

**CIRCULAR DATED 5 APRIL 2018**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**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.**

If you have sold or transferred all your ordinary shares in UPP Holdings Limited (the “**Company**”), you should immediately forward this Circular and the enclosed Notice of Extraordinary General Meeting and Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser or transferee.

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.



## **UPP HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 196700346M)

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

- (I) THE PROPOSED ADOPTION OF THE UPP GROUP EMPLOYEES’ SHARE OPTION SCHEME 2018**
- (II) THE PROPOSED PARTICIPATION OF MR TONG KOOI ONG, A CONTROLLING SHAREHOLDER, IN THE UPP GROUP EMPLOYEES’ SHARE OPTION SCHEME 2018**
- (III) THE PROPOSED PARTICIPATION OF MR TONG IAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE UPP GROUP EMPLOYEES’ SHARE OPTION SCHEME 2018**

#### **IMPORTANT DATES AND TIMES:**

- Last date and time for lodgement of Proxy Form : 24 April 2018 at 11.00 a.m.
- Date and time of Extraordinary General Meeting : 27 April 2018 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place)
- Place of Extraordinary General Meeting : Nordic Conference Room, 1st Floor  
No. 3 International Business Park  
Nordic European Centre  
Singapore 609927

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## DEFINITIONS

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The following definitions shall apply throughout unless the context requires otherwise or unless otherwise stated in this Circular:

- “Act”** : The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
- “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 trustee 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; and
- (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board”** : The board of directors of the Company
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 5 April 2018 in relation to the Option Scheme
- “Committee”** : A committee comprising Directors who are duly authorised and appointed by the Board pursuant to Rule 16 of the Rules to administer the Option Scheme
- “Company”** : UPP Holdings Limited
- “Constitution”** : The constitution of the Company
- “Controlling Shareholder”** : A person who (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) in the Company (unless the SGX-ST determines otherwise); or (b) a person who in fact exercises control over the Company, as defined under the Listing Manual

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## DEFINITIONS

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<b>“CPF”</b>	:	Central Provident Fund
<b>“CPF Approved Nominees”</b>	:	Agent banks included under the CPFIS
<b>“CPFIS”</b>	:	Central Provident Fund Investment Scheme
<b>“Date of Grant”</b>	:	The date on which an Option is granted to a Participant pursuant to Rule 7 of the Rules
<b>“Director”</b>	:	A person appointed as a director, including an independent director of the Company
<b>“EGM”</b>	:	The extraordinary general meeting of the Company, notice of which is set out on page 39 of this Circular
<b>“EPS”</b>	:	Earnings per Share
<b>“Executive Director”</b>	:	A director of any member of the Group, who performs an executive function
<b>“Exercise Period”</b>	:	The period during which an Option is exercisable, being a period commencing after the fourth anniversary of the Date of Grant of the Option (as may be prescribed under the Option Scheme) and expiring on the tenth anniversary of the Date of Grant of the Option
<b>“Exercise Price”</b>	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9 of Rules, or such adjusted price as may be applicable pursuant to Rule 10 of the Rules
<b>“FY”</b>	:	Financial year ended, or as the case may be, ending 31 December
<b>“Grantee”</b>	:	A person to whom an offer of an Option is made
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Immediate Family”</b>	:	A person’s spouse, child, adopted child, step-child, sibling and parent, or such other definition as the SGX-ST may from time to time require
<b>“Latest Practicable Date”</b>	:	19 March 2018, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as may be amended or modified from time to time

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## DEFINITIONS

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<b>“Market Day”</b>	:	A day on which SGX-ST is open for securities trading
<b>“Market Price”</b>	:	The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of 5 consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares of the Company were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
<b>“New Shares”</b>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options under the Option Scheme
<b>“Notice of EGM”</b>	:	The notice of EGM as set out on page 39 of this Circular
<b>“NTA”</b>	:	Net tangible assets
<b>“Option”</b>	:	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Option Scheme
<b>“Option Holder”</b>	:	The holder of an Option
<b>“Option Scheme”</b>	:	The proposed UPP Group Employees’ Share Option Scheme 2018, as may be amended or modified from time to time
<b>“Option Shares”</b>	:	Shares obtained pursuant to an exercise of the Options
<b>“Ordinary Resolutions”</b>	:	The ordinary resolutions as set out in the Notice of EGM
<b>“Participant”</b>	:	Any executive director or confirmed employee of the Group selected by the Committee to participate in the Option Scheme in accordance with Rule 4 of the Rules
<b>“Rules”</b>	:	Rules of the Option Scheme
<b>“Securities Account”</b>	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited

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## DEFINITIONS

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<b>“Shareholders”</b>	:	Registered holders of Shares except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, means the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
<b>“SFRS(I) 2”</b>	:	Singapore Financial Reporting Standards (International) 2: Share-based Payment
<b>“Subsidiary Holdings”</b>	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
<b>“%” or “per cent.”</b>	:	Percentage or per centum

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

The term **“Treasury Shares”** shall have the meaning ascribed to it in Section 4 of the Act.

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

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall, where applicable, include corporations.

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

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

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

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## LETTER TO SHAREHOLDERS

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### UPP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 196700346M)

**Directors:**

Tong Kooi Ong (Executive Chairman and Chief Executive Officer)  
Koh Wan Kai (Executive Director, Paper Manufacturing)  
Khoo Hsien Ming Kevin (Executive Director, Investments and Power Generation)  
Tong Ian (Executive Director, Operations and Building Materials Distribution)  
Gary Ho Kuat Foong (Lead Independent Director)  
Ng Shin Ein (Independent Director)  
Kalimullah Bin Masheerul Hassan (Independent Director)  
Ong Pang Liang (Independent Director)  
Garson David Lee (Independent Director)

**Registered Office:**

1 Kim Seng Promenade #13-10  
Great World City West Tower  
Singapore 237994

5 April 2018

**To: The Shareholders of UPP Holdings Limited**

Dear Sir/Madam

- (I) THE PROPOSED ADOPTION OF THE UPP GROUP EMPLOYEES' SHARE OPTION SCHEME 2018**
- (II) THE PROPOSED PARTICIPATION OF MR TONG KOOI ONG, A CONTROLLING SHAREHOLDER, IN THE UPP GROUP EMPLOYEES' SHARE OPTION SCHEME 2018**
- (III) THE PROPOSED PARTICIPATION OF MR TONG IAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE UPP GROUP EMPLOYEES' SHARE OPTION SCHEME 2018**

#### **1. INTRODUCTION**

- 1.1 The Directors are convening the EGM to be held at Nordic Conference Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 on 27 April 2018 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) to seek the approval of Shareholders for the proposed adoption of the Option Scheme, the rules of which are set out in **Appendix A** of this Circular (the "**Proposal**").
- 1.2 The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval at the EGM for, the Proposal.

