

CIRCULAR DATED 4 MAY 2020

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

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

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

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



FIRST RESOURCES LIMITED
Company Registration No. 200415931M
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ADOPTION OF THE FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020;**
- (2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT OF UP TO 20% TO MARKET PRICE UNDER THE PROPOSED FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020; AND**
- (3) THE PROPOSED ADOPTION OF THE FIRST RESOURCES EMPLOYEE SHARE AWARD SCHEME 2020**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	29 May 2020 at 3.00 p.m.
Date and time of Extraordinary General Meeting	:	1 June 2020 at 3.00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be convened at 2.30 p.m. on the same day)
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means.

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DEFINITIONS

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

- “2007 ESOS”** : The First Resources Employee Share Option Scheme adopted on 14 November 2007.
- “2007 PSP”** : The First Resources Performance Share Plan adopted on 14 November 2007.
- “2020 ESAS”** : The proposed First Resources Employee Share Award Scheme 2020, the terms of which are set out in **Annex B** to this Circular.
- “2020 ESOS”** : The proposed First Resources Employee Share Option Scheme 2020, the terms of which are set out in **Annex A** to this Circular.
- “Act” or “Companies Act”** : The Companies Act (Chapter 50 of Singapore), as may be amended, modified or supplemented from time to time.
- “AGM”** : An annual general meeting of the Company.
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more.
- “Associated Company”** : A company in which at least twenty per cent. (20%) but no more than fifty per cent. (50%) of its shares are held by the Company or the Group.
- “Award”** : A contingent award of Shares granted under the 2020 ESAS.
- “Board”** : The board of Directors of the Company.
- “CDP”** : The Central Depository (Pte) Limited.
- “Circular”** : This circular to Shareholders dated 4 May 2020.
- “Committee”** : The committee comprising Directors duly authorised and appointed by the Board to administer the 2020 ESOS and/or the 2020 ESAS, depending on the context.

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“Company”	:	First Resources Limited, a company incorporated in the Republic of Singapore.
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly fifteen per cent. (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) in fact exercises control over the Company, as defined under the Listing Manual.
“CPF”	:	Central Provident Fund.
“Date of Grant”	:	Depending on the context, the date on which an Option is granted to a Participant pursuant to the 2020 ESOS or the date on which an Award is granted to a Participant pursuant to the 2020 ESAS.
“Director”	:	A person appointed as a director of the Company (including Executive Directors and Non-Executive Directors).
“EPS”	:	Earnings per Share.
“EGM”	:	Extraordinary General Meeting of the Company to be held on 1 June 2020 at 3.00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM of the Company to be convened at 2.30 p.m. on the same day), the notice of which is set out in the Notice of EGM on pages N-1 to N-5 of this Circular.
“Exchange” or “SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Executive Director”	:	A director of the Company who performs an executive function within the Company.
“Exercise Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9 of the 2020 ESOS, or such adjusted price as may be applicable pursuant to Rule 10 of the 2020 ESOS.
“Financial Year”	:	Each period of 12 months or more or less than 12 months, at the end of which the financial statements of the Company are prepared and audited, for the purpose of laying the same before an AGM of the Company.
“Grantee”	:	Depending on the context, a person to whom an offer of an Option or an Award is made.
“Group”	:	The Company and its subsidiaries.
“Group Employee”	:	An employee of the Group (including any Director) selected by the Committee to participate in the 2020 ESOS or 2020 ESAS, in accordance with the provisions thereof.
“immediate family”	:	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

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	require.
“Independent Director”	: An Independent Director of the Company.
“Latest Practicable Date”	: 6 April 2020, being the latest practicable date prior to the uploading of this Circular on SGXNet and the Company’s website.
“Listing Manual”	: The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
“Market Day”	: A day on which the SGX-ST is open for securities trading.
“Market Price”	: In relation to: (i) the 2020 ESOS, the average of the last dealt prices for a Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded to the nearest whole cent in the event of fractional prices; and (ii) the 2020 ESAS, the average of the last dealt prices for a Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant date of vesting, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded to the nearest whole cent in the event of fractional prices.
“New Shares”	: The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the 2020 ESOS or pursuant to the vesting of the Awards under the 2020 ESAS.
“Non-Executive Director”	: A director of the Company other than one who performs an executive function (including an Independent Director).
“NTA”	: Net tangible assets.
“Option”	: The right to subscribe for Shares granted or to be granted Shares pursuant to the 2020 ESOS.
“Participant”	: An eligible person selected by the Committees to participate in the 2020 ESOS or the 2020 ESAS in accordance with the rules thereof.
“Proposals”	: Has the meaning ascribed to it in paragraph 1.1 of this Circular.
“PDPA”	: Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore.
“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.

DEFINITIONS

"Securities Account"	:	Securities accounts maintained by depositors with CDP, but not including securities sub-accounts maintained with a depository agent.
"SFA"	:	The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time.
"SFRS(I) 2"	:	Singapore Financial Reporting Standards (International) 2.
"Shareholders"	:	The registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the depositors whose Securities Accounts are credited with the Shares.
"Shares"	:	Ordinary shares in the share capital of the Company.
"Substantial Shareholders"	:	A person who has an interest in the voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than five per cent. (5%) of all the voting Shares of the Company.
"S\$" and "cents"	:	Singapore dollars and cents respectively.
"%" or "per cent."	:	Per centum or percentage.

The terms **"depositor"**, **"depository agent"** and **"depository register"** shall have the meanings ascribed to them respectively in Section 81SF of the SFA or any other statutory modification thereof, as the case may be. The term **"treasury shares"** shall have the meaning ascribed to it in Section 4 of the Act. The term **"subsidiary"** shall have the same meaning ascribed to it in Section 5 of the Act. The term **"subsidiary holdings"** shall mean the Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall, where applicable, include the other gender 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 defined under the Act, SFA, Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Act, SFA, Listing Manual or any statutory modification thereof, as the case may be.

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

Any reference to a time of day and date in this Circular is made by reference to Singapore time and dates, unless otherwise stated.

LETTER TO SHAREHOLDERS



FIRST RESOURCES LIMITED
Company Registration No. 200415931M

Directors:

Lim Ming Seong
Ciliandra Fangiono
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4 May 2020

To: The Shareholders of First Resources Limited

- (1) THE PROPOSED ADOPTION OF THE FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020**
- (2) THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT OF UP TO 20% TO MARKET PRICE UNDER THE PROPOSED FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020**
- (3) THE PROPOSED ADOPTION OF THE FIRST RESOURCES EMPLOYEE SHARE AWARD SCHEME 2020**

Dear Sir/Madam

1. INTRODUCTION

- 1.1 The Directors are convening the EGM to be held on 1 June 2020 to seek Shareholders' approval for the following proposals:
- (a) the proposed adoption of the 2020 ESOS;
 - (b) the proposed grant of authority to offer and grant Options at a discount of up to 20% to Market Price under the proposed 2020 ESOS; and
 - (c) the proposed adoption of the 2020 ESAS,

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(together, the “**Proposals**”).

- 1.2 The Proposals are set as ordinary resolutions in the Notice of EGM annexed in this Circular.
- 1.3 Shareholders should note that the proposed grant of authority to offer and grant Options at a discount under the 2020 ESOS is conditional upon the passing of the resolution relating to the proposed adoption of the 2020 ESOS. In the event that the resolution relating to the proposed adoption of the 2020 ESOS is not passed, the resolution relating to the proposed grant of authority to offer and grant Options at a discount will also not be passed.
- 1.4 The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposals, which will be tabled at the EGM for the purposes of seeking Shareholders’ approval.
- 1.5 The Exchange assumes no responsibility for the accuracy of any of the statements or opinions made in this Circular.

2. RATIONALE FOR THE PROPOSED ADOPTION OF THE 2020 ESOS and 2020 ESAS

2.1 Background: The 2007 ESOS & 2007 PSP

- 2.1.1 Previously, the Company, had an employee share option scheme known as “First Resources Share Option Scheme” (hereinafter referred to as “**2007 ESOS**”) and a performance share plan known as “First Resources Performance Share Plan” (hereinafter referred to as “**2007 PSP**”). The 2007 ESOS and 2007 PSP were adopted on 14 November 2007 and both had expired on 13 November 2017.
- 2.1.2 No options or awards have been granted to the participants under both the 2007 ESOS and 2007 PSP since the commencement of both the 2007 ESOS and 2007 PSP till their respective expiry dates.

Decision to implement new 2020 ESOS and 2020 ESAS

- 2.1.3 In light of the expired 2007 ESOS and 2007 PSP, the Company has revisited, deliberated on and decided to implement the 2020 ESOS and 2020 ESAS for the following rationale as set out below.

2.2 Rationale for adopting the 2020 ESOS and the 2020 ESAS

- 2.2.1 The 2020 ESOS and the 2020 ESAS, which are to be administered concurrently, are to provide opportunities for deserving Group Employees to participate in the equity of the Company so as to motivate them to greater dedication and higher standards of performance, and to give recognition to past contribution and services.
- 2.2.2 The 2020 ESOS and the 2020 ESAS are proposed on the basis that it is important to acknowledge and secure future contribution by the Group Employees, which is essential to the well-being and prosperity of the Group. The Company, by adopting the 2020 ESOS and the 2020 ESAS, will give Participants a real and meaningful stake in the Company through the

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exercise of the Options or the grant of the Awards. The adoption of the 2020 ESOS and the 2020 ESAS will also help to achieve the following objectives:

- (a) to motivate each Participant to achieve and maintain a high level of performance and contribution to the Group;
- (b) to make employee remuneration sufficiently competitive to recruit and to retain Participants whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to foster an ownership culture within the Company which aligns the interests of employees with the interests of the Shareholders;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders of the Company;
- (e) to give recognition to the contributions made by the Participants to the success of the Group; and
- (f) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of the Group.

