretion, on the Date of Grant of that Option.

- 6.3 An option shall be 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, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Option without the prior approval of the Committee, that Option shall immediately lapse and become null, void and of no effect.
- 6.4 The grant of an Option under this Rule 6 shall be accepted by the Grantee within thirty (30) days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant by completing, signing and returning the Acceptance Form in or substantially in the form set out in **Schedule B**, subject to such amendment or modification as the Committee may determine from time to time, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require.
- 6.5 Unless otherwise determined by the Committee, the grant of 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 in the manner as provided in Rule 6.4 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 an arrangement or composition with his creditors prior to his acceptance of the Option;
 - (d) the Grantee, as the case may be, ceases his employment and/or directorship with the Group for any reason whatsoever, prior to his acceptance of the Option; or
 - (e) an order has been made or resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency prior to the Grantee's acceptance of the Option.

For the purpose of Rule 6.5(d), the Grantee shall be deemed to have ceased his employment and/or directorship with the Group as of the date of notice of termination or notice of resignation (as the case may be) is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 6.6 The Committee is entitled at its absolute discretion to reject any purported acceptance of a grant of an Option made pursuant to this Rule 6 which does not strictly comply with the terms of this Scheme.
- 6.7 In the event that the grant of an Option results in a contravention of any applicable law, subsidiary legislation or other regulation, such grant shall be null, void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

7. **EXERCISE PRICE**

- 7.1 Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be a price equal to the Market Price as at the Date of Grant.
- 7.2 In the event that the Company is no longer listed on the SGX-ST or trading in the Shares on the SGX-ST 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.

8. **RIGHTS TO EXERCISE OPTIONS**

- 8.1 Subject as provided in Rules 9 and 10 and any other conditions as may be introduced by the Committee from time to time, an Option shall be exercisable, in whole or in part provided that an Option may be exercised in part only in respect of one hundred (100) Shares or any multiples thereof, as follows:
- (a) in the case of an Option held by a Group Employee, during the period commencing on or after the first (1st) anniversary or the Date of Grant and expiring on the tenth (10th) anniversary of such Date

of Grant (or such other shorter period if so determined by the Committee); and

- (b) in the case of an Option held by a Group Non-Executive Director, during the period commencing on or after the first (1st) anniversary or the Date of Grant and expiring on the fifth (5th) anniversary of such Date of Grant (or such other shorter period if so determined by the Committee).

8.2 In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the Scheme until such time as it shall lapse in accordance with the Scheme.

8.3 Subject to the provisions of Rules 9 and 10, if a Participant does not exercise an Option within ten (10) years of the Date of Grant (in the case of Group Employees) or five (5) years of the Date of Grant (in the case of Group Non-Executive Directors) of that Option, that Option held by the Participant shall lapse and be null and void, unless otherwise determined by the Committee at its sole discretion.

9. EVENTS PRIOR TO EXERCISE OF OPTION

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

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) in the event a Participant commits any breach of any of the terms of his Option;
- (c) subject to Rule 9.2, upon a Participant, as the case may be, ceasing his employment and/or directorship with the Company for any reason whatsoever; or
- (d) in the event of an order being made or resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 9.1(c), the Participant shall be deemed to have ceased to be so employed as of the date of notice of termination or notice of resignation (as the case may be) is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

9.2 In any of the following events, namely:

- (a) the Participant is adjudicated a bankrupt or enters into an arrangement or composition with his creditors or any event occurs which results in him being deprived of the legal or beneficial ownership of any Options held by him;
- (b) where the Participant ceases his employment and/or directorship with the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) (where applicable) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be; or
 - (vi) (where applicable) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group;

- (c) the death of a Participant; or
- (d) any other event or reason approved by the Committee,

a Participant (or, if a Participant dies, a duly appointed legal personal representative of the Participant) may exercise any unexercised Option within the relevant period during which such Option shall be exercisable, and such unexercised Option shall continue to be exercisable by the Participant in the manner provided in the Scheme (unless otherwise decided by the Committee at its absolute discretion), and upon the expiry of such period, the Option shall immediately lapse and become null and void.

10. TAKE-OVER AND WINDING UP OF THE 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 any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

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

whereupon the Option then remaining unexercised shall lapse.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 9, remain exercisable until the expiry of the Exercise 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 shall be entitled notwithstanding Rule 9 but subject to Rule 10.5, to exercise any Option then held by him, in respect of such number of Shares comprised in that Option, during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later, (but not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.

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

10.4 In the event that a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 10.4) and thereupon, each Participant (or his legal personal representative) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the Aggregate Subscription Cost for the Shares in respect of which notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.

- 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 continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 10.
- 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. EXERCISE OF OPTIONS; ALLOTMENT AND LISTING OF SHARES

- 11.1 Subject to Rule 8.1, an Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of one hundred (100) 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 C**, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by payment in cash for the full amount of the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the full amount of the Aggregate Subscription Cost as aforesaid. All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.
- 11.2 Subject to the Listing Manual and prevailing legislation, the Company shall have the flexibility to deliver Shares to Participants upon exercise of their Options by way of:
- (a) allotment and issue of new Shares; and/or
 - (b) transfer of existing Shares, including (subject to applicable laws) 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 allot and 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 the Market Price of the Shares.
- 11.3 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Scheme and the Constitution of the Company, the Company shall, within ten (10) Market Days after the exercise of an Option, allot and issue, transfer or procure the transfer (as the case may be) of the relevant Shares in respect of which such Option has been exercised by the Participant and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.
- 11.4 Where new Shares are allotted upon the exercise of an Option, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares, which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments in accordance with Rule 12.