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## LETTER TO SHAREHOLDERS

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- 1.3 SGX-ST had on 21 March 2018 granted in-principle approval for the listing and quotation of the New Shares on the Official List of the SGX-ST, subject to Shareholders' approval for the Option Scheme, and the Company's compliance with SGX-ST's listing requirements and guidelines. Such in-principle approval and the admission to, and quotation of the New Shares on the Official List of SGX-ST is not to be taken as an indication of the merits of the Company and/or its subsidiaries, the Shares, the New Shares and the Option Scheme.
- 1.4 The Company has an option scheme, known as the "UPP Employee Share Option Scheme 2011". The scheme was approved by Shareholders at an extraordinary general meeting of the Company held on 21 April 2011. The terms of the Option Scheme differ from those of the UPP Employee Share Option Scheme 2011, and the Company is of the view that it would be more practical to adopt a new share option scheme instead of amending the UPP Employee Share Option Scheme 2011. Accordingly, upon Shareholders' approval being obtained for the adoption of the Option Scheme, the Company will terminate the UPP Employee Share Option Scheme 2011. As at the Latest Practicable Date, no options have been granted under the UPP Employee Share Option Scheme 2011.
- 1.5 The key differences between the Option Scheme and the UPP Employee Share Option Scheme 2011 are as follows:
- (a) one of the purposes of the Option Scheme is to pay part of a Participant's earned bonus by way of Options. This purpose is absent in relation to the UPP Employee Share Option Scheme 2011;
  - (b) a Participant (under the Option Scheme) may continue to exercise his Options after he ceases employment with the Group. A participant granted an option under the UPP Employee Share Option Scheme 2011 may not exercise his option after he ceases employment with the Group;
  - (c) the Exercise Price of an Option (under the Option Scheme) shall not be at a discount to the Market Price. The UPP Employee Share Option Scheme 2011 allows for options to be granted with exercise prices that are at a discount to the market price;
  - (d) an Option (granted under the Option Scheme) may only be exercisable from the fourth anniversary of its grant. An option granted under the UPP Employee Share Option Scheme 2011 may be exercised after the first anniversary of its grant (if not granted at a discount to the market price) and after the second anniversary of its grant (if granted at a discount to the market price); and
  - (e) only executive directors and confirmed employees are eligible to participate in the Option Scheme but non-executive directors are eligible to participate in the UPP Employee Share Option Scheme 2011.

## 2. THE OPTION SCHEME

### 2.1 Rationale for the Option Scheme

The Company recognises the importance of acknowledging contributions made by employees and Directors to the success and development of the Group.



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## LETTER TO SHAREHOLDERS

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The purpose of the Option Scheme is to provide an opportunity for employees of the Group who have contributed significantly to the growth and performance of the Group, as well as executive Directors who satisfy the eligibility criteria as set out in Rule 4 of the Rules, to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. Additionally, the Option Scheme will help the Group to attract and retain the services of appropriate, qualified and experienced employees who would be able to contribute to the Group's business and operations.

The Option Scheme is primarily a share option scheme. It recognises the fact that the services of employees and executive Directors are important to the success and continued well-being of the Group. At the same time, it will give such employees and executive Directors an opportunity to obtain a direct interest in the Company and will help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to encourage employees to focus on long-term growth, investing for sustainable earnings and discouraging unnecessary risk-taking to achieve short-term incentives;
- (c) to retain Participants whose contributions are essential to the long-term growth and profitability of the Group;
- (d) to instill loyalty to, and reinforce a stronger identification by Participants with the long-term prosperity of the Group;
- (e) to encourage succession planning by attracting potential employees with relevant skills to contribute to the Group and to create value for Shareholders and, because Options can be exercised even after employees cease to be employed by the Group (other than arising from misconduct on the part of the Option Holder (as determined by the Committee in its absolute discretion)), to incentivize existing management in selecting competent new employees to succeed them to ensure the long-term success of the Group;
- (f) to better align the interests of Participants with the interests of Shareholders; and
- (g) to give recognition to the contributions made or to be made by Participants to the success of the Group.

A feature of the Option Scheme is that Options may be exercised even after a Participant ceases to be employed by the Group (other than arising from misconduct on the part of the Option Holder (as determined by the Committee in its absolute discretion)). This is because it is the Company's intention to use Options to pay a portion of a Participant's earned bonus entitlement instead of making such payment in cash, and the Participant would in effect have paid for the Option upon its grant since such Option represents the consideration he receives for that part of his earned bonus entitlement. In this regard, the value of the Option (i.e. the amount deemed paid by the Participant for the Option) will be the fair value of the Option. The fair value of the Option will be determined by the Company in accordance with SFRS(I) 2 (more fully described in section 4.4 (entitled "Potential cost of issuing the Options") below).

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## LETTER TO SHAREHOLDERS

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By way of illustration: Assuming that (i) a Participant's earned bonus entitlement is S\$300,000 and two-thirds of the bonus (amounting to S\$200,000) is to be paid in cash, (ii) the remaining one-third of the bonus (amounting to S\$100,000) is to be paid by way of the grant of Options and (iii) the fair value per Option is S\$0.03. In this scenario, the number of Options to be granted to the Participant will be 3,333,333. This is arrived at by dividing S\$100,000 by S\$0.03. Assuming further that all 3,333,333 Options are exercised at an Exercise Price (being the Market Price) of S\$0.25 per Option, (i) the Company will receive S\$833,333.25 and (ii) (assuming an enlarged issued share capital comprising 880,000,454 Shares (based on the issued share capital of 876,667,121 Shares as at the Latest Practicable Date)) the Participant will acquire 0.38% of the enlarged share capital of the Company resulting from the exercise of the 3,333,333 Options.

An Option will therefore comprise two components:

- (a) the first, which is retrospective in the context of the Date of Grant, as payment for past services. This is part of the reason why an Option can continue to be exercised even after the Participant is no longer employed by the Group; and
- (b) the second, which is prospective in the context of the Date of Grant, as an incentive to the Participant to contribute to the future success of the Company. This is consistent with allowing a Participant to exercise his Option even if he is no longer employed by the Group because (i) the effects of any contribution made or actions taken by a Participant while being employed may only materialize after he is no longer employed by the Group and (ii) allowing an Option to be exercised after a Participant is no longer employed by the Group encourages long-term thinking and discourages short-termism (especially since the effects of his contributions made or actions taken while under employment can affect the Company's performance which may in turn affect the value of his Option).

The Company is of the view that paying part of a Participant's bonus by the grant of Options will, in addition to the objectives stated above (especially the focus on the long-term), enable the Company to reduce cash outflows and receive cash when the Options are exercised.

## 2.2 Summary of the Rules

The Rules are set out in **Appendix A** to this Circular. A summary of the Rules are as follows:

### 2.2.1 Eligibility

Subject to the absolute discretion of the Committee, Participants who have attained the age of 21 years on or prior to the relevant Date of Grant, are not undischarged bankrupts, have not entered into a composition with their respective creditors, and, where applicable, who have, as of the Date of Grant, been in the employment of the Group for a period of at least 12 months, or such shorter period as the Committee may determine, shall be eligible to participate in the Option Scheme.

Persons who qualify under the paragraph above and who are also the Company's Controlling Shareholders and their Associates can only participate in the Option Scheme if their participation is approved by independent Shareholders in separate resolutions for each such person and for each such grant (such resolutions disclosing the specific number and terms of each such Option grant).

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## LETTER TO SHAREHOLDERS

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### 2.2.2 Entitlements

The number of Shares comprised in Options offered to a Participant shall be determined at the absolute discretion of the Committee who shall take into account, where applicable, criteria such as the bonus earned by the Participant in any particular year, rank, past performance, years of service and potential contribution of the Participant.