2.3 **Difference between the 2020 ESOS and the 2020 ESAS**

2.3.1 While both the 2020 ESOS and 2020 ESAS aim to incentivise and retain employees, the 2020 ESOS does not achieve this in the same way the 2020 ESAS does. The Company further believes that the 2020 ESAS will be more effective and rewarding than pure cash bonuses as a motivational incentive in the Group Employees' bid to achieve pre-determined goals of the Company. Unlike Options granted under the 2020 ESOS, the 2020 ESAS contemplates the award of fully-paid Shares free of charge to Participants after the conditions of the 2020 ESAS have been met. Accordingly, the 2020 ESAS allows the Company to target specific performance objectives and to provide an incentive for Participants to achieve these performance targets, which ultimately, will create and enhance economic value for Shareholders.

2.3.2 Generally, in setting performance targets or benchmarks for Group Employees under the 2020 ESAS, the Committee intends to consider the previous and current performance of each Group Employee, and seek to set performance targets or benchmarks which are incremental and are an improvement from the previous or current performance of the Group Employee, in order to drive the improvement in performance for the Company. In setting such performance targets, the Committee will also take into consideration relevant factors such as the Group Employee's years of service with the Company, market conditions, scope of work of the Group Employee and when such Group Employee's work performance may be more appropriately determined on a project basis, and any qualitative criteria which may constitute appropriate performance targets.

On the other hand, the assessment criteria in relation to the grant of Options pursuant to the 2020 ESOS are more general. Under the 2020 ESOS, factors such as the employee's seniority, performance, length of service and potential for future development are relevant. These do not relate to specific performance targets that have to be met.

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2.4 Rationale for participation by Non-Executive Directors

- 2.4.1 While the 2020 ESOS and 2020 ESAS is adopted principally for the benefit of employees of the Group and Executive Directors, it is recognised that the Group's Non-Executive Directors (including the Group's Independent Directors) also make significant contributions to the Group, even if they are not employed by or undertake executive roles within the Group.
- 2.4.2 Although the Non-Executive Directors are not involved in the day-to-day running of the Group's business, they also play an invaluable role in the Group's success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is desirable that the Non-Executive Directors be allowed to participate in the 2020 ESOS and 2020 ESAS to give recognition to their services and contributions and to further align their interests with that of the Group. It is crucial for the Group to attract, retain and motivate these Non-Executive Directors by allowing them to participate in the 2020 ESOS and 2020 ESAS.
- 2.4.3 The Board is of the view that allowing Non-Executive Directors to participate in the 2020 ESOS and 2020 ESAS will enable the Company to attract, retain and incentivise the Non-Executive Directors and align their interests with that of the Group.
- 2.4.4 As the Non-Executive Directors' contributions cannot be measured in the same way as the employees and Executive Directors, for the purpose of assessing the contributions of the Non-Executive Directors, the Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the Non-Executive Directors within the Board. Additionally, the Committee will also consider the scope of advice given, and any measurable advancement of the Company's business which the Company is able to make from or with the assistance, advice or recommendations of the Non-Executive Directors.
- 2.4.5 In relation to Non-Executive Directors who are Independent Directors, it is the intention that any Option or Award granted to any Independent Non-Executive Director be measured and balanced against considerations if such award could interfere or be reasonably perceived to interfere with the exercise of independent business judgment by the Independent Non-Executive Director. Taking the foregoing into consideration, the Board is of the view that the 2020 ESOS and 2020 ESAS will not compromise the objectivity and independence of Independent Non-Executive Directors.

2.5 Rationale for implementing both 2020 ESOS and 2020 ESAS simultaneously

- 2.5.1 By implementing the 2020 ESOS and 2020 ESAS simultaneously, the Company aims to foster an ownership culture by instilling in all Participants a stronger and enduring sense of connection and fellowship with the Group. The 2020 ESOS and 2020 ESAS will also operate to attract, retain and provide incentives to Participants to encourage greater devotion and constancy by enabling the Company to give recognition for past contributions and services as well as motivating Participants generally to contribute towards the Group's long-term success. The Company believes that attracting and retaining deserving Participants as employees and/or Directors is vital to the Group's objective of achieving growth, expansion and profitability in its business and operations.
- 2.5.2 It is intended that the 2020 ESOS and 2020 ESAS will complement each other to give the Company greater flexibility in aligning the interests of Group Employees with those of

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Shareholders through a tailored incentive programme. In this regard, both the 2020 ESOS and 2020 ESAS will enable the Company to remain an attractive and competitive employer and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

3. THE PROPOSED ADOPTION OF THE 2020 ESOS

3.1 Summary of the Main Terms of the 2020 ESOS

(a) Eligibility

Group Employees (including Directors) who have attained the age of 21 years, will be eligible to participate in the 2020 ESOS.

The following are not entitled to participate in the 2020 ESOS:

- (i) Directors and employees of Associated Companies;
- (ii) Directors and employees of the Company's parent company and the subsidiaries of the Company's parent company;
- (iii) Controlling Shareholders; and
- (iv) Associates of the Controlling Shareholders.

(b) Operation of the 2020 ESOS

An Option offered to a Grantee may be accepted by the Grantee within thirty (30) days after the relevant Date of Grant and not later than 5.00 p.m. on the 30th day from such Date of Grant:

- (i) by completing, signing and returning to the Company the acceptance form accompanied by payment of S\$1.00 as consideration; and
- (ii) 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 2020 ESOS.

If a grant of an Option is not accepted strictly in the manner as provided above, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and of no effect.

An Option may be exercised during the Option Period, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant giving notice in writing to the Company. Every such 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

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upon the receipt by the Company of the said notice duly completed, any relevant documentation required by the Committee 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.

Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a depository agent or CPF investment account with a CPF agent bank and all taxes which shall be payable by the relevant Participant.

Save for such costs and expenses expressly provided in the 2020 ESOS to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the 2020 ESOS including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

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

- (i) an issue of New Shares; and/or
- (ii) the purchase and transfer of existing Shares to the Participant (whether such existing Shares are held as treasury shares or otherwise).

In determining whether to issue New Shares or transfer existing Shares for delivery to Participants upon the exercise of their Option, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on the Company of either issuing New Shares or transferring existing Shares.

(c) Size of 2020 ESOS

Subject to the provisions on variation of the capital, the total number of New Shares in respect of Options that may be offered to a Participant in accordance with the 2020 ESOS shall be determined at the absolute discretion of the Committee. The Directors believe that such discretion will give the Committee sufficient flexibility in adjusting the number of New Shares in respect of Options to be granted, to achieve certain goals of the Company through the customisation of a compensation and incentive package suitable for each Participant. In determining the extent of participation of an eligible Group Employee, the Committee shall take into account criteria such as rank, past performance, years of service and potential for future development.

The aggregate number of New Shares in respect of which Options may be granted on any date under the 2020 ESOS, when added to all Shares, options or awards granted under any other share option scheme, share award scheme or other share-based incentive schemes of the Company, including but not limited to the 2020 ESOS, shall not exceed fifteen per cent. (15%) of the number of issued Shares of the

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Company on the day immediately preceding the relevant Date of Grant. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for the purpose of computing the fifteen per cent. (15%) limit.

Notwithstanding the Company being able to deliver treasury shares to holders of Options in lieu of New Shares, the aggregate number of treasury shares shall not at any time exceed ten per cent. (10%) of the total number of issued Shares.

(d) Exercise Price

Under the 2020 ESOS, the Exercise Price of Options granted will be determined by the Committee in its absolute discretion on the Date of Grant at:

- (i) a price equal to Market Price; or
- (ii) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed twenty per cent. (20%) of the Market Price; and the Shareholders of the Company in a general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the 2020 ESOS at a discount not exceeding the maximum discount as aforesaid.

(e) Grant of Options at a discounted Exercise Price

The Committee may grant Options with or without a discounted Exercise Price. In the event that Options are granted at a discount, the discount shall not exceed twenty per cent. (20%) of the Market Price. Save as otherwise determined by the Committee in accordance with the 2020 ESOS, the Exercise Price of Options will not be adjusted after the Options are granted.

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

The Company plans to exercise this discretion judiciously and the amount of discount may vary from one offer to another from time to time depending on the circumstances and on a case-by-case basis. In determining the quantum of the discount, the Committee may take into consideration such factors as it may in its absolute discretion deem appropriate, including but not limited to (i) the performance of the Group; (ii) the years of service and individual performance of an eligible Participant; (iii) the contribution to the success of the Company and/or the Group by that eligible Participant; and (iv) the prevailing market conditions.

As share options become more significant components of employee remuneration packages and the grant of options with a discount element becomes more common, the discretion to grant Options at a discount to the Market Price of the Shares will

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provide the Company with a means to maintain the competitiveness of its compensation strategy. Therefore, the Company may utilise Options as a means to reward Participants for their outstanding performance as well as to motivate them to continue to excel, and will be an additional method for compensating Group Employees and Directors other than through salary, salary increments and cash bonuses. This will enable the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for Shareholders.

In circumstances where at the time of granting of Options to Participants, the prevailing Market Price on the Shares is considered artificially high and a general discount is desirable or warranted (the rate of which will be determined by the Committee), the Committee will take into consideration factors such as the historical prices of the Shares as compared with the prevailing Market Price of the Shares during the price fixing period for the Options, the market comparatives and practices of other industry players and the value of the Options as a component of each Participant's compensation package.

The ability to grant Options at a discount to the prevailing Market Price allows the Company to grant Options on a more realistic and economically feasible basis to the Participants especially in circumstances where the Market Price of Shares is high due to a buoyant market or inflated share prices.

With a discretion to grant Options at Market Price or at a discount, the Company would be able to utilise up to the maximum discount allowed for Options to structure remuneration packages to respond fairly rapidly to its Group Employees' circumstances, the market conditions and practices and the economic situation at the time of granting Options. For example, Options granted at a discount to Market Price may be used to compensate Group Employees and keep them motivated during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements.