11.5 Shares which are allotted or transferred on the exercise of an Option by a Participant shall be issued or registered (as the case may be), as the Participant may elect, in the name of CDP to the credit of the Securities Account of that Participant maintained with CDP, the securities sub-account of that Participant maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.

11.6 Shares allotted and issued or existing Shares transferred on the exercise of an Option shall:

- (a) be subject to all the provisions of the Act and the Constitution of the Company; and
- (b) rank in full for all entitlements, including dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or after the relevant exercise date upon which such exercise occurred, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

12. ADJUSTMENT EVENTS

12.1 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, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the Exercise Price of the Shares, the class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the class and/or number of Shares over which Options may be granted under the Scheme,

shall be adjusted in such manner by the Committee to give such Participant the same proportion of the equity capital of the Company as that to which he was previously entitled, in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made as if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

12.2 Unless the Committee considers an adjustment to be appropriate, the following events will not normally be regarded as a circumstance requiring an adjustment:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders of the Company (including any renewal of such mandate) is in force;
- (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Scheme; or
- (d) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

12.3 Notwithstanding the provisions of Rule 12.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

12.4 Upon any adjustment required to be made pursuant to this Rule 12, 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 Exercise Price thereafter in effect and class and/or number of Shares thereafter to be issued or transferred on the exercise of the Option. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

13. **ADMINISTRATION OF THE SCHEME**

- 13.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board from time to time, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him.
- 13.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme, to give effect to the provisions of the Scheme and/or to enhance the benefit of the Options and the Shares to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Scheme and any dispute and uncertainty as to the interpretation of the Scheme, any rule, regulation or procedure thereunder or any rights under the Scheme shall be determined by the Committee.
- 13.3 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee any liability whatsoever in connection with:
- (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.
- 13.4 Any decision or determination of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 13.5 The Committee shall ensure that the rules of the Scheme are in compliance with the Act and the applicable laws and regulations in Singapore, including but not limited to, the Listing Manual.

14. **NOTICES**

- 14.1 Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 14.2 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, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 14.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 14.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

15. **MODIFICATIONS TO THE SCHEME**

- 15.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) no modification or alteration shall adversely affect the rights attached to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;

- (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 15.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Option or which would be to the advantage of Participants (as the case may be) shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 15.1 shall affect the right of the Committee under any other provision of the Scheme to amend or adjust any Option and without due compliance with the Listing Manual and such other laws and regulations as may be applicable.

- 15.2 Notwithstanding anything to the contrary contained in Rule 15.1, the Committee may at any time by a resolution (and without any other formality, save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Scheme to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 15.3 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants.

16. **TERMS OF EMPLOYMENT UNAFFECTED**

The terms of employment and/or directorship of a Participant shall not be affected by his participation in the Scheme, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment and/or directorship for any reason.

17. **DURATION OF THE SCHEME**

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

18. **TAXES**

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

19. **COSTS AND EXPENSES OF THE SCHEME**

- 19.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the allotment and issue or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.
- 19.2 Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the exercise of any Option shall be borne by the Company.

20. **DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, 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 procuring the transfer of or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 11.4.

21. **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 continues in operation from time to time as required by the Listing Manual including the following (where applicable):

- (a) the names of the members of the Committee administering the Scheme;
- (b) the information in the table below in respect of the following Participants of the Scheme:
 - (i) Directors of the Company;
 - (ii) Participants (other than those in (i) above) who receive five per cent. (5%) or more of the total number of Shares comprised in Options available under the Scheme; and

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of the financial year under review	Aggregate Options exercised since commencement of Scheme to end of the financial year under review	Aggregate Options outstanding as at end of financial year under review
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- (c) such other information as may be required by the Listing Manual or the Act,

provided that if any of the above requirements is not applicable, an appropriate negative statement shall be included therein.

22. **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.

23. **ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the Scheme must abstain from voting on any resolution relating to the Scheme.

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 Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

25. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT**

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

**FOOD EMPIRE HOLDINGS LIMITED
EMPLOYEE SHARE OPTION SCHEME**

LETTER OF OFFER

[Date]

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

We have the pleasure of informing you that, pursuant to the FE Employee Share Option Scheme (the “**Scheme**”), you have been nominated to participate in the Share Option Scheme by the committee (the “**Committee**”) authorised and appointed by the Board of Directors of Food Empire Holdings Limited (the “**Company**”) to administer the Scheme. Terms as defined in the Scheme shall have the same meaning when used in this letter.

In consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$ _____ for each Share.

The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior written approval of the Committee.

The Option shall be subject to the terms of the Scheme, a copy of which is available for inspection at the business address of the Company.

If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 no later than **5.00 p.m.** on _____, failing which this offer will lapse.

Yours faithfully

For and on behalf of
FOOD EMPIRE HOLDINGS LIMITED

Name:
Designation:

**FOOD EMPIRE HOLDINGS LIMITED
EMPLOYEE SHARE OPTION SCHEME**

ACCEPTANCE FORM

[Date]

To: The Committee
FE Employee Share Option Scheme

Closing Date for Acceptance of Option : _____
 Number of Shares in respect of which Options is offered : _____
 Exercise Price per Share : _____
 Total amount payable on Acceptance of Option : _____

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

I hereby accept the Option to subscribe for _____ Shares at S\$_____ for each Share. I enclose cash for S\$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.