### 2.2.3 Size of the Option Scheme

The aggregate number of Shares (comprising New Shares issued and issuable in respect of the Options granted under the Option Scheme and/or Treasury Shares and/or Subsidiary Holdings delivered in respect of the Options) over which the Committee may offer to grant Options on any date, when added to:

- (a) the aggregate number of new Shares issued and issuable in respect of all other share-based incentive schemes of the Company (if any); and
- (b) the number of Treasury Shares and Subsidiary Holdings delivered in respect of the options granted under all other share-based incentive schemes of the Company (if any),

shall not exceed 15% of the total issued Shares (excluding Treasury Shares and Subsidiary Holdings) of the Company on the date immediately preceding the Date of Grant.

The aggregate number of Shares over which the Committee may offer to grant Options to the Controlling Shareholders and their Associates under the Option Scheme, shall not exceed 25% of the Shares available under the Option Scheme, provided always that the number of Shares available to each Controlling Shareholder or each of his Associates shall not exceed 10% of the Shares available under the Option Scheme.

### 2.2.4 Date of Grant

The Committee may offer to grant Options in its absolute discretion at any time during the period when the Option Scheme is in force, except that no offer to grant Options shall be made during the period of 1 month immediately preceding the date of announcement of the Company's full-year result and 2 weeks before the announcement of the results of the Company for each of the first, second and third quarters of its financial year (as the case may be).

In addition, in the event that an announcement of any matter of an exceptional nature involving unpublished price sensitive information is made, the Committee may offer to grant Options on or after the second Market Day after such announcement has been released.

### 2.2.5 Acceptance of Offer

The grant of an Option must be accepted not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant. The Grantee must complete, sign and return to the Company the acceptance form accompanied by payment of S\$1 as consideration or such other amount and such other documentation as the Committee may require.

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## LETTER TO SHAREHOLDERS

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### 2.2.6 Exercise Price

Subject to any adjustment pursuant to Rule 10 of the Rules, the Exercise Price for each Share in respect of which an Option is exercisable shall be fixed by the Committee at the Market Price. For the avoidance of doubt, the Exercise Price shall not be at a discount to the Market Price.

Upon the exercise of an Option, the Company may either allot and issue New Shares or transfer Treasury Shares or Subsidiary Holdings to the Option Holder in accordance with Rule 12 of the Rules.

### 2.2.7 Alteration of Capital

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

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

may, at the discretion of the Committee, be adjusted in such manner as the Committee may determine to be appropriate and except in relation to a capitalisation issue, upon the written confirmation of the auditors of the Company (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

No such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Manual, undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of Rule 10 of the Rules.

Upon any adjustment required to be made, the Company shall notify each Option Holder (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the number of Shares thereafter comprised in the Option so far as unexercised.

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## LETTER TO SHAREHOLDERS

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Any modification or alteration which would be to the advantage of Option Holders under the Option Scheme shall be subject to the prior approval of Shareholders at a general meeting.

### 2.2.8 Exercise Period

Options granted shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by an Option Holder during the Exercise Period which shall commence after the 4th anniversary of the Date of Grant of the Options, subject to the following:–

- (a) up to twenty-five (25) per cent only of the Shares in respect of which that Option is granted may be exercised during the period commencing from the date falling immediately after the 4th anniversary of the Date of Grant of that Option and ending on the 5th anniversary of the Date of Grant of that Option;
- (b) up to another twenty-five (25) per cent only of the Shares in respect of which that Option is granted may be exercised during the period commencing from the date falling immediately after the 5th anniversary of the Date of Grant of that Option and ending on the 6th anniversary of the Date of Grant of that Option;
- (c) up to another twenty-five (25) per cent only of the Shares in respect of which that Option is granted may be exercised during the period commencing from the date falling immediately after the 6th anniversary of the Date of Grant of that Option and ending on the 7th anniversary of the Date of Grant of that Option; and
- (d) up to another twenty-five (25) per cent only of the Shares in respect of which that Option is granted may be exercised during the period commencing from the date falling immediately after the 7th anniversary of the Date of Grant of that Option and ending on the 10th anniversary of the Date of Grant of that Option;

provided always that all Options shall be exercised by the 10th anniversary of the relevant Date of Grant, failing which all unexercised Options shall immediately lapse and become null and void and a Grantee shall have no claim against the Company.

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

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

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## LETTER TO SHAREHOLDERS

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For the avoidance of doubt, unless an Option Holder ceases to be employed by the Group arising from misconduct on the part of the Option Holder (as determined by the Committee in its absolute discretion), an Option shall continue to be exercisable even after the Option Holder ceases to be employed by the Group.

If an Option Holder dies and at the date of his death holds any unexercised Options, such Option may be exercised by the duly appointed legal personal representative(s) of the Option Holder within the relevant Exercise Period and upon the expiry of such period, the Options remaining unexercised shall immediately lapse and become null and void.

### 2.2.9 Duration of the Option Scheme

The Option Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date on which the Option Scheme is approved by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Option Scheme may be continued beyond the above stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

### 2.2.10 Administration of the Option Scheme

The Option Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.

A Director who is a member of the Committee shall not be involved in the deliberation in respect of Options to be granted to him.

### 2.2.11 Voting, dividend and other rights

Shares allotted and issued or Treasury Shares or Subsidiary Holdings which are transferred, upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights (including voting rights), allotments or other distributions, the record date for which falls prior to the date of issue or transfer (as the case may be) of the said Shares.

## **3. THE PROPOSED PARTICIPATION OF MR TONG KOOI ONG, A CONTROLLING SHAREHOLDER, AND MR TONG IAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE OPTION SCHEME**

### **3.1 Participation of Controlling Shareholders and Associates of Controlling Shareholders in the Option Scheme**

An employee (including an executive Director) who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be eligible to participate in the Option Scheme if (a) his participation in the Option Scheme and (b) the actual number and terms of the Options granted to him have been approved by independent Shareholders in separate resolutions for each such person. The relevant employee and his Associates are required to abstain from voting on, and (in the case of employees who are Directors) refrain from making any recommendation on, the resolutions in relation to the Option Scheme.

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## LETTER TO SHAREHOLDERS

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As at the Latest Practicable Date, Mr Tong Kooi Ong is the only Controlling Shareholder and Mr Tong Ian is the only Associate of a Controlling Shareholder who may be eligible to participate in the Option Scheme. It is the Company's intention to extend the Option Scheme to include Controlling Shareholders and their Associates who may arise in the future who are employees (including executive Directors).

Pursuant to Rule 853 of the Listing Manual, the participation of Mr Tong Kooi Ong and Mr Tong Ian and such other Controlling Shareholders and their Associates who may arise in the future and who are eligible to participate in the Option Scheme will need to be approved by independent Shareholders in separate resolutions. A separate resolution must also be passed for the grant of Options to each of Mr Tong Kooi Ong, Mr Tong Ian and such Controlling Shareholders and their Associates and to approve the actual number and terms of the Options granted to such person.