The Company believes that the maximum twenty per cent. (20%) discount to the Market Price of the Shares is sufficient to allow for flexibility in the 2020 ESOS while minimising the potential dilutive effect to the Shareholders arising from the 2020 ESOS.

Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant after the first anniversary of the Date of Grant of that Option provided always that such Options granted with the Exercise Price set at Market Price shall be exercised before the 10th anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company. Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant after the second anniversary from the Date of Grant of that Option provided always that the Options shall be exercised before the 10th anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised

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Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

(f) Alteration of Capital

If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, including any dividend or other distribution whether in the form of cash, Shares, other securities, or other property, or a reduction, sub-division or consolidation of the existing Shares, or a reverse stock split, reorganisation, merger, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares) should take place, then:

- (i) the Exercise Price in respect of the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or
- (ii) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may 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.

Notwithstanding the above, no such adjustment shall be made

- (i) if as a result, the Participant receives a benefit that a Shareholder does not receive;
- (ii) if as a result, such adjustment will result in the number of Shares under an Option, together with new Shares to be issued or issuable under any other share option or share scheme of the Company then in force, to exceed fifteen per cents. (15%) of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) for the time being; or
- (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so.

Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (i) any issue of securities as consideration for an acquisition of any assets or of Shares by the Company, or a private placement of securities of the Company;
- (ii) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the exercise of any Options granted pursuant to the 2020 ESOS);

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- (iii) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company;
- (iv) any issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (v) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in a general meeting and for the time being in force.

The restriction on the number of Shares to be offered to any Grantee shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options.

Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing.

(g) Duration of the 2020 ESOS

The 2020 ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date the 2020 ESOS is adopted.

(h) Modifications to the 2020 ESOS

Any or all the provisions of the 2020 ESOS may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (i) 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 Participants who, if they exercised their Options in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;
- (ii) any modification or alteration which would be to the advantage of Participants under the 2020 ESOS shall be subject to the prior approval of the Shareholders in a general meeting, save that Shareholders who are also Participants shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and
- (iii) 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 and listed, and such other regulatory authorities as may be necessary.

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(i) Ranking of Shares

Shares allotted and issued upon the exercise of an Option shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions accrued prior to the date such Option is exercised.

(j) Administration of the 2020 ESOS

The 2020 ESOS shall be administered by the Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board provided that a member of the Committee who is a Participant shall not be involved in the deliberations or decisions of the Committee in respect of the Options to be granted to him.

3.2 **Proposed Participation of the Group's Non-Executive Directors in the 2020 ESOS**

3.2.1 Participation by Non-Executive Directors

The Group retains flexibility in formulating schemes that recognises and benefits not only persons who are in the employment of the Group but also the Non-Executive Directors who are not employed by the Group but who nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the success of the Group. The 2020 ESOS is therefore proposed to be extended to the Non-Executive Directors, notwithstanding that it is primarily intended to cater to employees of the Group.

Although the Non-Executive Directors are not involved in the day-to-day running of the Group, they also play an invaluable role in our success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is desirable that the Non-Executive Directors be allowed to participate in the 2020 ESOS to give recognition to their services and contributions and to further align their interests with that of the Group. It is crucial for the Group to attract, retain and motivate these Non-Executive Directors by allowing them to participate in the 2020 ESOS.

The Committee, when deciding on the selection of Non-Executive Directors to participate in the 2020 ESOS and the number of Shares to be offered (in accordance with the 2020 ESOS), will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board.

3.2.2 Independent status of Independent Non-Executive Directors

In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the 2020 ESOS, the Non-Executive Directors would primarily continue to be remunerated for their services by way of directors' fees payable in cash.

It is also envisaged that the Options granted to Non-Executive Directors will not comprise (whether on an individual or collective basis) a significant portion of the Options available under the 2020 ESOS.

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Each Non-Executive Director will abstain from making any recommendation as a Director and, if applicable, abstain from voting as a member of the Committee, when the grant of Options to him is being considered.

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

3.3 Financial Effects of the 2020 ESOS

Details of the costs to the Company of granting Options under the 2020 ESOS and New Shares would be as follows:

(a) Share capital

The 2020 ESOS 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 2020 ESOS. The increase in the share capital will 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. If existing Shares (including treasury shares) are transferred to Participants in lieu of issuing New Shares, the 2020 ESOS will have no impact on the Company's issued share capital.

(b) Net tangible assets

The issue and delivery of Shares upon the exercise of the Options granted under the 2020 ESOS will increase the Company's consolidated NTA by the aggregate Exercise Price of the Options exercised. On a per Share basis, the effect on the consolidated NTA of the Company will be accretive if the Exercise Price is above the Company's consolidated NTA per Share, but dilutive otherwise.

(c) Earnings per Share

The exercise of Options under the 2020 ESOS will have a dilutive impact on the Company's consolidated EPS to the extent that New Shares are allotted and issued or treasury shares are delivered upon the exercise of the Options.

(d) Potential Cost of Options

SFRS(I) 2 relating to share-based payments takes effect for all listed companies beginning 1 January 2018. Under SFRS(I) 2, the Options, if settled by way of the issue of New Shares or through the transfer of existing Shares (including treasury shares), would be accounted for as equity-settled share-based payment transactions, as described in the following paragraphs.

Any Options granted under the 2020 ESOS would have a fair value. The fair value of the Options is normally estimated by applying an 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 income

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statement over the period from the Date of Grant of the Options to the vesting date, with a corresponding credit to the Company's reserve account.

The amount of the charge to the income statement also depends on whether or not the performance target attached to an Option is measured by reference to the market price of the Shares. This is known as a market condition.

At each reporting date, the estimate of the number of Options that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised, with a corresponding adjustment to the Company's reserve account. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions. No expense is recognised for Options that do not ultimately vest, except for Options where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

After the vesting date, no adjustment of the charge to the income statement is made.

3.4 Details of the 2020 ESOS

The rules of the 2020 ESOS are set out in **Annex A** to this Circular.

4. THE PROPOSED ADOPTION OF THE 2020 ESAS

4.1 Summary of the Main Terms of the 2020 ESAS

(a) Eligibility

Group Employees (including Directors) who have attained the age of 21 years, will be eligible to participate in the 2020 ESAS.

The following are not entitled to participate in the 2020 ESAS:

- (i) Directors and employees of Associated Companies;
- (ii) Directors and employees of the Company's parent company and the subsidiaries of the Company's parent company;
- (iii) Controlling Shareholders; and
- (iv) Associates of the Controlling Shareholders.

(b) Operation of the 2020 ESAS

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

Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a depository agent

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or CPF investment account with a CPF agent bank and all taxes which shall be payable by the relevant Participant.

Save for such costs and expenses expressly provided in the 2020 ESAS to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the 2020 ESAS including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Award shall be borne by the Company.

Subject to the prevailing legislation and the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of:-

- (i) an issue of New Shares;
- (ii) the purchase and transfer of existing Shares to the Participant (whether such existing Shares are held as treasury shares or otherwise); and/or
- (iii) paying the aggregate Market Price of the Shares in cash in lieu of the allotment or transfer of Shares.

In determining whether to issue New Shares, transfer existing Shares for delivery to Participants, or to pay the aggregate Market Price in cash upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost and the financial effect on the Company of issuing New Shares, purchasing and transferring existing Shares or paying the aggregate Market Price in cash.

Awards will only vest once the Committee, in its discretion, determines any relevant or more performance or service related conditions prescribed by the Committee have been satisfied. Following the end of the performance period or periods over which the conditions are measured or tested (as specified by the Committee for the purpose of the Award), the Committee will:

- (i) test the applicable conditions and determine the extent to which the conditions have been satisfied;
- (ii) determine the vesting schedule (if any), pursuant to which an Award shall vest at the end of each performance period, provided the Condition(s) has been achieved;
- (iii) determine the time when the Awards vest; and
- (iv) within a reasonable timeframe, notify Participants of the extent to which any applicable conditions have been satisfied and Awards will vest or have vested.

Notwithstanding the above, the Committee may, in its discretion, determine that an Award vests prior to the end of the performance period.

(c) Size of 2020 ESAS

The aggregate number of Shares available under the 2020 ESAS, when added to all Shares, options or awards granted under any other share option scheme, share

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award scheme or other share-based incentive schemes of the Company, including but not limited to the 2020 ESOS, shall not exceed fifteen per cent. (15%) of the number of issued Shares of the Company on the day immediately preceding the relevant Date of Grant. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for the purpose of computing the fifteen per cent. (15%) limit.

Notwithstanding the Company being able to deliver treasury shares to holders of Awards in lieu of new Shares, the aggregate number of treasury shares shall not at any time exceed ten per cent. (10%) of the total number of issued Shares.

(d) Alteration of Capital

If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, including any dividend or other distribution whether in the form of cash, Shares, other securities, or other property, or a reduction, sub-division or consolidation of the existing Shares, or a reverse stock split, reorganisation, merger, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares) should take place, then:

- (i) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (ii) the class and/or number of Shares over which future Awards may be granted under the 2020 ESAS,

may be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the vesting date of the Award but the Record Date relating to such variation precedes such date of vesting 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.

Notwithstanding the above, no such adjustment shall be made

- (i) if as a result, the Participant receives a benefit that a Shareholder does not receive;
- (ii) if as a result, such adjustment will result in the number of Shares under an Award, together with new Shares to be issued or issuable under any other share option or share scheme of the Company then in force, to exceed fifteen per cent. (15%) of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) for the time being; or
- (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so.

Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

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- (i) any issue of securities as consideration for an acquisition of any assets or of Shares by the Company, or a private placement of securities of the Company;
- (ii) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company;
- (iii) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company;
- (iv) any issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (v) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in a general meeting and for the time being in force.