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

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

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

I further acknowledge that you have not made any representation 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.

Please print in block letters

Name in full : _____
Designation : _____
Address : _____
Nationality : _____
***NRIC/Passport No** : _____
Signature : _____
Date : _____

Note:

* Delete accordingly.

**FOOD EMPIRE HOLDINGS LIMITED
EMPLOYEE SHARE OPTION SCHEME**

FORM OF EXERCISE OF OPTION

[Date]

To: The Committee
FE Employee Share Option Scheme

Total number of ordinary shares ("**Shares**") offered at S\$_____ for each Share ("**Exercise Price**") under the FE Employee Share Option Scheme on _____ (Date of Grant) :

Number of Shares previously allotted and issued thereunder :

Outstanding balance of Shares to be allotted and issued :

Number of Shares now to be subscribed :

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

Please print in block letters

Name in full :

Designation :

Address :

Nationality :

***NRIC/Passport No.** :

***Direct Securities Account No.** :

OR

***Sub-Account No.** :

Name of Depository Agent :

OR

***CPF Investment** :

Account No. :

Name of Agent Bank :

Signature :

Date :

* Delete accordingly

APPENDIX B

RULES OF THE FOOD EMPIRE HOLDINGS LIMITED PERFORMANCE SHARE PLAN

FOOD EMPIRE HOLDINGS LIMITED PERFORMANCE SHARE PLAN

1. **NAME OF THE PLAN**

The Plan shall be called the “**FE Performance Share Plan**”.

2. **DEFINITIONS**

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

“**Act**” The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time.

“**Adoption Date**” The date on which the Plan is adopted by the Company in general meeting.

“**Associate**” Shall have the meaning assigned to it in the Listing Manual.

“**Auditors**” The auditors of the Company for the time being.

“**Award**” A contingent award of Shares granted under Rule 5.

“**Award Date**” In relation to an Award, the date on which the Award is granted pursuant to Rule 5.

“**Award Letter**” A letter in or substantially in the form of **Schedule A** as the Committee shall approve confirming an Award granted to a Participant by the Committee.

“**Board**” The board of Directors of the Company for the time being.

“**CDP**” The Central Depository (Pte) Limited.

“**Committee**” The Remuneration Committee of the Company.

“**Company**” Food Empire Holdings Limited.

“**Constitution**” The constitution of the Company, as amended, modified or supplemented from time to time.

“Controlling Shareholder”	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly fifteen per cent. (15%) or more of the total voting rights in the Company (unless otherwise determined by the SGX-ST that a person who satisfies this subparagraph is not a controlling shareholder); or (b) in fact exercises control over the Company.
“CPF”	The Central Provident Fund.
“Director”	The directors of the Company for the time being.
“Group”	The Company and its subsidiaries, and “Group Company” shall mean any one of them.
“Group Employee”	An employee of the Group (including any Group Executive Director who meet the relevant criteria and who shall be regarded as a Group Employee for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4.
“Group Executive Director”	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
“Group Non-Executive Director”	A director of the Company and/or any of its subsidiaries, as the case may be, who performs a non-executive function.
“Listing Manual”	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
“Market Day”	A day on which the SGX-ST is open for trading in securities.
“Participant”	The holder of an Award.
“Performance Condition”	In relation to an Award, the condition specified on the Award Date in relation to that Award.
“Performance Period”	In relation to an Award, a period, the duration of which is to be determined by the Committee on the Award Date, during which the Performance Condition(s) is (are) to be satisfied.
“Plan” or “FE Performance Share Plan”	The Food Empire Holdings Limited Performance Share Plan, as the same may be modified or altered from time to time.
“Record Date”	The date as at the close of business (or such other time as may be prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be).

“Release”	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 8 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 8, the Award in relation to those Shares shall lapse accordingly and “Released” shall be construed accordingly.
“Released Award”	An Award which has been Released in full or in part in accordance with Rule 8.
“Rule”	Rules of the Plan.
“SGX-ST”	The Singapore Exchange Securities Trading Limited.
“Shareholders”	The registered holders for the time being of the Shares.
“Shares”	Ordinary shares in the capital of the Company.
“Trading Day”	A day on which the Shares are traded on the SGX-ST.
“Vesting”	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.
“Vesting Date”	In relation to Shares which are the subject of a Released Award, the date as determined by the Committee and notified to the relevant Participant on which those Shares are to be Vested pursuant to Rule 8.
“year”	Calendar year, unless otherwise stated.
“S\$”	Singapore dollars.
“per cent.” or “%”	Per centum or percentage.

2.2 The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

2.3 Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

2.4 Any reference to a time of a day in the Plan is a reference to Singapore time.

2.5 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

3. **OBJECTIVES OF THE PLAN**

3.1 The Plan is a share-based long-term incentive plan. The Plan is proposed on the basis that it is important to align the interest of key management personnel with those of the shareholders, focus key management personnel on the long-term success of the Group as well as retain other key employees whose contributions are essential to the longer-term well-being and prosperity of the Group. The Plan will give Participants an

opportunity to have a personal equity interest in the Company.