It is the intention of the Company that employees (including executive Directors) who are Controlling Shareholders or Associates of Controlling Shareholders should be remunerated for their contribution to the Group on the same basis as other employees who are not Controlling Shareholders or Associates of Controlling Shareholders. Although the Controlling Shareholders and their Associates already have shareholding interests in the Company, the extension of the Option Scheme to allow the Controlling Shareholders and their Associates to participate in the Option Scheme will ensure that they are equally entitled, with the other employees who are not Controlling Shareholders or their Associates to take part and benefit from this system of remuneration. The Option Scheme is intended to be part of a system of remuneration for employees, and the Company is of the view that employees who are Controlling Shareholders or Associates of Controlling Shareholders should not be discriminated against by reason only of their shareholding in the Company. The Company is also of the view that the extension of the Option Scheme to Controlling Shareholders and their Associates will enhance the long-term commitment of the Controlling Shareholders and their Associates to the Company.

It is proposed that Mr Tong Kooi Ong, the Executive Chairman and Chief Executive Officer of the Company, be entitled to participate in the Option Scheme.

For the avoidance of doubt, Controlling Shareholders and their Associates who are not employees of the Group will not be eligible to participate in the Option Scheme.

The aggregate number of Shares available to the Controlling Shareholders and Associates of Controlling Shareholders will not exceed 25% of the Shares under the Option Scheme, and the number of Shares available to each Controlling Shareholder or Associate of Controlling Shareholder will not exceed 10% of the Shares under the Option Scheme. Pursuant to Rule 853 of the Listing Manual, and subject to the adoption of the Option Scheme, independent Shareholders' approval will be sought for the grant of Options to Controlling Shareholders and their Associates. Accordingly, the Company will seek independent Shareholders' approval before granting any Option to Controlling Shareholders and their Associates and will specify in the relevant resolution the number of Shares to be granted pursuant to such grant.

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## LETTER TO SHAREHOLDERS

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### 3.2 Participation of Mr Tong Kooi Ong in the Option Scheme

Mr Tong Kooi Ong is the Executive Chairman and Chief Executive Officer of the Company. He was appointed as a Director on 15 March 2012. His main responsibilities include overseeing, monitoring and managing the overall strategy, operations, business and finances of the Group and actively sourcing for opportunities to grow the Group. Under his leadership, the business of the Group has expanded from being a paper manufacturer to include power generation in Myanmar and wholesale distribution of building materials in Canada and the United States of America.

The extension of the Option Scheme to Mr Tong Kooi Ong is consistent with the Company's objective to motivate its employees to contribute to the Group's performance. The extension of the Option Scheme to Mr Tong Kooi Ong will ensure that he is equally entitled, with the other employees, to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company.

### 3.3 Participation of Mr Tong Ian in the Option Scheme

Mr Tong Ian is an Executive Director, Operations and Building Materials Distribution of the Company. He joined the Group in 2012, was appointed as a Director on 7 March 2017 and was an Executive Director, Vice President, Investments. He oversees the businesses of building materials distribution in Taiga Building Products Ltd. and the operations and general matters of the Company.

The extension of the Option Scheme to Mr Tong Ian is consistent with the Company's objective to motivate its employees to contribute to the Group's performance. The extension of the Option Scheme to Mr Tong Ian will ensure that he is equally entitled, with the other employees, to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company.

## 4. FINANCIAL EFFECTS OF THE OPTION SCHEME

### 4.1 Share Capital

The Option Scheme will result in an increase in the issued share capital of the Company to the extent of the New Shares that will be allotted and issued pursuant to the exercise of the Options granted under the Option Scheme. This will in turn depend on, *inter alia*, the number of Shares comprised in the Options granted, the number of Options that are accepted and exercised and the Exercise Price of the Shares comprised in the Options.

### 4.2 NTA

The issue of New Shares upon the exercise of the Options granted under the Option Scheme 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.

### 4.3 EPS

The Option Scheme will have a dilutive impact on the Company's consolidated EPS following the increase in the Company's number of issued Shares to the extent that New Shares are allotted and issued upon the exercise of the Options.



## LETTER TO SHAREHOLDERS

### 4.4 Potential cost of issuing the Options

SFRS(I) 2 relating to share-based payments takes effect for all listed companies beginning 1 January 2018. Under SFRS(I) 2, the recognition of an expense in respect of Options granted under the Option Scheme is required. The expense will be based on the fair value of the Options at each date of grant of the Options and will be recognised over the vesting period. This fair value is normally estimated by applying the option pricing model at the date of grant of the Options, taking into account the terms and conditions of the grant of the Options and recognised as a charge to the Company's consolidated profit and loss statement ("P&L") over the period from the date of grant of the Options to the vesting date (the "Vesting Period"), with a corresponding credit to the Company's reserve account.

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

### 5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

The shareholdings of the Directors and Substantial Shareholders as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders as at the Latest Practicable Date were as follows:

	Number of Shares			%	Number of Shares comprised in outstanding warrants
	Direct Interest	Deemed Interest	Total Interest		
<b>Directors</b>					
Tong Kooi Ong	Nil	221,925,000	221,925,000	25.31	216,088,900
Koh Wan Kai	Nil	Nil	Nil	Nil	Nil
Khoo Hsien Ming Kevin	Nil	Nil	Nil	Nil	Nil
Tong Ian	Nil	2,800,000	2,800,000	0.32	1,700,000
Gary Ho Kuat Foong	Nil	Nil	Nil	Nil	Nil
Ng Shin Ein	671,400	Nil	671,400	0.08	Nil
Kalimullah Bin Masheerul Hassan	Nil	30,000,000	30,000,000	3.42	30,000,000
Ong Pang Liang	5,000,000	Nil	5,000,000	0.57	5,000,000
Garson David Lee	Nil	1,300,000	1,300,000	0.15	1,300,000
<b>Substantial Shareholders</b>					
Tong Kooi Ong	Nil	221,925,000	221,925,000	25.31	216,088,900
Lim Eng Hock	183,246,925	Nil	183,246,925	20.90	183,246,925

**Note:**

(1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, comprising 876,667,121 Shares (excluding Treasury Shares).

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## LETTER TO SHAREHOLDERS

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### 6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 39 of this Circular, will be held at Nordic Conference Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 on 27 April 2018 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without modification) the Ordinary Resolutions set out in the Notice of EGM.

### 7. DIRECTORS' RECOMMENDATION

Mr Tong Kooi Ong, Mr Koh Wan Kai, Mr Khoo Hsien Ming Kevin and Mr Tong Ian will be eligible to participate in the Option Scheme and have therefore refrained from making any recommendation to the Shareholders on the Ordinary Resolutions as set out in the Notice of EGM due to their interest in the Option Scheme.

Having considered the rationale for the Option Scheme, the Independent Directors, namely Mr Gary Ho Kuat Foong, Ms Ng Shin Ein, Dato' Seri Kalimullah Bin Masheerul Hassan, Mr Ong Pang Liang and Mr Garson David Lee are of the opinion that the Option Scheme is in the interests of the Company and accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolutions at the EGM.

### 8. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 8.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf, will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 1 Kim Seng Promenade #13-10 Great World City West Tower Singapore 237994 not less than 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

#### 8.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register as certified by CDP not less than 72 hours before the time fixed for the EGM.

CPFIS investors may wish to check with their CPF Approved Nominees on the procedure and deadline for the submission of their written instructions to their CPF Approved Nominees to vote on their behalf.