The restriction on the number of Shares to be offered to any Grantee, shall not apply to the number of additional Shares issued by virtue of any adjustment to the number of Shares

Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing.

(e) Duration of the 2020 ESAS

The 2020 ESAS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date the 2020 ESAS is adopted.

(f) Modifications to the 2020 ESAS

Any or all the provisions of the 2020 ESAS may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (i) any modification or alteration which shall alter adversely the rights attaching to any Award granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Awards in full, would thereby become entitled to Shares representing not less than three-quarters of the total voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would fall to be vested upon release of all outstanding Awards upon the Performance Target(s) for all outstanding Awards being satisfied in full;
- (ii) any modification or alteration which would be to the advantage of Participants under the 2020 ESAS shall be subject to the prior approval of the Shareholders

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in a general meeting, save that Shareholders who are also Participants shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; and

- (iii) 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 and listed, and such other regulatory authorities as may be necessary.

(g) Ranking of Shares

New Shares allotted and issued on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

(h) Administration of the 2020 ESAS

The 2020 ESAS shall be administered by the Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board provided that a member of the Committee who is a Participant shall not be involved in the deliberations or decisions of the Committee in respect of the Awards to be granted to him.

4.2 **Proposed Participation of the Group's Non-Executive Directors in the 2020 ESAS**

4.2.1 Participation by Non-Executive Directors

The Group retains flexibility in formulating schemes that recognises and benefits not only persons who are in the employment of the Group but also the Non-Executive Directors who are not employed by the Group but who nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the success of the Group. The 2020 ESAS is therefore proposed to be extended to the Non-Executive Directors, notwithstanding that it is primarily intended to cater to employees of the Group.

Although the Non-Executive Directors are not involved in the day-to-day running of the Group's business, they also play an invaluable role in our success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is desirable that the Non-Executive Directors be allowed to participate in the 2020 ESAS to give recognition to their services and contributions and to further align their interests with that of the Group. It is crucial for the Group to attract, retain and motivate these Non-Executive Directors by allowing them to participate in the 2020 ESAS.

The Committee, when deciding on the selection of Non-Executive Directors to participate in the 2020 ESAS and the number of Shares to be offered (in accordance with the 2020 ESAS), will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board.

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Any Awards granted to Non-Executive Directors shall be deemed as directors' fees and the vesting thereof shall be conditional upon Shareholders' approval. The Company shall, in seeking Shareholders' approval for the vesting of any Awards to Non-Executive Directors, indicate in the notice of the general meeting to be convened: (i) the number of Shares that may be issued or transferred upon the vesting of any Awards granted to Non-Executive Directors; and (ii) the value of such Shares based on the average of the last dealt prices for a Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant.

4.2.2 Independent status of independent Non-Executive Directors

In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the 2020 ESAS, the Non-Executive Directors would primarily continue to be remunerated for their services by way of directors' fees payable in cash.

It is also envisaged that the Awards granted to Non-Executive Directors will not comprise (whether on an individual or collective basis) a significant portion of the Awards available under the 2020 ESAS.

Each Non-Executive Director will abstain from making any recommendation as a Director and, if applicable, abstain from voting as a member of the Committee, when the grant of Awards to him is being considered.

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

4.3 **Financial Effects of the 2020 ESAS**

Details of the costs to the Company of granting Awards under the 2020 ESAS and New Shares would be as follows:

(a) Share capital

The 2020 ESAS will result in an increase in the Company's issued share capital only if New Shares are issued to Participants. The number of New Shares issued will depend on, *inter alia*, the size of the Awards granted under the 2020 ESAS. If existing Shares (including treasury shares) are transferred to Participants or if the Company pays the aggregate Market Price of the Shares in cash in lieu of the allotment or transfer of Shares, the 2020 ESAS will have no impact on the Company's issued share capital.

(b) Net tangible assets

In the event New Shares are issued under the 2020 ESAS, there would be no effect on the Company's consolidated NTA. If existing Shares (including treasury shares) are delivered to Participants or if the Company pays the aggregate Market Price of the Shares in cash in lieu of the allotment or transfer of Shares, the consolidated NTA of the Company would decrease by the cost of Shares purchased or the cash payment, respectively.

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Although the grant of Awards under the 2020 ESAS will result in a charge to the Company's consolidated income statement, it should be noted that Awards are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed or will contribute to its success including financial performance. In particular, the grant of Awards and delivery of Shares or payment of the aggregate Market Price of the Shares in cash to Participants of the 2020 ESAS are contingent upon the Participants meeting prescribed performance targets and/or service conditions. Therefore, Participants would have contributed to or will contribute to value add to the Group as determined by the Committee before the Awards are vested.

(c) Earnings per Share

Awards granted under the 2020 ESAS will result in a charge to earnings equivalent to the fair value of the Awards at the Date of Grant of the Award over the period commencing from the Date of Grant to the vesting date. Although the grant of Awards will have a dilutive impact on the consolidated EPS of the Company, the delivery of Shares to Participants in respect of Awards granted under the 2020 ESAS is contingent upon the Participants meeting prescribed performance targets and/or service conditions, which will take into consideration the contributions of the Participants towards the financial performance of the Group.

(d) Potential Cost of Awards

Similar to the 2020 ESOS, the 2020 ESAS is considered a share-based payment that falls under the scope of the SFRS(I) 2. The Awards, if settled by way of the issue of New Shares or through the transfer of existing Shares (including treasury shares), would be accounted for as equity-settled share-based payment transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards will be recognised as a charge to the Company's consolidated income statement over the period between the Date of Grant and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the Date of Grant and the number of Shares vested at the vesting date, with a corresponding credit to the Company's reserve account. The amount of the charge to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition.

At each reporting date, the number of Awards that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense in the income statement and as a corresponding adjustment to the reserve account over the remaining Performance Period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions. No expense is recognised for Awards that do not ultimately vest, except for Awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

After the vesting date, no adjustment to the charge to the income statement is made.

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In the event that the Participants have the right to receive the aggregate Market Price of the Shares in cash in lieu of the allotment or transfer of Shares, the Company shall measure the fair value of the liability as a cash-settled share-based payment transaction. Until the liability is settled, the Company shall re-measure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the income statement.

4.4 **Details of the 2020 ESAS**

The rules of the 2020 ESAS are set out in **Annex B** to this Circular.

5. **LISTING ON THE SGX-ST**

5.1 In-principle approval has been received by the SGX-ST on 28 April 2020 for the listing and quotation of the New Shares to be allotted and issued pursuant to the 2020 ESOS and the 2020 ESAS, subject to independent Shareholders' approval being obtained for the 2020 ESOS and the 2020 ESAS, and the Company's compliance with SGX-ST's listing requirements and guidelines.

5.2 Such approval is not to be taken as an indication of the merits of the 2020 ESOS, the 2020 ESAS, the New Shares or the Group.

6. **DISCLOSURES IN ANNUAL REPORT**

6.1 In accordance with the Listing Manual, the following disclosures (as applicable) will be made by the Company in its annual report for so long as the 2020 ESOS and/or 2020 ESAS remains in operation:-

(a) the names of the members of the Committee(s) administering the 2020 ESOS and/or 2020 ESAS;

(b) in respect of the following Participants:-

(i) Directors of the Company; and

(ii) Participants (other than those in (i) above) who have been granted five per cent. (5%) or more of the total number of Options available under the 2020 ESOS or five per cent. (5%) or more of the total number of Awards available under the 2020 ESAS,

the following information:-

(1) the name of the Participant;

(2) the following particulars relating to Options granted under the 2020 ESOS and/or Awards granted under the 2020 ESAS (as the case may be):-

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- (A) the number of Options or Awards (as the case may be) which have been granted during the Financial Year under review (including terms);
 - (B) the aggregate number of Options or Awards (as the case may be) granted since the commencement of the 2020 ESOS and/or 2020 ESAS up to the end of the Financial Year in review;
 - (C) (for the 2020 ESOS) the aggregate number of Options exercised since the commencement of the 2020 ESOS up to the end of the Financial Year under review;
 - (D) (for the 2020 ESOS) the aggregate number of Options outstanding as at the end of the Financial Year under review;
 - (E) (for the 2020 ESAS) the aggregate number of Awards released (including the payment of Market Price of the Shares in cash in lieu of the allotment or transfer of Shares) under the 2020 ESAS since the commencement of the 2020 ESOS up to the end of the Financial Year under review;
 - (F) (for the 2020 ESAS) the aggregate number of Awards which have not been released as at the end of the Financial Year under review;
- (c) where applicable, the number and proportion of Options granted at a discount during the Financial Year under review in respect of every ten per cent. (10%) range, up to the maximum quantum of discount granted; and
 - (d) such other information as may be required by the Listing Manual or the Companies Act.
- 6.2 If any of the above is not applicable, an appropriate negative statement shall be included therein.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

[THIS PORTION IS INTENTIONALLY LEFT BLANK.]