3.2 The objectives of the Plan are as follows:

- (a) to motivate the Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees of our Group whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by the Participants with the long-term goals of, the Company;
- (d) to attract potential employees with relevant skills to contribute to the Group, and to create value for the shareholders of the Company; and
- (e) to align the interests of Participants with the interests of the shareholders of the Company.

4. **ELIGIBILITY OF PARTICIPANTS**

4.1 Group Employees who, as at the Award Date, have attained the age of twenty-one (21) years and who hold such rank as may be designated by the Committee from time to time shall be eligible to participate in the Plan, at the absolute discretion of the Committee.

4.2 For the avoidance of doubt, Group Non-Executive Directors (including independent Directors), Controlling Shareholders and their Associates are not eligible to participate in the Plan.

4.3 The eligibility of Participants to participate in the Plan and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including but not limited to:

- (a) the financial performance of the Group;
- (b) his rank, job performance, years of service, performance history and potential for future development and his contribution to the success and development of the Group; and
- (c) if applicable, the extent of effort and difficulty with which the Performance Condition(s) may be achieved within the Performance Period by such Participant.

4.4 There shall be no restriction on the eligibility of any Participants 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) from time to time.

4.5 Subject to the Act and any requirements of the SGX-ST, the terms of eligibility for participation in the Plan may be amended from time to time at the absolute discretion of the Committee.

5. **LIMITATION ON THE SIZE OF THE PLAN**

5.1 The total number of Shares over which the Committee may grant new Awards on any date, when aggregated with:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to Awards already granted under the Plan; and
- (b) the total number of Shares subject to any other share option schemes or share plans of the Company,

shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the date preceding the date of the relevant new Award.

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

6. GRANT OF AWARDS

6.1 The Committee may grant Awards to eligible Group Employees as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

6.2 The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the number of Shares which are subject of the Award;
- (d) the Performance Condition(s);
- (e) the Performance Period;
- (f) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
- (g) the Vesting Date; and
- (h) any other condition which the Committee may determine in relation to that Award.

6.3 As soon as reasonably practicable after making an Award the Committee shall send to each Participant an Award Letter in or substantially in the form set out in **Schedule A** confirming the Award and specifying in relation to the Award:

- (a) the Award Date;
- (b) the number of Shares which are subject of the Award;
- (c) the Performance Condition(s);
- (d) the Performance Period;
- (e) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
- (f) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;
- (g) the Vesting Date; and
- (h) any other condition which the Committee may determine in relation to that Award.

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

6.5 The Committee may amend or waive the Performance Period, the Performance Condition(s), the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period and/or any condition applicable to that Award:

- (a) in the event of a take-over offer being made for the Shares or if 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 being approved by shareholders of the Company and/or sanctioned by the court under the Act or in the event of an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 7.1(a) or for reconstruction or amalgamation) or a proposal to sell all or substantially all of the assets of the Company;
- (b) in the event that the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie); or
- (c) if anything happens which causes the Committee to conclude that:
 - (i) an amended Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) a Performance Condition should be waived,

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

6.6 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse and become null, void and of no effect.

7. **EVENTS PRIOR TO VESTING DATE**

7.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) in the event a Participant commits any breach of any of the terms of his Award;
- (c) subject to Rule 7.2, upon a Participant, as the case may be, ceasing his employment and/or directorship with the Group for any reason whatsoever; or
- (d) in the event of an order being made or resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 7.1(c), the Participant shall be deemed to have ceased to be so employed as of the date of notice of termination or notice of resignation (as the case may be) is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

7.2 In any of the following events, namely:

- (a) the Participant is adjudicated a bankrupt or enters into an arrangement or composition with his creditors or any event occurs which results in him being deprived of the legal or beneficial

ownership of any Awards held by him;

- (b) where the Participant ceases his employment and/or directorship with the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age;
 - (iv) retirement before the legal retirement age with the consent of the Committee;
 - (v) (where applicable) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be; or
 - (vi) (where applicable) his transfer to any governmental, ministry or statutory body or corporation at the direction of any company within the Group;
- (c) the death of a Participant; or
- (d) any other event or reason approved by the Committee,

the Committee may, in its absolute discretion determine whether an Award then held by such Participant, to the extent not yet Released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Company. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant, and the extent to which the Performance Condition(s) has (have) been satisfied.

7.3 Without prejudice to the provisions of Rules 6.5 and 8.1, if before a Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) 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 being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution passed for the winding-up of the Company (other than as provided in Rule 7.1(d) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period(s) which has (have) elapsed and the extent to which the Performance Condition(s) has (have) been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined in accordance with Rule 8.

7.4 The Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other Rules including Rules 7.1 and 8.1. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 7.1.