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## LETTER TO SHAREHOLDERS

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### 8.3 Abstention from Voting

Shareholders who are entitled to participate in the proposed Option Scheme, shall abstain from voting at the EGM in respect of the Ordinary Resolutions set out in the Notice of EGM.

Directors and employees of the Group, who are eligible to participate in the Option Scheme and are also Shareholders, shall abstain from voting at the EGM.

Mr Tong Kooi Ong, Mr Koh Wan Kai, Mr Khoo Hsien Ming Kevin and Mr Tong Ian will be eligible to participate in the Option Scheme. Therefore, they shall also abstain from voting at the EGM in respect of any of the Ordinary Resolutions to be proposed at the EGM.

The abovementioned persons who are eligible to participate in the Option Scheme will not accept appointments as proxies for voting at the EGM in respect of the Ordinary Resolutions unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be cast for each of these Ordinary Resolutions.

### 9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information contained 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 Option Scheme, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### 10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 1 Kim Seng Promenade #13-10 Great World City West Tower Singapore 237994 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the Annual Report of the Company for FY2017; and
- (c) the Rules.

Yours faithfully  
For and on behalf of the Board of Directors of  
**UPP HOLDINGS LIMITED**

Tong Kooi Ong  
Executive Chairman and Chief Executive Officer

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### RULES OF THE UPP GROUP EMPLOYEES' SHARE OPTION SCHEME 2018

#### 1. DEFINITIONS

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

- “Act”** : The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
- “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 trustee 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; and
- (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditors”** : The auditors of the Company from time to time
- “Board”** : The board of directors of the Company
- “CDP”** : The Central Depository (Pte) Limited
- “Committee”** : A committee comprising Directors who are duly authorised and appointed by the Board pursuant to Rule 16 to administer the Option Scheme
- “Company”** : UPP Holdings Limited
- “Constitution”** : The constitution of the Company
- “Controlling Shareholder”** : A person who (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) in the Company (unless the SGX-ST determines otherwise); or (b) a person who in fact exercises control over the Company, as defined under the Listing Manual

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<b>“Date of Grant”</b>	:	The date on which an Option is granted to a Participant pursuant to Rule 7
<b>“Director”</b>	:	A person appointed as a director, including an independent director of the Company
<b>“Executive Director”</b>	:	A director of any member of the Group, who performs an executive function
<b>“Exercise Period”</b>	:	The period during which an Option is exercisable, being a period commencing after the fourth anniversary of the Date of Grant of the Option (as may be prescribed under the Option Scheme) and expiring on the tenth anniversary of the Date of Grant of the said Option
<b>“Exercise Price”</b>	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10
<b>“FY”</b>	:	Financial year ended, or as the case may be, ending 31 December
<b>“Grantee”</b>	:	A person to whom an offer of an Option is made
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Immediate Family”</b>	:	A person's spouse, child, adopted child, step-child, sibling and parent, or such other definition as the SGX-ST may from time to time require
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as may be amended or modified from time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for securities trading
<b>“Market Price”</b>	:	The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of 5 consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares of the Company were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices
<b>“New Shares”</b>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options
<b>“Option”</b>	:	The right to subscribe for Shares granted or to be granted to a Participant pursuant to the Option Scheme

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“Option Holder”	:	The holder of an Option
“Option Scheme”	:	UPP Group Employees’ Share Option Scheme 2018, as may be amended or modified from time to time
“Option Shares”	:	Shares obtained pursuant to an exercise of the Options
“Participant”	:	Any executive director or confirmed employee of the Group selected by the Committee to participate in the Option Scheme in accordance with Rule 4
“Record Date”	:	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
“Rules”	:	Rules of the Option Scheme
“Securities Account”	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, means the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Subsidiary Holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act
“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
“%” or “per cent.”	:	Percentage or per centum

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Section 81SF of The Securities and Futures Act, Chapter 289 of Singapore.

The term “**Treasury Shares**” shall have the meaning ascribed to it in Section 4 of the Act.

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

A reference to a “**Rule**” is a reference to a rule of these Rules.

Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

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References to persons shall, where applicable, include corporations.

Any reference in the Option Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Act or the Listing Manual or any statutory modification thereof, and used in the Option Scheme shall, where applicable, have the meaning assigned to it under the Act or the Listing Manual or any such statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in the Option Scheme shall be a reference to Singapore time and dates, unless otherwise stated.

### **2. NAME OF OPTION SCHEME**

The Option Scheme shall be called the “UPP Group Employees’ Share Option Scheme 2018” or such other name as the Committee may from time to time determine.

### **3. OBJECTIVES OF THE SCHEME**

The Option Scheme will provide an opportunity for Participants who have contributed significantly to the growth and performance of the Group and who satisfy the eligibility criteria as set out in Rule 4, to participate in the equity of the Company.

The Option Scheme is primarily a share incentive scheme, which recognises the importance of such Participants to the success and continued well-being of the Group. Implementation of the Option Scheme will enable the Company to recognise the contributions made by such Participants.

At the same time, such a scheme will give Participants an opportunity to have a direct interest in the Company and will also achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency, and to maintain a high level of contribution to the Group;
- (b) to encourage employees to focus on long-term growth, investing for sustainable earnings and discouraging unnecessary risk-taking to achieve short-term incentives;
- (c) to encourage succession planning by attracting potential employees with relevant skills to contribute to the Group and to create value for Shareholders and, because Options can be exercised even after employees cease to be employed by the Group (except in certain limited circumstances as provided in Rule 11.3), to incentivize existing management in selecting competent new employees to succeed them to ensure the long-term success of the Group;
- (d) to instill loyalty to, and reinforce a stronger identification by Participants with, the long-term prosperity of the Group;
- (e) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders;
- (f) to better align the interests of Participants with the interests of Shareholders; and
- (g) to give recognition to the contributions made or to be made by Participants to the success of the Group.

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### 4. ELIGIBILITY

- 4.1 Subject to the absolute discretion of the Committee, Participants who have attained the age of 21 years on or prior to the relevant Date of Grant, are not undischarged bankrupts, have not entered into a composition with their respective creditors, and, where applicable, who have, as of the Date of Grant, been in the employment of the Group for a period of at least 12 months, or such shorter period as the Committee may determine, shall be eligible to participate in the Option Scheme.
- 4.2 Persons who are Controlling Shareholders or their Associates shall, if each such person meets the eligibility criteria in Rule 4.1, be eligible to participate in the Option Scheme provided that:
- (a) their participation in the Option Scheme is specifically approved by independent Shareholders in separate resolutions for each such person;
  - (b) the aggregate number of Option Shares available to Controlling Shareholders and their Associates shall not exceed 25% of the total number of Shares available under the Option Scheme; and
  - (c) the number of Shares available to any one Controlling Shareholder or his Associate shall not exceed 10% of the total number of Option Shares available under the Option Scheme.

No Option shall be granted to such Controlling Shareholders or their Associates unless the actual number and terms of Options to be granted shall be approved by independent Shareholders in a separate resolution for each such person. A circular, letter or notice to Shareholders proposing such a resolution shall include a clear rationale for the proposed participation by such Controlling Shareholders or their Associates. Such circular, letter or notice to Shareholders shall also include a clear rationale for the number and terms (including Exercise Price) of the Options to be granted.