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	Direct Interest		Deemed interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Lim Ming Seong	50,000	0.003	50,000 ⁽²⁾	0.003
Tan Seow Kheng	30,000	0.002	-	-
Substantial Shareholders				
Eight Capital Inc.	1,041,766,230	65.82	-	-
Eight Capital Trustees Pte Ltd	-	-	1,041,766,230 ⁽³⁾	65.82
Equity Trust (Jersey) Limited	-	-	1,041,766,230 ⁽⁴⁾	65.82
Infinite Capital Fund Limited	88,000,000	5.56	-	-
King Fortune International Inc.	-	-	88,000,000 ⁽⁵⁾	5.56
Butterfield (Singapore) Pte Ltd	-	-	88,000,000 ⁽⁶⁾	5.56
FMR LLC	-	-	87,639,100 ⁽⁷⁾	5.54
Employees Provident Fund Board of Malaysia	81,268,400	5.13	-	-

Notes:-

- (1) Based on 1,582,684,469 shares (excluding 1,388,500 treasury shares as at the Latest Practicable Date).
- (2) Lim Ming Seong's deemed interests in the shares are held under the name of Citibank Nominees Singapore Pte Ltd.
- (3) Eight Capital Trustees Pte Ltd ("**ECTPL**") holds the entire share capital of Eight Capital Inc. ("**Eight Capital**") as trustee of the Eight Capital Trust II (the "**Trust**"), which is a discretionary family trust, and subject to the terms of the Trust. Eight Capital is the investment holding vehicle of the Trust and ECTPL is deemed interested in the shares held by Eight Capital.
- (4) Equity Trust (Jersey) Limited is the trustee of Eight Cap Purpose Trust (the "**Purpose Trust**"). Pursuant to the Purpose Trust, Equity Trust (Jersey) Limited is the sole shareholder of ECTPL and it is therefore deemed interested in the shares held by Eight Capital.
- (5) King Fortune International Inc. ("**King Fortune**") holds the entire issued and paid-up share capital of Infinite Capital Fund Limited and is deemed to be interested in the shares held by Infinite Capital Fund Limited.
- (6) Butterfield (Singapore) Pte. Ltd. (the "**Trustee**") is the sole shareholder of King Fortune and the trustee of the King Fortune Trust, a discretionary family trust. The shares held indirectly by King Fortune are property that is subject to the King Fortune Trust. Distribution of the income and capital of the King Fortune Trust to the beneficiaries of the King Fortune Trust are at the discretion of the Trustee.
- (7) FMR LLC's interests in the securities of First Resources Limited are currently entirely comprised as deemed interests. FMR LLC is deemed to have interests in the securities of First Resources Limited because such securities are held by funds and/or accounts managed by one or more FMR LLC's direct and indirect subsidiaries, which are fund managers.

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8. DIRECTORS' RECOMMENDATIONS

8.1 2020 ESOS

- (a) As all of the Directors are eligible to participate in the 2020 ESOS, they are therefore, deemed to be interested in the proposed 2020 ESOS. Accordingly, all Directors have refrained from making any recommendation to Shareholders in respect of Ordinary Resolutions 1 and 2 as set out in the Notice of EGM.
- (b) **In addition, all persons (including those Directors who are also Shareholders) who are eligible to participate in the 2020 ESOS are required to abstain from voting in respect of the 2020 ESOS at the EGM.**

8.2 2020 ESAS

- (a) As all of the Directors are eligible to participate in the 2020 ESAS, they are therefore, deemed to be interested in the proposed 2020 ESAS. Accordingly, all Directors have refrained from making any recommendation to Shareholders in respect of Ordinary Resolution 3 as set out in the Notice of EGM.
- (b) **In addition, all persons (including those Directors who are also Shareholders) who are eligible to participate in the 2020 ESAS are required to abstain from voting in respect of the 2020 ESAS at the EGM.**

9. ABSTENTION FROM VOTING

As all the Directors will be eligible to participate in the 2020 ESOS and the 2020 ESAS, they shall abstain from voting in respect of their holdings of Shares (if any), and shall not accept appointments as proxies for voting at the EGM, in respect of all the ordinary resolutions to be tabled at the EGM for the adoption of the 2020 ESOS and the 2020 ESAS and the grant of authority to offer and grant Options at a discount under the 2020 ESOS unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be cast for such ordinary resolutions.

Employees of the Group, who are eligible to participate in the 2020 ESOS and the 2020 ESAS and are also Shareholders, shall abstain from voting in respect of their holdings of Shares (if any), and shall not accept appointments as proxies for voting at the EGM, in respect of all the ordinary resolutions to be tabled at the EGM for the adoption of the 2020 ESOS and the 2020 ESAS and the grant of authority to offer and grant Options at a discount under the 2020 ESOS unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be cast for such ordinary resolutions.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be held by electronic means on 1 June 2020 at 3.00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM of the Company to be convened at 2.30 p.m. on the same day) for the purpose of considering and, if thought

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fit, passing with or without any amendments, the resolutions set out in the Notice of EGM on pages N-1 to N-5 of this Circular.

11. **ACTION TO BE TAKEN BY SHAREHOLDERS**

11.1 Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via “live” audio-visual webcast or listening to the EGM proceedings via “live” audio-only feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM. Please see paragraph 11.2 below for these alternative arrangements.

11.2 The following are the alternative arrangements which have been put in place for the EGM:

(a) Pre-Registration for “live” audio-visual webcast and “live” audio-only feed

- (i) The Company’s Chairman, Mr Lim Ming Seong and Chief Executive Officer, Mr Ciliandra Fangiono will conduct the proceedings of the EGM by way of electronic means.
- (ii) Shareholders will be able to watch these proceedings through a “live” audio-visual webcast via their mobile phones, tablets or computers or listen to these proceedings through a “live” audio-only feed via telephone. In order to do so, Shareholders must follow these steps:
 - Shareholders who wish to watch the “live” audio-visual webcast or listen to the “live” audio-only feed of the EGM must pre-register by 2.30 p.m. on 29 May 2020, at the URL <http://first-resources.investorcentral.org> for the Company to authenticate their status as Shareholders.
 - The EGM shall commence at 3.00 p.m. on 1 June 2020 (or as soon as practicable immediately following the conclusion or adjournment of the AGM of the Company to be convened at 2.30 p.m. on the same day). Shareholders who have pre-registered for the AGM will be considered to have enrolled for the EGM.
 - Authenticated Shareholders will receive email instructions on how to access the “live” audio-visual webcast and “live” audio-only feed of the AGM and EGM proceedings by 12.00 p.m. (noon) on 31 May 2020.

Shareholders who do not receive an email by 12.00 p.m. (noon) on 31 May 2020, but have registered by the 29 May 2020 deadline, may contact the Company at agm@first-resources.com.

Investors who hold Shares through depository agents and wish to watch the “live” audio-visual webcast or listen to the “live” audio-only feed of the EGM must approach their respective depository agents to pre-register by 5.00 p.m. on 20 May 2020 in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company.

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(b) Submission of questions in advance

Shareholders who pre-register to watch the “live” audio-visual webcast or listen to the “live” audio-only feed may also submit questions related to the resolutions to be tabled for approval at the EGM:

- (i) All questions must be submitted by 2.30 p.m. on 20 May 2020:
- via the pre-registration website at the URL <http://first-resources.investorcentral.org>;
 - in hard copy by post to the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - by email to agm@first-resources.com.
- (ii) Shareholders submitting questions by post or email should download, complete and sign the prescribed question form at the URL <http://www.first-resources.com/generalmeetings/2020questionform>, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.
- (iii) The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM via SGXNet and on our corporate website or during the EGM through the “live” audio-visual webcast and “live” audio-only feed.
- (iv) The Company will, within one month after the date of the EGM, publish the minutes of the EGM on SGXNet and the Company’s website, and the minutes will include the responses to the questions referred to above.
- (v) Please note that Shareholders will not be able to ask questions at the EGM during the “live” audio-visual webcast and the “live” audio-only feed, and therefore it is important for Shareholders to submit their questions by the above stipulated deadline.

(c) Proxy voting

Shareholders will not be able to vote through the “live” audio-visual webcast or “live” audio-only feed on the resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf at the meeting:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the Meeting as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

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- (ii) The proxy form can be submitted to the Company in hard copy form or by email:
- if in hard copy by post, the proxy form must be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - if by email, the proxy form must be received by agm@first-resources.com

in either case, no later than 3.00 p.m. on 29 May 2020 (the "**Proxy Deadline**").

Shareholders who wish to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by 5.00 p.m. on 20 May 2020 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf no later than the Proxy Deadline.

12. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the 2020 ESOS, the proposed grant of authority to offer and grant options at a discount under the 2020 ESOS and the proposed adoption of the 2020 ESAS, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

13. **DOCUMENTS AVAILABLE FOR INSPECTION**

In line with the provisions under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, no printed copies of this Circular, the Notice of EGM and Proxy Form will be despatched to Shareholders.

LETTER TO SHAREHOLDERS

Copies of this Circular, the Notice of EGM and Proxy Form have been uploaded on SGXNet and are also available on the Company's website at the URL <http://www.first-resources.com/generalmeetings/2020egmdocuments>.

The annual report of the Company for FY2019 which was issued on 15 April 2020 can be accessed at the Company's website at the URL <http://www.first-resources.com/annualreports/FY2019>.

A Shareholder will need an internet browser and PDF reader to view these documents on SGXNet and the Company's website.

Shareholders who wish to obtain a printed copy of the annual report of the Company for FY2019 can do so by downloading, completing and signing the request form available at the URL <http://www.first-resources.com/generalmeetings/2020requestform>.

The request form must be submitted to the Company by 2.30 p.m. on 11 May 2020:

- in hard copy by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
- by email to agm@first-resources.com.

Yours faithfully

For and on behalf of the Directors of
FIRST RESOURCES LIMITED

LIM MING SEONG
Chairman and Independent Director

ANNEX A – RULES OF THE 2020 ESOS

RULES OF THE FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020

1. NAME OF THE SCHEME

The Scheme (as defined below) shall be called the "**First Resources Employee Share Option Scheme 2020**".

2. DEFINITIONS

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

"Act" or "Companies Act" : The Companies Act (Chapter 50 of Singapore), as may be amended, modified or supplemented from time to time.

"Adoption Date" : The date on which the Scheme is adopted by the Company in a general meeting.

"Associate" : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:

(i) his immediate family;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;

(b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more.

"Associated Company" : A company in which at least twenty per cent. (20%) but no more than fifty per cent. (50%) of its shares are held by the Company or the Group.

"Auditors" : The auditors of the Company for the time being.

"Board" : The board of Directors of the Company.

"CDP" : The Central Depository (Pte) Limited.