8. REVIEW OF PERFORMANCE CONDITION(S), VESTING OF AWARDS AND RELEASE OF AWARDS

8.1 Review of Performance Condition(s)

- (a) The Committee shall, as soon as reasonably practicable after the end of the relevant Performance Period, review the Performance Condition(s) specified in respect of each Award and determine at its discretion:
- (i) whether the Performance Condition has been satisfied and if so, the extent to which it has been satisfied;
 - (ii) whether any other condition applicable to such Award has been satisfied; and
 - (iii) the number of Shares (if any) comprised in such Award to be Released to the relevant Participant,

and (subject to Rules 7 and 8.1(b)) provided that the relevant Participant has continued to be a Group Employee, from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Performance Condition specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

- (b) The Committee shall have full discretion to determine whether any Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group (as the case may be) to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further (but without prejudice to the provisions of Rule 6.5), the right to amend any Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

8.2 Delivery of Shares

- (a) Shares which are Released to a Participant pursuant to Rule 8.1 shall be delivered on a Market Day falling as soon as practicable (as determined by the Committee) after the relevant Vesting Date by way of an allotment or transfer to the Participant of the relevant number of Shares (which may, in the case of a transfer of Shares, include Shares held by the Company as treasury shares).
- (b) Where new Shares are allotted pursuant to Rule 8.2(a), 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.
- (c) Shares which are allotted or transferred to a Participant pursuant to the Release of any Award shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

8.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the Release of any Award shall:

- (a) be subject to all the provisions of the Act and the Constitution of the Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the later of (i) the relevant Vesting Date; and (ii) the date of issue of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

9. **ADJUSTMENT EVENTS**

9.1 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, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place or (without prejudice to the provisions of Rule 6.5) if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Committee may, in its sole discretion, determine whether:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted and if so, the manner in which such adjustments should be made. Any adjustment must be made in a way that a Participant will not receive a benefit that a shareholder of the Company does not receive.

9.2 Unless the Committee considers an adjustment to be appropriate, the following events will not normally be regarded as a circumstance requiring an adjustment:

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants; or
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders of the Company (including any renewal of such mandate) is in force.

9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares which are the subject of the adjusted Award. Any adjustment shall take effect upon such written notification being given or on such date as may be specified in such written notification.

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

10. **ADMINISTRATION OF THE PLAN**

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

10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the

Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.

10.3 Neither the Plan nor the Awards granted under the Plan shall impose on the Company or the Committee any liability whatsoever in connection with:

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

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

10.5 The Committee shall ensure that the rules of the Plan are in compliance with the Act and the applicable laws and regulations in Singapore, including but not limited to, the Listing Manual.

11. **NOTICES**

11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

11.2 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, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

11.3 Any notice or other communication from a Participant to the Company shall be irrevocable and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

12. **MODIFICATIONS TO THE PLAN**

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

- (a) no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Condition(s) relating to their Awards being satisfied in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Condition(s) for all outstanding Awards being satisfied in full;
- (b) any modification or alteration which would be to the advantage of Participants under the Plan shall be subject to the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award or which would be to the advantage of Participants (as the case may be) shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award and without due compliance with the Listing Manual and such other laws and regulations as may be applicable.

12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by a resolution (and without any other formality, save for the prior approval of the SGX-ST) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. **TERMS OF EMPLOYMENT UNAFFECTED**

The terms of employment and/or directorship of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment and/or directorship for any reason.

14. **DURATION OF THE PLAN**

14.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

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

14.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

15. **TAXES**

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

16. **COSTS AND EXPENSES OF THE PLAN**

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

16.2 Save for the taxes referred to in Rule 15 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

17. **DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the 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 procuring the

transfer of or applying for or procuring the listing of new Shares on the SGX-ST in accordance with Rule 8.2(b).

18. DISCLOSURES IN ANNUAL REPORTS

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation as from time to time required by the Listing Manual including the following (where applicable):

- (a) the names of the members of the Committee administering the Plan;
- (b) the information in the table below in respect of the following Participants of the Plan:
 - (i) Directors of the Company;
 - (ii) Participants (other than those in (i) above) who have received Shares pursuant to the Release of Awards granted under the Plan which, in aggregate, represent five per cent. (5%) or more of the total number of Shares available under the Plan; and

Name of Participant	Aggregate number of Shares comprised in Awards granted during financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of Plan to end of the financial year under review	Aggregate number of Shares comprised in Awards Vested which have been issued and/or transferred since commencement of Plan to end of the financial year under review	Aggregate number of Shares comprised in Awards which have not been Released as at end of financial year under review

- (c) such other information as may be required by the Listing Manual or the Act,

provided that if any of the above requirements is not applicable, an appropriate negative statement shall be included therein.

19. 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.

20. ABSTENTION FROM VOTING

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

21. GOVERNING LAW

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

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

**FOOD EMPIRE HOLDINGS LIMITED
PERFORMANCE SHARE PLAN**

LETTER OF AWARD

[Date]

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

GRANT OF AWARDS UNDER THE FOOD EMPIRE HOLDINGS LIMITED PERFORMANCE SHARE PLAN FOR [FINANCIAL YEAR]

As part of your overall compensation package with Food Empire Holdings Limited (“**Company**”), the FE Performance Share Plan (“**Plan**”) recognises the outstanding employees of the Group who have contributed to the long-term growth and profitability of the Group.

We have the pleasure of informing you that, pursuant to the PSP, you will be granted an award (“**Award**”) of ordinary shares in the capital of the Company (“**Shares**”) by the committee (“**Committee**”) authorised and appointed by the Board of Directors of the Company to administer the Plan. Terms as defined in the Plan shall have the same meaning when used in this letter.

The particulars of the Award granted to you are set out below:

1. **Date of Award:** [●]
2. **Number of Shares which are subject of the Award:** [●] (“**Award Shares**”):
3. **Performance Condition(s) which the Award relates to:** [●]
4. **Performance Period which the Award relates to:** [●]
5. **The Vesting Date in respect of the Release of Award Shares (“Released Award”):**
6. **[Any other condition relating to the Award:** [●]

You are not required to pay for the grant of the Award.