- 4.3 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by the Company or any of its subsidiaries or otherwise.
- 4.4 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Option Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

### 5. MAXIMUM ENTITLEMENT

- 5.1 Subject to Rule 4, Rule 6 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Option Scheme shall be determined at the absolute discretion of the Committee.
- 5.2 In reaching its decisions, the Committee shall take into account, where applicable, criteria such as the bonus earned by the Participant in any particular year, rank, past performance, years of service and potential contribution of the Grantee.



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### 6. LIMITATION ON SIZE OF THE OPTION SCHEME

The aggregate number of Shares (comprising New Shares issued and issuable in respect of the Options granted under the Option Scheme and/or Treasury Shares and/or Subsidiary Holdings delivered in respect of the Options) over which the Committee may offer to grant Options on any date, when added to:

- (i) the aggregate number of new Shares issued and issuable in respect of all other share-based incentive schemes of the Company (if any); and
- (ii) the number of Treasury Shares and Subsidiary Holdings delivered in respect of the options granted under all other share-based incentive schemes of the Company (if any),

shall not exceed 15% of the total issued Shares (excluding Treasury Shares and Subsidiary Holdings) of the Company on the date immediately preceding the Date of Grant.

### 7. DATE OF GRANT

- 7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Option Scheme is in force, except that no offer to grant Options shall be made during the period of 1 month immediately preceding the date of announcement of the Company's full-year result and 2 weeks before the announcement of the results of the Company for each of the first, second and third quarters of its financial year (as the case may be). In addition, in the event that an announcement of any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day after such announcement has been released.
- 7.2 An offer to grant an Option shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in **Appendix A1**, subject to such amendments as the Committee may determine from time to time.

### 8. ACCEPTANCE OF OFFER

- 8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within 30 days after the relevant Date of Grant and not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant (a) by completing, signing and returning to the Company the form (the "**Acceptance Form**") in or substantially in the form set out in **Appendix A2**, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1 as consideration or such other amount and such other documentation as the Committee may require; and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Option Scheme in accordance with these Rules.
- 8.2 If an offer of grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the 30 day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

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- 8.3 The Company shall be entitled to reject any purported acceptance of an offer of grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 12 which does not strictly comply with the terms of the Option Scheme.
- 8.4 Options are personal to the Grantees and Option Holders to whom they are offered or granted as the case may be, and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee's prior written approval, but may be exercised by the Option Holder's duly appointed personal representative(s) as provided in Rule 11.4 in the event of the death of such Option Holder.
- 8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares. The Committee shall, within 15 Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.
- 8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7 Unless the Committee determines otherwise, a grant of an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 8.1 within the 30 day period; or
  - (b) the Grantee dies prior to his acceptance of the Option; or
  - (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
  - (d) the Grantee: (i) being an employee ceases to be in the employment of the Group, or (ii) being an executive Director ceases to be an executive director of the Group, in each case, for any reason whatsoever prior to his acceptance of the Option; or
  - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

### 9. EXERCISE PRICE

Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be fixed by the Committee at the Market Price.

### 10. ALTERATION OF CAPITAL

- 10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:
- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or

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

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

- 10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.
- 10.3 The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Manual, undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 10.4 Upon any adjustment required to be made, the Company shall notify each Option Holder (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the number of Shares thereafter comprised in the Option so far as unexercised.

### 11. EXERCISE PERIOD

- 11.1 Options granted shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by an Option Holder during the Exercise Period which shall commence after the 4th anniversary of the Date of Grant of the Options, subject to the following:–
  - (a) up to twenty-five (25) per cent only of the Shares in respect of which that Option is granted may be exercised during the period commencing from the date falling immediately after the 4th anniversary of the Date of Grant of that Option and ending on the 5th anniversary of the Date of Grant of that Option;
  - (b) up to another twenty-five (25) per cent only of the Shares in respect of which that Option is granted may be exercised during the period commencing from the date falling immediately after the 5th anniversary of the Date of Grant of that Option and ending on the 6th anniversary of the Date of Grant of that Option;
  - (c) up to another twenty-five (25) per cent only of the Shares in respect of which that Option is granted may be exercised during the period commencing from the date falling immediately after the 6th anniversary of the Date of Grant of that Option and ending on the 7th anniversary of the Date of Grant of that Option; and

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- (d) up to another twenty-five (25) per cent only of the Shares in respect of which that Option is granted may be exercised during the period commencing from the date falling immediately after the 7th anniversary of the Date of Grant of that Option and ending on the 10th anniversary of the Date of Grant of that Option;

provided always that all Options shall be exercised by the 10th anniversary of the relevant Date of Grant, failing which all unexercised Options shall immediately lapse and become null and void and a Grantee shall have no claim against the Company.

- 11.2 An Option shall, to the extent unexercised, immediately lapse and become null and void and the Option Holder shall have no claim against the Company:

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

- 11.3 For the avoidance of doubt, unless an Option Holder ceases to be employed by the Group arising from misconduct on the part of the Option Holder (as determined by the Committee in its absolute discretion) an Option shall continue to be exercisable even after the Option Holder ceases to be employed by the Group.

- 11.4 If an Option Holder dies and at the date of his death holds any unexercised Options, such Options may be exercised by the duly appointed legal personal representative(s) of the Option Holder within the relevant Exercise Period and upon the expiry of such period, the Options remaining unexercised shall immediately lapse and become null and void.

## 12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by an Option Holder giving notice in writing to the Company in or substantially in the form set out in **Appendix A3** (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said Exercise Notice duly completed and signed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

- 12.2 Subject to:

- (a) such consent or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules and the Constitution of the Company,

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## APPENDIX A

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the Company shall, as soon as practicable after the exercise of an Option by an Option Holder but in any event within 10 Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares in respect of which such Option has been exercised by the Option Holder and within 5 Market Days from the date of such allotment, despatch the relevant share certificate(s) to CDP for the credit of the securities account of that Option Holder by ordinary post or such other mode of delivery as the Committee may deem fit or in the case of a transfer of Treasury Shares or Subsidiary Holdings, do such acts or things which are necessary for the transfer to be effective.

- 12.3 The Company shall as soon as practicable after the exercise of an Option and where necessary, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Option Holder pursuant to any adjustment made in accordance with Rule 10.
- 12.4 Shares allotted and issued or Treasury Shares or Subsidiary Holdings which are transferred, upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights (including voting rights), allotments or other distributions, the Record Date for which falls prior to the date of issue or transfer (as the case may be) of the said Shares.
- 12.5 Except as set out in Rule 12.2 and subject to Rule 10, an Option does not confer on an Option Holder any right to participate in any new issue of Shares.

### 13. ALTERATIONS AND AMENDMENTS TO THE OPTION SCHEME

- 13.1 Any or all of the provisions of the Option Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Option Holders who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options;
  - (b) any modification or alteration which would be to the advantage of Option Holders under the Option Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
  - (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

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## APPENDIX A

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13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality, save for the prior approval of the SGX-ST) amend or alter the Option Scheme in any way to the extent necessary to cause the Option Scheme to comply with any statutory provision or the provisions or regulations of any regulatory or other relevant authority or body (including the SGX-ST).