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"CPF"	: Central Provident Fund.
"Committee"	: A committee comprising Directors duly authorised and appointed by the Board to administer the Scheme.
"Company"	: First Resources Limited, a company incorporated in the Republic of Singapore.
"Constitution"	: The constitution of the Company, as may be amended, modified or supplemented from time to time.
"Control"	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
"Controlling Shareholder"	: A person who: <ul style="list-style-type: none">(a) holds directly or indirectly fifteen per cent. (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) in fact exercises control over the Company, as defined under the Listing Manual.
"Date of Grant"	: The date on which an Option is granted to a Participant pursuant to Rule 7.
"Director"	: A person appointed as a director of the Company (including Executive Directors and Non-Executive Directors).
"electronic communication"	: Communication transmitted (whether from one person to another, from one device to another, from a person to a device or from a device to a person) (a) by means of a telecommunication system or (b) by other means but while in electronic form, such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form.
"Executive Director"	: A director of the Company who performs an executive function within the Company.
"Exercise Price"	: The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10.
"Grantee"	: A person to whom an offer of an Option is made.
"Group"	: The Company and its subsidiaries.

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"Group Employee"	: An employee of the Group (including any Director) selected by the Committee to participate in the Scheme in accordance with Rule 4.
"immediate family"	: 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.
"Letter of Offer"	: Has the meaning ascribed to it in Rule 7.2.
"Listing Manual"	: The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
"Market Day"	: A day on which the SGX-ST is open for securities trading.
"Market Price"	: The average of the last dealt prices for a Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded to the nearest whole cent in the event of fractional prices.
"New Shares"	: The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the Scheme.
"Non-Executive Director"	: A director of the Company other than one who performs an executive function (including an independent director).
"Option"	: The right to subscribe for Shares granted or to be granted Shares pursuant to the Scheme.
"Option Period"	: The period(s) within which an Option has to be exercised as stated in Rule 11.
"Participant"	: The holder of an Option (including where applicable, the executor or personal representative of such holder).
"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 Scheme and any reference to a particular Rule shall be construed accordingly.
"Scheme"	: First Resources Employee Share Option Scheme 2020, as the same may be modified or altered from time to time.
"Securities Account"	: Securities accounts maintained by depositors with CDP, but

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- not including securities sub-accounts maintained with a depository agent.
- "SFA" : The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time.
- "SGX-ST" : Singapore Exchange Securities Trading Limited.
- "Shareholders" : The registered holders of Shares, except that where the registered holder is CDP, the term "**Shareholders**" shall, where the context admits, mean the depositors whose Securities Accounts are credited with the Shares.
- "Shares" : Ordinary shares in the capital of the Company.
- "S\$" and "cents" : Singapore dollars and cents respectively.
- "%" or "per cent." : Per centum or percentage.
- 2.2. The terms "**depositor**", "**depository register**" and "**depository agent**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be. 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 under Section 5 of the Act. The term "**subsidiary holdings**" shall mean the Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act.
- 2.3. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall, where applicable, include the other gender and *vice versa*. References to persons shall, where applicable, include corporations.
- 2.4. Any reference in this Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, SFA, Listing Manual or any statutory modification thereof and not otherwise defined in this Scheme shall have the same meaning assigned to it under the Act, SFA, or Listing Manual or any statutory modification thereof, as the case may be.
- 2.5. Any reference to a time of day and dates in the Scheme is made by reference to Singapore time and dates, unless otherwise stated.

3. OBJECTIVES OF THE SCHEME

The Company places strong emphasis on the recruitment and retention of quality employees with talent in all areas of the Group's operations and in particular, the drive, leadership, skills, expertise and experience of such persons, as the Company considers these to be qualities that will assist the Group to realise its strategic and long-term business goals.

The Scheme will provide the Company with the means to use share options as part of a compensation plan for attracting as well as promoting long-term staff retention, by providing

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an opportunity for Group Employees (including Directors) who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of such Group Employees are important to the current on-going development, growth and success of the Group. Implementation of the Scheme will not only give the Company the flexibility to the Group's remuneration package for its employees and allow the Group to better manage its fixed overheads but also enable the Company to give such Group Employees a real and meaningful stake in the Company and help the Company to achieve the following objectives:

- (a) to motivate each Participant to achieve and maintain a high level of performance and contribution to the Group;
- (b) to make employee remuneration sufficiently competitive to recruit and to retain key Group Employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to foster an ownership culture within the Company which aligns the interests of employees with the interests of the Shareholders;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders of the Company;
- (e) to give recognition to the contributions made by the Participants to the success of the Group; and
- (f) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, the Group.

4. ELIGIBILITY

4.1. Confirmed Group Employees (including Directors) 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 who have, as of the Date of Grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine, shall be eligible to participate in the Scheme at the absolute discretion of the Committee.

4.2. The following are not entitled to participate in the Scheme:

- (a) Directors and employees of Associated Companies;
- (b) Directors and employees of the Company's parent company and the subsidiaries of the Company's parent company;
- (c) Controlling Shareholders; and
- (d) Associates of the Controlling Shareholders.

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- 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 any other companies within the Group.
- 4.4. Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

Subject to Rules 4, 6 and 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Scheme shall be determined at the discretion of the Committee.

6. LIMITATION ON SIZE OF THE SCHEME

- 6.1. The aggregate number of New Shares over which the options may be granted to a Group Employee on any date under the Scheme, when added to the number of New Shares issued and/or issuable in respect of:

- (a) all Options granted under the Scheme; and
- (b) all Shares, options or award granted under any other share option or share scheme of the Company then in force,

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

- 6.2. If the Company chooses to purchase existing Shares and hold such Shares as treasury shares for delivery to holders of Options in lieu of New Shares, such treasury shares, together with all of the Company's existing treasury shares, not at any time exceed ten per cent. (10%) of the total number of issued Shares.

7. DATE OF GRANT

- 7.1. The Committee may, save as provided in Rules 4, 5 and 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Option shall be granted during the period of two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the Company's half year and full year financial statements (if not required to announce quarterly financial statements). In addition, in the event that an announcement on 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 on which such announcement is released.

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7.2. An offer to grant an Option to a Grantee shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Appendix A.1, subject to such modification 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 thirty (30) days after the relevant Date of Grant and not later than 5.00 p.m. on the 30th day from such Date of Grant:

(a) by completing, signing and returning to the Company the **Acceptance Form** in or substantially in the form set out in Appendix A.2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require; 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 Scheme in accordance with these Rules.

8.2. If a 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 thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and of no effect.

8.3. The Committee shall be entitled to reject any purported acceptance of a 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 Scheme.

8.4. Options are personal to the Grantees to whom they are granted 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 Grantee's duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.

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.

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 of no effect and the relevant Participant shall have no claim whatsoever against the Company.

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

(a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or

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

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- (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
- (d) the Grantee being a Group Employee ceases to be in the employment of the Group 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

9.1. Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, on the Date of Grant, at:

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

9.2. In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of the Group, as the case may be;
- (b) the years of service and individual performance of the eligible Group Employee;
- (c) the contribution of the eligible Group Employee to the success and development of the Company and/or the Group; and
- (d) the prevailing market conditions.

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

10. ALTERATION OF CAPITAL

10.1. If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, including any dividend or

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other distribution whether in the form of cash, Shares, other securities, or other property, or a reduction, sub-division or consolidation of the existing Shares, or a reverse stock split, reorganisation, merger, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares) should take place, then:

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

may 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:

- (a) if as a result, the Participant receives a benefit that a Shareholder does not receive;
- (b) if as a result, such adjustment will result in the number of Shares under an Option, together with new Shares to be issued or issuable under any other share option or share scheme of the Company then in force, to exceed fifteen per cent. (15%) of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) for the time being; or
- (c) unless the Committee after considering all relevant circumstances considers it equitable to do so.

10.3. Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment under the provisions of this Rule 10:

- (a) any issue of securities as consideration for an acquisition of any assets or of Shares by the Company, or a private placement of securities of the Company;
- (b) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company (including the exercise of any Options granted pursuant to this Scheme);
- (c) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company;
- (d) any issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and

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- (e) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in a general meeting and for the time being in force.
- 10.4. The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- 10.5. Upon any adjustment required to be made, the Company shall notify each Participant (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 class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

11. OPTION PERIOD

- 11.1. Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant after the first anniversary of the Date of Grant of that Option provided always that such Options granted with the Exercise Price set at Market Price shall be exercised before the 10th anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.2. Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant after the second anniversary from the Date of Grant of that Option provided always that the Options shall be exercised before the 10th anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.3. An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:
- (a) subject to Rules 11.4, 11.5 and 11.6, if the Participant is (i) an employee or Executive Director, upon ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; and (ii) a Non-Executive Director, upon ceasing to be a Director of the Company;
 - (b) upon the bankruptcy of the Participant or the happening of any other event which result in him being deprived of the legal or beneficial ownership of such Option; or
 - (c) in the event of events resulting in termination for cause including but not limited to gross negligence, misconduct, insubordination or incompetence on the part of the Participant, as determined by the Committee in its absolute discretion.

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For the purpose of Rule 11.3(a), (i) a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date; and (ii) a Participant shall be deemed to have ceased to be a Director as of the date the notice of resignation or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

11.4. If a Participant ceases to be (i) an employee of the Group or (ii) a Director of the Company (as the case may be) by reason of:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age;
- (d) retirement before that age with the consent of the Committee;
- (e) the subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group; or
- (f) for any other reason approved in writing by the Committee,

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

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

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

12.1. An Option may be exercised during the Option Period, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Appendix A.3 (the "**Exercise Notice**"), subject to such modification 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 notice duly completed, any relevant documentation required by the Committee 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.