The Award or the Released Award is personal to you and, prior to the allotment and/or transfer to you of the Award Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of by you, in whole or in part, except with the prior written approval of the Committee.

The Award shall be subject to the terms of the PSP, a copy of which is available for inspection at the business address of the Company.

Yours faithfully

For and on behalf of
FOOD EMPIRE HOLDINGS LIMITED

Name:

Designation:

NOTICE OF EXTRAORDINARY GENERAL MEETING

FOOD EMPIRE HOLDINGS LIMITED

(Company Registration No.: 200001282G)
(Incorporated in the Republic of Singapore)

This Notice has been made available on SGXNet and the Company's website at (www.foodempire.com).

All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the Circular dated 7 April 2022 issued by the Company to the Shareholders.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of Food Empire Holdings Limited (the "**Company**") will be held by way of electronic means on 22 April 2022 at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the 2022 AGM of the Company to be held at 3.00 p.m. on the same day and by electronic means) for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions:

ORDINARY RESOLUTION 1: THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
- (i) on-market purchases ("**Market Purchases**"), transacted through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or
 - (ii) off-market purchases ("**Off-Market Purchases**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate in paragraph (a) of this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next AGM of the Company is held;
 - (ii) the date by which the next AGM of the Company is required by law to be held; or
 - (iii) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated;
- (c) in this Resolution:

"**Prescribed Limit**" means 10% of the total number of issued Shares of the Company (excluding subsidiary holdings and any Shares which are held as treasury shares) as at the date of passing of this Resolution;

"**subsidiary holdings**" shall have the meaning ascribed to it in the Listing Manual;

“Maximum Price”, in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price of the Shares,

where:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day of the Market Purchase by the Company, and deemed to be adjusted for any corporate action which occurs during the relevant five (5)-day period and the day on which the Market Purchase is made;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

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

- (d) the Directors and any one of them be and are hereby authorised to complete and do all such acts and things (including executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

ORDINARY RESOLUTION 2: THE PROPOSED ADOPTION OF THE 2022 OPTION SCHEME

That:

- (a) the employee share option scheme to be known as the “Food Empire Holdings Limited Employee Share Option Scheme” (**“2022 Option Scheme”**), the details and rules of which are set out in the Circular and under which Options for Shares may be granted to selected Participants, be and is hereby approved and adopted;
- (b) the Directors of the Company be and are hereby authorised to:
 - (i) establish and administer the 2022 Option Scheme;
 - (ii) modify and/or amend the 2022 Option Scheme from time to time, provided that such modification or amendment is effected in accordance with the provisions of the 2022 Option 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 2022 Option Scheme; and
 - (iii) offer and grant Options in accordance with the rules of the 2022 Option Scheme; and
 - (iv) (notwithstanding the authority conferred by this resolution may have ceased to be in force) allot, issue and/or deliver from time to time such number of Shares in the capital of the Company as may be required to be allotted, issued and/or delivered pursuant to the exercise of Options under the 2022 Option Scheme, provided that the aggregate number of Shares available under the 2022 Option Scheme, when aggregated with the total number of Shares over which options or awards are granted under any other share option schemes or share plans of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) on the day preceding that date; and
- (c) the Directors and any one of them be and are hereby authorised to complete and do all such acts and things (including executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

ORDINARY RESOLUTION 3: THE PROPOSED ADOPTION OF THE 2022 AWARD PLAN

That:

- (a) the performance share plan to be known as the “Food Empire Holdings Limited Performance Share Plan” (“**2022 Award Plan**”) the details and rules of which are set out in the Circular and under which Awards of Shares may be granted to selected Participants, be and is hereby approved and adopted;
- (b) the Directors of the Company be and are authorised to:
 - (i) establish and administer the 2022 Award Plan;
 - (ii) modify and/or amend the 2022 Award Plan from time to time, provided that such modification or amendment is effected in accordance with the provisions of the 2022 Award Plan 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 2022 Award Plan;
 - (iii) offer and grant Awards in accordance with the rules of the 2022 Award Plan; and
 - (iv) (notwithstanding the authority conferred by this resolution may have ceased to be in force) allot, issue and/or deliver from time to time such number of Shares in the capital of the Company as may be required to be allotted, issued and/or delivered pursuant to the vesting of Awards granted under the 2022 Award Plan, provided that the aggregate number of Shares available under the 2022 Award Plan, when aggregated with (A) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury shares) delivered and/or to be delivered pursuant to Awards already granted under the 2022 Award Plan, and (B) the total number of Shares over which options or awards are granted under any other share option schemes or share plans of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) on the day preceding that date; and
- (c) the Directors and any one of them be and are hereby authorised to complete and do all such acts and things (including executing such documents and approving any amendments, alterations or modifications to any documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

BY ORDER OF THE BOARD

Kevin Cho
Company Secretary
Singapore
7 April 2022

Notes:

General

1. In line with the provisions under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, members of the Company will NOT be allowed to attend the 2022 EGM in person. The 2022 EGM will be convened and held by way of electronic means.
2. Alternative arrangements relating to, among others, attendance of the 2022 EGM, submission of questions in advance of the 2022 EGM, addressing of substantial and relevant questions at or before the 2022 EGM and/or voting by proxy at the 2022 EGM are set out in the Company's announcement dated 7 April 2022 titled "General Meetings to be held on 22 April 2022" which has been uploaded together with this Notice of EGM, the Circular and the Proxy Form on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements> on the same day. The same may also be accessed at the home page of the Company's corporate website (www.foodempire.com). Members of the Company can participate in the 2022 EGM by:
 - (a) watching or listening to the 2022 EGM proceedings via "live" webcast. Members who wish to participate as such will have to pre-register in the manner outlined in Notes 3 to 6 below;
 - (b) submitting questions ahead of the 2022 EGM. Please refer to Notes 7 to 10 below for further details; and
 - (c) voting by proxy at the 2022 EGM. Please refer to Notes 11 to 17 below for further details.

Participation in EGM proceedings

3. A member will be able to watch the proceedings of the 2022 EGM through a "live" audio-visual webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio-only feed. In order to do so, a member who wishes to watch the "live" audio-visual webcast or listen to the "live" audio feed must pre-register by 3.30 p.m. on 19 April 2022 ("**Registration Deadline**"), at the following link: https://live.motionmediaworks.com/foodempire_reg, to create an account.
4. Following authentication of his/her/its status as member, such member will receive email instructions on how to access the 2022 EGM using the account created.
5. Members who have pre-registered by Registration Deadline but do not receive the aforementioned email by 12.00 p.m. on 21 April 2022 should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at foodempire-agm2022@boardroomlimited.com or alternatively at +65 6536 5355 during normal business hours from Monday to Friday, from 8.30 a.m. to 5.30 p.m..
6. If your Shares are held through a nominee account, you should approach the relevant Depository Agent and Relevant Intermediaries (as defined below) as soon as possible but not less than seven (7) working days before the 2022 EGM (i.e. by 11 April 2022) if you wish to attend the 2022 EGM.

Submission of questions prior to the 2022 EGM

7. A member of the Company may also submit questions relating to the Proposed Resolutions.
8. To do so, all questions must be submitted no later than 5.00 p.m. on 14 April 2022:
 - (a) by post, at 31 Harrison Road, #08-01, Food Empire Building, Singapore 369649;
 - (b) via email, at agm@foodempire.com; or
 - (c) via website, at https://live.motionmediaworks.com/foodempire_reg.

For questions submitted by post or via email, please indicate the following details in your letter or email: (i) your full name, (ii) number of Shares held and (iii) the manner in which you hold shares (via CDP, scrip, CPF or SRS), for verification purposes.

9. If your Shares are held through a nominee account, you should approach the relevant Depository Agent and Relevant Intermediaries (as defined below) as soon as possible but not less than seven (7) working days before the 2022 EGM (i.e. by 11 April 2022) if they wish to submit questions related to the resolution to be tabled for approval at the 2022 EGM.
10. The Company will endeavour to address all substantial and relevant questions submitted prior to the 2022 EGM by publishing the responses to such questions on the Company's corporate website and on SGXNet by 18 April 2022. The Company will publish the minutes of the 2022 EGM on SGXNet and the Company's website within one (1) month after the date of AGM.

Voting by proxy

11. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the 2022 EGM, he/she/it must appoint the Chairman of the 2022 EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the 2022 EGM. In appointing the Chairman of the 2022 EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment of the Chairman of the 2022 EGM as proxy for that resolution will be treated as invalid.

12. The Chairman of the 2022 EGM, as proxy, need not be a member of the Company.
13. The Proxy Form, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must be submitted through any one of the following means by 3.30 p.m. on 20 April 2022, being not less than 48 hours before the time appointed for the 2022 EGM:
 - (a) by email, sending a scanned PDF copy of the duly completed Proxy Form to foodempire-agmegm2022@boardroomlimited.com; or
 - (b) if in hard copy and sent personally or by post, the Proxy Form must be deposited / sent to the Company's registered office at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.
14. The Proxy Form must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
15. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case where the appointor submits more than one Proxy Form).
16. In the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any Proxy Form lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the 2022 EGM, as certified by The Central Depository (Pte) Limited to the Company.
17. A member of the Company who holds his/her/its Shares through a Relevant Intermediary (as defined below) (other than CPF and SRS investors) and who wish to exercise his/her/its votes by appointing the Chairman of the 2022 EGM as proxy should approach his/her/its Relevant Intermediary through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the 2022 EGM.

CPF and SRS investors who hold Shares through Relevant Intermediaries like the CPF Agent Banks or SRS Operators and who wish to request their CPF Agent Banks or SRS Operators to appoint the Chairman of the 2022 EGM as their proxy in respect of the Shares held by such CPF Agent Banks or SRS Agent Banks on their behalf should approach their respective CPF Agent Banks or SRS Agent Banks to submit their voting instructions at least seven (7) working days (by 11 April 2022) prior to the date of the 2022 EGM.

A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Others

18. The Company intends to use internal resources to finance the purchases or acquisition of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the Share Buyback Mandate will depend, *inter alia*, on the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, whether the Shares are purchased or acquired out of profits and/or capital of the Company and whether the Shares purchased or acquired are held in treasury or cancelled.
19. An illustration of the financial impact of a purchase or an acquisition of Shares by the Company pursuant to the Share Buyback Mandate is set out in Clause 2.7(c) of the Circular, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2021 and the certain assumptions as stated therein.