13.3 Written notice of any modification or alteration made to the Option Scheme in accordance with this Rule shall be given to all Option Holders.

### 14. DURATION OF THE OPTION SCHEME

14.1 The Option Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years, commencing on the date on which the Option Scheme is adopted by Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Option Scheme may be continued beyond the above stipulated period with the approval of Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

14.2 The Option Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Option Scheme is so terminated, no further Options shall be offered by the Company hereunder.

14.3 The termination, discontinuance or expiry of the Option Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

### 15. TAKE-OVER AND WINDING UP OF THE COMPANY

15.1 Notwithstanding Rule 11 but subject to Rule 15.5, in the event of a take-over offer being made for the Shares, an Option Holder shall be entitled to exercise any Options held by him and as yet unexercised (including any Options which is/are then not yet exercisable), in respect of such number of Shares comprised in that Options 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 6 months thereafter, unless prior to the expiry of such 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 Options then remaining unexercised shall lapse and become null and void.

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 Option Holder that it intends to exercise such rights on a specified date, the Options shall remain exercisable by the Option Holder until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Options not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall

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## APPENDIX A

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have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Options shall, notwithstanding Rule 11, remain exercisable until the expiry of the Exercise Period relating thereto. For the avoidance of doubt, the provisions of this Rule 15.1 shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared unconditional.

- 15.2 If under the Act, 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 or if under the Act, the Registrar of Companies issues a notice of amalgamation for the purposes of, or in connection with the amalgamation of the Company with another company or companies, each Option Holder shall be entitled, notwithstanding Rule 11 but subject to Rule 15.5, to exercise any Options then held by him and as yet unexercised (including any Options which is/are then not yet exercisable), during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court or the date on which the notice of amalgamation is issued by the Registrar of Companies, as the case may be, and ending either on the expiry of 60 days thereafter or the date upon which the compromise, arrangement or amalgamation, as the case may be, becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Options then remaining unexercised shall lapse and become null and void.
- 15.3 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 automatically lapse and become null and void.
- 15.4 In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or as soon as practicable after it despatches such notice to each member of the Company give notice thereof to all Option Holders (together with a notice of the existence of the provision of this Rule 15.4) and thereupon, each Option Holder (or his personal representatives) shall be entitled to exercise all or any of his Options held by him and as yet unexercised (including any Options which is/are then not yet exercisable) at any time not later than 2 business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the aggregate Exercise Price 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 and issue or transfer the relevant Shares to the Option Holder credited as fully paid.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 or the scheme referred to in Rule 15.2 or the winding-up referred to in Rule 15.4, 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 Option Holders, whether by the continuation of their Options or the payment of cash or the grant of other Options or otherwise, notwithstanding the provisions of this Rule 15, an Option Holder holding an Option, as yet unexercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall automatically lapse and become null and void.

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## **APPENDIX A**

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### **16. ADMINISTRATION OF THE OPTION SCHEME**

- 16.1 The Option Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Option Scheme) for the implementation and administration of the Option Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Option Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Option Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Option Scheme).
- 16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

### **17. NOTICES**

- 17.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- 17.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent by post or delivered to him at his home address stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

### **18. TERMS OF EMPLOYMENT UNAFFECTED**

- 18.1 The Option Scheme or any Option shall not form part of any contract of employment between the Company, any subsidiary and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Option Scheme or any right which he may have to participate in it or any Option which he may hold and the Option Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 18.2 The Option Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any subsidiary directly or indirectly or give rise to any cause of action at law or in equity against the Company and/or any subsidiary.

### **19. TAXES**

All taxes (including income tax) arising from the exercise of any Options granted to any Option Holder under the Option Scheme and/or the sale of any Option Shares shall be borne by the Option Holder.



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## APPENDIX A

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### **20. COSTS AND EXPENSES OF THE OPTION SCHEME**

- 20.1 Each Option Holder shall be responsible for all fees of CDP relating to or in connection with the allotment and issue and/or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Option Holder's securities account with CDP or the Option Holder's securities sub-account with his Depository Agent and all taxes referred to in Rule 19 which shall be payable by the relevant Option Holder.
- 20.2 Save for such costs and expenses expressly provided in the Option Scheme to be payable by the Option Holders, all fees, costs, and expenses incurred by the Company in relation to the Option Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue and/or transfer of the Shares pursuant to the exercise of any Option shall be borne by the Company.

### **21. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Option Scheme including but not limited to the Company's delay or failure in allotting and issuing and/or transferring the Option Shares or in applying for or procuring the listing of and quotation for the Option Shares on the SGX-ST or any other stock exchange on which the Shares are listed or quoted.

### **22. DISPUTES**

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

### **23. CONDITION OF OPTION**

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

### **24. GOVERNING LAW**

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

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## APPENDIX A

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### 25. DISCLOSURES

25.1 In accordance with the Listing Manual, the Company shall, on any grant of Options make an announcement providing details of the grant, including the date of grant, exercise price of Options granted, number of Options granted, market price of its securities on the date of grant, number of Options granted to directors and controlling shareholders (and their associates), if any, and validity period of the Options.

25.2 The Company shall make the following disclosures in its annual report:

- (a) the names of the members of the Committee; and
- (b) the information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular FY):
  - (1) Participants who are Directors of the Company;
  - (2) if any, Participants who are Controlling Shareholders and their Associates; and
  - (3) Participants, other than those in (1) and (2) above, who receive 5% or more of the total number of Options available under the Option Scheme;

Name of Participant	Options granted during the FY under review (including terms)	Aggregate Options granted since commencement of the Option Scheme to end of the FY under review	Aggregate Options exercised since commencement of the Option Scheme to end of the FY under review	Aggregate Options outstanding as at end of the FY under review

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**APPENDIX A1 – LETTER OF OFFER**

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Serial No.: \_\_\_\_\_

**PRIVATE AND CONFIDENTIAL**

Date:

To : Name  
Designation  
Address

Dear Sir/Madam

**UPP GROUP EMPLOYEES' SHARE OPTION SCHEME 2018**

We are pleased to inform you that you have been nominated by the Committee of the Board of Directors of UPP Holdings Limited (the "**Company**") to participate in the UPP Group Employees' Share Option Scheme 2018 (the "**Option Scheme**"). Terms as defined in the Option Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1, to subscribe for and be allotted \_\_\_\_\_ Shares at the price of S\$\_\_\_\_\_ for each Share. The Option shall be subject to the terms of this Letter of Offer and the Option Scheme (as the same may be amended or modified from time to time pursuant to the terms and conditions of the Option Scheme), a copy of which is enclosed herewith.

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

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1 not later than \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_, failing which this offer will forthwith lapse.

Yours faithfully  
For and on behalf of  
UPP Holdings Limited

Name:

Designation:

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## APPENDIX A2 – ACCEPTANCE FORM

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Serial No.: \_\_\_\_\_

### PRIVATE AND CONFIDENTIAL

To : The Committee  
UPP Group Employees' Share Option Scheme 2018  
UPP Holdings Limited  
1 Kim Seng Promenade #13-10  
Great World City West Tower  
Singapore 237994

Closing Time and Date for Acceptance of Option : \_\_\_\_\_  
No. of Shares in respect of which Option is offered : \_\_\_\_\_  
Exercise Price per Share : S\$ \_\_\_\_\_  
Total Amount Payable on Acceptance of Option : S\$ \_\_\_\_\_

I have read your Letter of Offer dated \_\_\_\_\_ and agree to be bound by the terms thereof and of the UPP Group Employees' Share Option Scheme 2018 stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of Shares in the Company or Option to subscribe for such Shares.