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- 12.2. Subject to such consents or other required actions of any competent authority under any regulations or enactment for the time being in force as may be necessary (including any approvals required from the SGX-ST) and subject to the compliance with the Rules of the Scheme and the Constitution of the Company, the Company shall, within ten (10) Market Days after the exercise of an Option, do any one or more of the following in relation to the exercise of such Option as it deems fit in its sole and absolute discretion:
- (a) allot the New Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit; and/or
 - (b) purchase and transfer existing Shares to the Participant (whether such existing Shares are held as treasury shares or otherwise).
- 12.3. The Company shall, if necessary, as soon as practicable after the exercise of an Option, 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 Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.4. Shares which are allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of CDP to the credit of the Securities Account of the Participant maintained with CDP, or to the Participant's securities sub-account with a CDP depository agent, or if such Securities Account is not available, in the name of the Participant.
- 12.5. Shares allotted and issued 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, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.6. Except as set out in Rule 12.2 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.
- 12.7. Notwithstanding any other Rule of this Scheme to the contrary, and notwithstanding references to subscription, issue and allotment of Shares or New Shares, the Company reserves to itself the right to deliver treasury shares in lieu of New Shares to Participants upon their exercise of Options.

13. MODIFICATIONS TO THE SCHEME

- 13.1. Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) 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 Participants who, if they exercised their Options in full, would thereby become entitled to Shares representing not less than three-quarters of the total

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voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;

- (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in a general meeting, save that Shareholders who are also Participants shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; 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 and 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.

- 13.2. Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST or such other regulatory authorities as may be necessary) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3. Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

14. DURATION OF THE SCHEME

- 14.1. The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the Adoption Date. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- 14.2. The 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 Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 14.3. The termination, discontinuance or expiry of the 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.

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15. TAKE-OVER AND WINDING UP OF THE COMPANY

15.1. In the event of a take-over or exit offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rules 11 and 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

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

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

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period.

15.2. If, under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) shall notwithstanding Rules 11 and 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of the period of time prescribed by the order of court sanctioning the compromise or arrangement for the lodgement of the order of court with the Registrar of Companies, or where no such period of time is prescribed in the order of court, such period of time prescribed under the Act, or the date upon which the compromise or arrangement becomes effective, whichever is earlier (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, provided always that the date of exercise of any Option shall be before the expiry of the Option Period.

15.3. If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, at the date such order or restriction shall lapse and become null and void.

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- 15.4. In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, each Participant (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Participant credited as fully paid.
- 15.5. If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other Options or otherwise, a Participant holding an Option, which is not then exercisable, 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 lapse and become null and void.

16. ADMINISTRATION OF THE SCHEME

- 16.1. The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board provided that a member of the Committee who is a Participant shall not be involved in the deliberations or decisions of the Committee in respect of the Options to be granted to him.
- 16.2. The Committee shall have the power, from time to time, to make or vary such rules and regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit including, but not limited to, imposing restrictions on the number of Options that may be exercised within particular sections of the relevant Option Period.
- 16.3. Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors who are to act as experts and not as arbitrators), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).

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17. NOTICES

- 17.1. Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other address as may be notified by the Company to him in writing.
- 17.2. Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him by post or electronic communication to the relevant address according to the records of the Company.
- 17.3. Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service by post, it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper.
- 17.4. Any notice sent by electronic communication shall be deemed to have been served on the day on which electronic communication is transmitted by the email server or facility operated by the Company, its service provider or agent, to the relevant address of such Participant (notwithstanding any delayed receipt, non-delivery or “returned mail” reply message or any other error message indicating that the electronic communication was delayed or not successfully sent).

18. TERMS OF EMPLOYMENT UNAFFECTED

- 18.1. The Scheme or any Option shall not form part of any contract of employment between the Company or 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 Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 18.2. The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company and/or any 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, if applicable) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

20. COSTS AND EXPENSES OF THE SCHEME

- 20.1. Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the

ANNEX A – RULES OF THE 2020 ESOS

deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a depository agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.

- 20.2. Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

21. CONDITION OF OPTION

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

22. 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 Scheme, including but not limited to the Company's delay in allotting and issuing the Shares or in applying for or procuring the listing of the Shares on the SGX-ST.

23. DISCLOSURES IN ANNUAL REPORT

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

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

Name of Participant	Options granted during the financial year under review (including terms)	Aggregate Options granted since commencement of the Scheme to end of the financial year under review	Aggregate Options exercised since commencement of the Scheme to end of the financial year under review	Aggregate Options outstanding as at end of the financial year under review
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- (c) The number and proportion of Options granted at the following discounts to average market value of the Shares during the financial year under review:
 - (i) Options granted at a discount of ten per cent. (10%) or less; and
 - (ii) Options granted at above ten per cent. (10%) but not more than twenty per cent. (20%) discount.
- (d) Any other information required to be disclosed pursuant to the Listing Manual and all other applicable laws and requirements.

Where any of the above requirements are not applicable, an appropriate negative statement should be included therein.

24. ABSTENTION FROM VOTING

All Shareholders who are eligible to participate in the Scheme are to abstain from voting on any Shareholders' resolution relating to the Scheme, including (a) implementation of the Scheme; and (b) discount quantum.

25. DISPUTES

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

26. GOVERNING LAW

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

ANNEX A – RULES OF THE 2020 ESOS

APPENDIX A.1

FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020

LETTER OF OFFER

Serial No. _____

Private and Confidential

[Date]

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

We have the pleasure of informing you that you have been nominated by the Committee of the Board of Directors (the "**Committee**") of First Resources Limited (the "**Company**") to participate in the First Resources Employee Share Option Scheme 2020 (the "**ESOS**"). Unless otherwise defined, terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted _____ new ordinary shares in the capital of the Company (the "**Shares**") at the price of S\$ _____ per Share.

This Option is personal to you and shall not be sold, transferred, mortgaged, charged, assigned, pledged or otherwise disposed of or encumbered by you, in whole or in part or in any way whatsoever, except with the prior approval of the Committee.

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

Kindly note that under the rules of the ESOS, you will not be entitled to exercise the Option before the _____ anniversary of the date first above written.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than _____ (a.m./p.m.) on _____, failing which this offer shall automatically lapse and shall thereafter be null and void.

Yours faithfully

THE COMMITTEE
[Name]
FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020

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APPENDIX A.2

FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020

ACCEPTANCE FORM

Serial No. _____

Private and Confidential

To: The Committee
First Resources Employee Share Option Scheme 2020
First Resources Limited
8 Temasek Boulevard
#36-02 Suntec Tower Three
Singapore 038988

Closing Date and Time for Acceptance of Offer : _____

Number of new ordinary shares in the capital of:
the Company (the "**Shares**") Offered _____

Exercise Price per Share : S\$ _____

Total Amount Payable for the Shares
(exclusive of the relevant CDP charges) : S\$ _____

I have read your Letter of Offer dated _____ (Date of Grant) and agree to be bound by the terms of the Letter of Offer and the Rules of the First Resources Employee Share Option Scheme referred to therein.

I hereby accept the Option to subscribe for _____ Shares at S\$ _____. I enclose a *cheque/cashier's order/bank draft/postal order for S\$1.00 as consideration for the grant of the Option.

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

I acknowledge and confirm that I shall be responsible for all the fees of CDP (if any) relating to or in connection with the allotment and issue 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 depository agent or CPF investment account with a CPF agent bank (as the case may be) (collectively, the "**CDP charges**").

I confirm as at the date hereof:

- (a) I am not less than 21 year old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors; and
- (b) I satisfy the eligibility requirements to participate in the ESOS and such other requirements to participate in the ESOS as set out in the Rules of the ESOS.

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I further acknowledge and confirm 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 maintain confidentiality with regards to all information relating to the grant of the Option to me.

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

*Please delete accordingly.

Notes:

1. Shares must be accepted in full or in multiples of 100.
2. The Acceptance Form must be forwarded to the above address in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.

ANNEX A – RULES OF THE 2020 ESOS

APPENDIX A.3

FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020

EXERCISE NOTICE

Serial No. _____

Private and Confidential

To: The Committee
First Resources Employee Share Option Scheme 2020
First Resources Limited
8 Temasek Boulevard
#36-02 Suntec Tower Three
Singapore 038988

Total number of ordinary shares in the capital of the Company (the "**Shares**") offered at S\$ _____ per Share under the First Resources Employee Share Option Scheme 2020 (the "ESOS") on _____ (Date of Grant) : _____

Number of Shares previously allotted and issued thereunder : _____

Outstanding balance of Shares to be allotted and issued thereunder : _____

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

1. Pursuant to your Letter of Offer dated _____ (Date of Grant) and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in the capital of First Resources Limited (the "**Company**") at the Exercise Price of S\$ _____ per Share.

2. I hereby request the Company to allot and issue the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my Securities Account with CDP/*securities sub-account with a depository agent/*CPF investment account with a CPF agent bank 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/CPF (the "**CDP charges**") and any stamp duties in respect thereof:

*(a) Direct Securities Account Number : _____

or

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* (b) Securities Sub-Account Number : _____

Name of Depository Agent : _____

or

* (c) CPF Investment Account Number : _____

Name of CPF agent bank : _____

3. I enclose a *cheque/cashier's order/bank draft/postal order no. _____ of S\$ _____ in payment for the subscription of the total number of the said Shares and *CDP charges of S\$ _____.
4. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Scheme and the Constitution of the Company.
5. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

*Please delete accordingly.

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. The Exercise Notice must be forwarded to the above address in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.

ANNEX B – RULES OF THE 2020 ESAS

RULES OF THE FIRST RESOURCES EMPLOYEE SHARE AWARD SCHEME 2020

1. NAME OF THE SCHEME

The Scheme (as defined below) shall be called the "**First Resources Employee Share Award Scheme 2020**".

2. DEFINITIONS

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

"Act" or "Companies Act" : The Companies Act (Chapter 50 of Singapore), as may be amended, modified or supplemented from time to time.

"Adoption Date" : The date on which the Scheme is adopted by the Company in a general meeting.

"Associate" : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:

(i) his immediate family;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more;

(b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more.