Personal data privacy:

By pre-registering for the 2022 EGM and/or submitting an instrument appointing Chairman of the 2022 EGM to vote at the 2022 EGM of the Company and/or any adjournment thereof, a Shareholder of the Company (i) consents to the collection, use and disclosure of the Shareholder'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 2022 EGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the 2022 EGM of the Company (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 and (ii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

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PROXY FORM

FOOD EMPIRE HOLDINGS LIMITED

(Company Registration No. 200001282G)
(Incorporated in the Republic of Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT

1. Alternative arrangements relating to attendance at the 2022 EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast), submission of questions to the Chairman of the 2022 EGM in advance of the 2022 EGM, addressing of substantial and relevant questions at the 2022 EGM and voting by appointing the Chairman of the 2022 EGM as proxy at the 2022 EGM, are set out in the Notice of EGM.
2. Shareholders will not be able to attend the 2022 EGM in person. If a Shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the 2022 EGM, he/she/it must appoint the Chairman of the 2022 EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the 2022 EGM.
3. If a CPFIS or SRS investor wishes to appoint the Chairman of the 2022 EGM as proxy, he/she should approach their respective CPF Agent Banks or SRS Operators to submit his/her votes at least seven (7) working days before the date of the 2022 EGM.
4. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.

I/We* _____ (Name)

NRIC/Passport/Company Registration No. _____ of

_____ (Address)

being a member/members* of **FOOD EMPIRE HOLDINGS LIMITED** (the "**Company**") hereby appoint the Chairman of the Extraordinary General Meeting (the "**2022 EGM**") as my/our* proxy to attend and vote for me/us* on my/our* behalf at the 2022 EGM of the Company to be held by way of electronic means on Friday, 22 April 2022, at 3.30 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 3.00 p.m. on the same day and by way of electronic means).

I/We* direct my/our* proxy/proxies* to vote for, against or abstain from voting on the ordinary resolutions proposed at the 2022 EGM as indicated hereunder. **If no specific direction as to voting is given for any particular resolution or in the event of any other matter arising at the 2022 EGM and at any adjournment thereof, the appointment of the Chairman of the 2022 EGM as my/our* proxy will be treated as invalid for that particular resolution or for any other matter arising at the 2022 EGM and at any adjournment thereof.**

No.	Resolutions	Number of Votes For ⁽¹⁾	Number of Votes Against ⁽¹⁾	Number of Votes Abstain ⁽¹⁾
1	Ordinary Resolution 1 The Proposed Renewal of the Share Buyback Mandate			
2	Ordinary Resolution 2 The Proposed Adoption of the Food Empire Holdings Limited Employee Share Option Scheme (" 2022 Option Scheme ")			
3	Ordinary Resolution 3 The Proposed Adoption of the Food Empire Holdings Limited Performance Share Plan (" 2022 Award Plan ")			

⁽¹⁾ If you wish to exercise all your votes 'For', 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2022

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

Signature(s) of Members(s) / Common Seal of Corporate Member

* To delete as appropriate

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Company's circular to its Shareholders dated 7 April 2022.

IMPORTANT: PLEASE READ NOTES BELOW

Notes to the Proxy Form:

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 2001 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 the Chairman of the 2022 EGM as proxy shall be deemed to relate to all the Shares held by you.
2. In line with the provisions under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the 2022 EGM will be convened and held by way of electronic means and members of the Company will NOT be allowed to attend the 2022 EGM in person.
3. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the 2022 EGM, he/she/it must appoint the Chairman of the 2022 EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the 2022 EGM. In appointing the Chairman of the 2022 EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the 2022 EGM as proxy for the resolution will be treated as invalid.
4. The Chairman of the 2022 EGM, as proxy, need not be a member of the Company.
5. This Proxy Form must be submitted through any one of the following means by 3.30 p.m. on 20 April 2022, being not less than 48 hours before the time appointed for the 2022 EGM:
 - (a) by email, sending a scanned PDF copy of the duly completed Proxy Form to foodempire-agmegm2022@boardroomlimited.com; or
 - (b) if in hard copy and sent personally or by post, the Proxy Form must be deposited / sent to the Company's registered office at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.
6. This Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where this Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. Where this Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.
7. A member of the Company who holds his/her/its Shares through a Relevant Intermediary (as defined below) (other than CPF and SRS investors) and who wish to exercise his/her/its votes by appointing the Chairman of the 2022 EGM as proxy should approach his/her/its Relevant Intermediary (as defined below) through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the 2022 EGM.

CPF and SRS investors who hold Shares through Relevant Intermediaries like the CPF Agent Banks or SRS Operators and who wish to request their CPF Agent Banks or SRS Operators to appoint the Chairman of the 2022 EGM as their proxy in respect of the Shares held by such CPF Agent Banks or SRS Agent Banks on their behalf should approach their respective CPF Agent Banks or SRS Agent Banks to submit their voting instructions at least seven (7) working days (by 11 April 2022) prior to the date of the 2022 EGM.

A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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 shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the 2022 EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing the Chairman of the 2022 EGM as a proxy to vote at the 2022 EGM and/or any adjournment thereof, all Shareholders accept and agree to the personal data privacy terms set out in the Notice of EGM dated 7 April 2022.