I hereby accept the Option to subscribe for \_\_\_\_\_ Shares at S\$ \_\_\_\_\_ for each Share and enclose \*cash/bank draft/cashier's order/postal order no. \_\_\_\_\_ for S\$ \_\_\_\_\_ being payment for the acceptance of the Option.

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

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment and/or transfer of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, the "**CDP charges**").

I confirm that as at the date hereof:

- (a) I am not less than 21 years old nor an undischarged bankrupt nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Option Scheme as defined in Rule 4 of the rules of the Option Scheme; and
- (c) I satisfy the other requirements to participate in the Option Scheme as set out in the rules of the Option Scheme.

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## APPENDIX A2 – ACCEPTANCE FORM

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

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

**PLEASE PRINT IN BLOCK LETTERS**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Delete as appropriate

**Notes:**

1. Option must be accepted in full or in multiples of 100 Shares.
2. This Acceptance Form must be addressed to The Committee, UPP Group Employees' Share Option Scheme 2018 in a sealed envelope marked "Private and Confidential".
3. The Option Holder shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

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## APPENDIX A3 – EXERCISE NOTICE

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### PRIVATE AND CONFIDENTIAL

To : The Committee  
UPP Group Employees' Share Option Scheme 2018  
1 Kim Seng Promenade #13-10  
Great World City West Tower  
Singapore 237994

Total number of ordinary shares (the : \_\_\_\_\_  
"Shares") at S\$\_\_\_\_\_ per Share under  
an Option granted on \_\_\_\_\_

Number of Shares previously allotted and : \_\_\_\_\_  
issued thereunder

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

Number of Shares now to be subscribed (in : \_\_\_\_\_  
multiples of 100)

1. Pursuant to your Letter of Offer dated \_\_\_\_\_ and my acceptance thereof, I hereby exercise the Option to subscribe for the abovementioned Shares in UPP Holdings Limited (the "**Company**") at S\$\_\_\_\_\_ per Share.

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

\*(a) Direct Securities Account Number : \_\_\_\_\_

\*(b) Securities Sub-Account Number : \_\_\_\_\_

Name of CDP Depository Agent : \_\_\_\_\_

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

4. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the UPP Group Employees' Share Option Scheme 2018 (as the same may be amended or modified pursuant to the terms thereof from time to time) and the Constitution of the Company.

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

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## APPENDIX A3 – EXERCISE NOTICE

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**PLEASE PRINT IN BLOCK LETTERS**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Delete as appropriate

**Notes:**

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.
2. This Exercise Notice must be addressed to The Committee, UPP Group Employees' Share Option Scheme 2018 in a sealed envelope marked "Private and Confidential".

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### UPP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 196700346M)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of UPP Holdings Limited (the “**Company**”) will be held at Nordic Conference Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 on 27 April 2018 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without modification), the following resolutions as Ordinary Resolutions:

#### **ORDINARY RESOLUTIONS:**

##### **ORDINARY RESOLUTION 1**

###### **Proposed Adoption of the UPP Group Employees’ Share Option Scheme 2018**

That the share option scheme to be known as the UPP Group Employees’ Share Option Scheme 2018 (the “**Option Scheme**”), the rules of which have been set out in the circular to Shareholders dated 5 April 2018 (the “**Circular**”), be and is hereby approved and adopted substantially in the form set out in the rules of the Option Scheme, and the Directors of the Company be and are hereby authorised:

- (a) to establish and administer the Option Scheme;
- (b) to modify and/or amend the Option Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the 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 Option Scheme; and
- (c) to offer and grant Options in accordance with the rules of the Option Scheme and to allot and issue and/or transfer from time to time such number of shares in the capital of the Company as may be required to be issued and/or transferred pursuant to the exercise of the Options under the Option Scheme provided that the aggregate number of Shares issued and issuable pursuant to the UPP Group Employees’ Share Option Scheme 2018 and any other share-based incentive schemes of the Company shall not exceed 15% of the issued shares of the Company from time to time (excluding Treasury Shares and Subsidiary Holdings).

##### **ORDINARY RESOLUTION 2**

###### **Proposed Participation of Mr Tong Kooi Ong in the Option Scheme**

That, subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Mr Tong Kooi Ong, the Executive Chairman and Chief Executive Officer of the Company, and a Controlling Shareholder, in the Option Scheme be and is hereby approved.



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### ORDINARY RESOLUTION 3

#### Proposed Participation of Mr Tong Ian in the Option Scheme

That, subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Mr Tong Ian, an Executive Director, Operations and Building Materials Distribution of the Company, and an Associate of a Controlling Shareholder, in the Option Scheme be and is hereby approved.

All capitalised terms used in this Notice of EGM which are not defined herein shall have the same meaning ascribed to them in the Circular to Shareholders dated 5 April 2018.

By Order of the Board  
UPP Holdings Limited

Tong Kooi Ong  
Executive Chairman and Chief Executive Officer

Singapore

5 April 2018

#### NOTES:

- i. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- ii. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- iii. The instrument appointing a proxy or proxies must be deposited at the **registered office of the Company at 1 Kim Seng Promenade #13-10 Great World City West Tower Singapore 237994** not later than 72 hours before the time set for holding the EGM.
- iv. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any attorney duly authorised.
- v. A corporation which is a member may also authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the EGM in accordance with Section 179 of the Companies Act (Cap 50).

#### Personal data privacy:

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

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# UPP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 196700346M)

## PROXY FORM – EXTRAORDINARY GENERAL MEETING

### IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Circular is sent to them at the request of their CPF Approved Nominees solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of UPP Holdings Limited (the "Company") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Extraordinary General Meeting of the Company to be held at Nordic Conference Room, 1st Floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 on 27 April 2018 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Extraordinary General Meeting.)

	Ordinary Resolutions	For*	Against*
1	The proposed adoption of the UPP Group Employees' Share Option Scheme 2018 (the "Option Scheme")		
2	The proposed participation of Mr Tong Kooi Ong in the Option Scheme		
3	The proposed participation of Mr Tong Ian in the Option Scheme		

\* If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate the number of votes.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Total number of Shares held	
CDP Register	
Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



## NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A Shareholder (other than a Relevant Intermediary) of the Company entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote on his behalf. Such proxy need not be a member of the Company. Where a Shareholder appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member of the Company who is a Relevant Intermediary entitled to attend and vote at the EGM of the Company is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

**"Relevant Intermediary"** means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 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 for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore ("**CPF Act**"), in respect of shares purchased under the subsidiary legislation made under the CPF 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 CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Kim Seng Promenade #13-10 Great World City West Tower Singapore 237994 not less than 72 hours before the time set for holding the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
  5. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised.
  6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer 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 instrument of proxy, failing which the instrument may be treated as invalid.
  7. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
  8. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
  9. 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 appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies. In addition, in the case of a Shareholder whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the Shareholder, being the appointer, 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.

## Personal data privacy:

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