"Associated Company" : A company in which at least twenty per cent. (20%) but no more than fifty per cent. (50%) of its shares are held by the Company or the Group.

"Auditors" : The auditors of the Company for the time being.

"Award" : A contingent award of Shares under the Scheme.

"Board" : The board of Directors of the Company.

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"CDP"	: The Central Depository (Pte) Limited.
"CPF"	: Central Provident Fund.
"Committee"	: A committee comprising Directors duly authorised and appointed by the Board to administer the Scheme.
"Company"	: First Resources Limited, a company incorporated in the Republic of Singapore.
"Condition(s)"	: One or more performance or service related conditions prescribed by the Committee which must be satisfied before an Award Vests.
"Constitution"	: The constitution of the Company, as may be amended, modified or supplemented from time to time.
"Control"	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
"Controlling Shareholder"	: A person who: <ul style="list-style-type: none">(a) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the Company (unless SGX-ST determines otherwise); or(b) in fact exercises control over the Company, as defined under the Listing Manual.
"Date of Grant"	: The date on which an Award is granted to a Participant.
"Directors"	: A person appointed as a director of the Company (including Executive Directors and Non-Executive Directors).
"electronic communication"	: Communication transmitted (whether from one person to another, from one device to another, from a person to a device or from a device to a person) (a) by means of a telecommunication system or (b) by other means but while in electronic form, such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form.
"Executive Director"	: A director of the Company who performs an executive function within the Company.
"Grantee"	: A person to whom an Award is made.
"Group"	: The Company and its subsidiaries.

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"Group Employee"	: An employee of the Group (including any Director) selected by the Committee to participate in the Scheme in accordance with Rule 4.
"immediate family"	: 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.
"Listing Manual"	: The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
"Market Day"	: A day on which the SGX-ST is open for securities trading.
"Market Price"	: The average of the last dealt prices for a Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Vesting, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded to the nearest whole cent in the event of fractional prices.
"New Shares"	: The new shares which may be allotted and issued from time to time pursuant to the vesting of an Award under the Scheme.
"Non-Executive Director"	: A director of the Company other than one who performs an executive function (including an independent director).
"Participant"	: A person who is eligible and who has been selected by the Committee to participate in the Scheme.
"Performance Period"	: The period or periods over which the Conditions are measured or tested as specified by the Committee for the purpose of the Award.
"Performance Target(s)"	: The performance target(s) prescribed by the Committee to be fulfilled by a Participant for any particular period determined by the Committee.
"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 Scheme and any reference to a particular Rule shall be construed accordingly.
"Scheme"	: The First Resources Employee Share Award Scheme 2020, as the same may be modified or altered from time to time.
"Securities Account"	: Securities accounts maintained by depositors with CDP, but not including securities sub-accounts maintained with a

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depository agent.

"SFA"	: The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time.
"SGX-ST"	: Singapore Exchange Securities Trading Limited.
"Shareholders"	: The registered holders of Shares, except that where the registered holder is CDP, the term " Shareholders " shall, where the context admits, mean the depositors whose Securities Accounts are credited with the Shares.
"Shares"	: Ordinary share(s) in the capital of the Company.
"Vest"	: A Participant becoming entitled to have the Shares underlying his or her Awards allocated to him or her, subject to the Rules (and Vested or Vesting shall be construed accordingly).
"S\$" and "cents"	: Singapore dollars and cents, respectively.
"%" or "per cent."	: Per centum or percentage.

- 2.2. The terms "**depositor**", "**depository register**" and "**depository agent**" shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA or any statutory modification thereof, as the case may be. 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 under Section 5 of the Act. The term "**subsidiary holdings**" shall mean the Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act.
- 2.3. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall, where applicable, include the other gender and *vice versa*. References to persons, where applicable, shall include corporations.
- 2.4. Any reference in this Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, SFA, Listing Manual or any statutory modification thereof and not otherwise defined in this Scheme shall have the same meaning assigned to it under the Companies Act, SFA, Listing Manual or any statutory modification thereof, as the case may be.
- 2.5. Any reference to a time of day and dates in the Scheme is made by reference to Singapore time and dates, unless otherwise stated.

3. OBJECTIVES OF THE SCHEME

The Company places strong emphasis on the recruitment and retention of quality employees with talent in all areas of the Group's operations, and in particular, the drive, leadership, skills, expertise and experience of such persons, as the Company considers these to be qualities that will assist the Group to realise its strategic and long-term business goals.

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The Scheme will provide the Company with the means to use Awards as part of a compensation plan for attracting as well as promoting long-term staff retention, by providing an opportunity for Group Employees (including Directors) who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily an equity incentive scheme. It recognises the fact that the services of such Group Employees are important to the current on-going development, growth and success of the Group. Implementation of the Scheme will not only enable the Company to give recognition to the contributions made by such Group Employees but also enable the Company to give such Group Employees a real and meaningful stake in the Company and help the Company to achieve the following objectives:

- (a) to motivate each Participant to achieve and maintain a high level of performance and contribution to the Group;
- (b) to make employee remuneration sufficiently competitive to recruit and to retain key Group Employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to foster an ownership culture within the Company which aligns the interests of employees with the interests of the Shareholders;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders of the Company;
- (e) to give recognition to the contributions made by the Participants to the success of the Group; and
- (f) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, the Group.

4. ELIGIBILITY

4.1. Confirmed Group Employees (including Directors) 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 who have, as of the Date of Grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine, shall be eligible to participate in the Scheme at the absolute discretion of the Committee.

4.2. The following are not entitled to participate in the Scheme:

- (a) Directors and employees of Associated Companies;
- (b) Directors and employees of the Company's parent company and the subsidiaries of the Company's parent company;
- (c) Controlling Shareholders; and
- (d) Associates of the Controlling Shareholders.

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

5. LIMITATION ON SIZE OF THE SCHEME

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

- (a) all Awards granted under the Scheme; and
- (b) all Shares, options or award granted under any other share option or share scheme of the Company then in force,

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

- 5.2. If the Company chooses to purchase existing Shares and hold such Shares as treasury shares for delivery to holders of Awards in lieu of New Shares, such treasury shares, together with all of the Company's existing treasury shares, shall not at any time exceed ten per cent. (10%) of the total number of issued Shares.

6. GRANT OF AWARDS

- 6.1. The Committee may, save as provided in Rules 4 and 5 (and subject to the Companies Act and any requirements of the SGX-ST), grant Awards to Employees as the Committee may select in its absolute discretion, at any time during the period when the Plan is in force, except that no Award shall be granted during the period of two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the Company's half year and full year financial statements (if not required to announce quarterly financial statements). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Awards may only be made on or after the second Market Day on which such announcement is released.

- 6.2. The Committee shall, in its absolute discretion, determine in relation to an Award:

- (a) the number of Shares which are the subject of the Award;
- (b) the Date of Grant;

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- (c) details of any applicable Conditions, including performance and/or service conditions, and the applicable Performance Period;
 - (d) the time or times at which the applicable Conditions will be tested in respect of the Performance Period (at which time, the Awards may Vest provided the Conditions for the Performance Period have been achieved); and
 - (e) any other relevant terms and conditions to be attached to the Awards allocated under the Scheme.
- 6.3. Upon its decision to grant the Award, the Committee shall as soon as practicable send to the Group Employee an award letter (the “**Award Letter**”) in the form set out in Appendix B.1 or in an alternative form otherwise determined by the Committee from time to time confirming such Award.
- 6.4. Awards are personal to the Group Employee to whom they are granted 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 Participant’s duly appointed personal representative in the event of the death of such Participant.
- 6.5. In the event that a grant of an Award results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 6.6. Participants are not required to pay for the grant of Awards.
- 6.7. A Participant must not enter into any arrangement or agreement (including derivative products) under which the Participant may alter the economic benefit to be derived from any Awards that remain subject to these Rules, irrespective of future changes in the Market Price of the underlying Shares.
- 6.8. Where the Participant enters, or purports to enter into any arrangement or agreement described in Rule 6.7, the Awards will immediately lapse.

7. VESTING OF AWARDS

- 7.1. Notwithstanding that a Participant may have satisfied the Condition(s), no Award shall be Vested in the event:
- (a) the Committee decides, in its absolute discretion, to revoke or annul such Award;
 - (b) subject to Rule 8, the Participant, being a Group Employee, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to the Vesting of the Award;
 - (c) a Participant commits any breach of any of the terms of his Award;
 - (d) of the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Award;

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- (e) of misconduct or breach of term of employment contract on the part of the Participant, as determined by the Committee in its absolute discretion; or
- (f) the Company is being liquidated or wound-up prior to the Vesting of the Award.

7.2. Upon the occurrence of any of the events specified in Rule 7.1, an Award then held by a Participant shall immediately lapse without any claim whatsoever against the Company and/or the Group.

7.3. If a Participant has fulfilled his Condition(s) but dies before the Shares under an Award are released, the Shares under the Award shall in such circumstances be given to the personal representatives of the Participant.

8. SPECIFIC RULES ON CESSATION OF EMPLOYMENT

8.1. Where a Participant: (i) being an employee or Executive Director, ceases to be an employee of the Group before Awards held by that Participant has Vested; or (ii) being a Non-Executive Director, ceases to be a Director of the Company, all unvested Awards held by that Participant shall lapse.

8.2. Notwithstanding Rule 8.1, if a Participant cease to be (i) an employee of the Group; or (ii) a Director of the Company (as the case may be) before Awards held by that Participant has Vested by reason of:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) redundancy;
- (c) retirement at or after a normal retirement age;
- (d) retirement before that age with the consent of the Committee;
- (e) the subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within the Group; or
- (f) for any other reason approved in writing by the Committee,

and at that time the Participant continues to satisfy any other relevant conditions imposed by the Committee at the time of grant, the Committee may, in its discretion, determine any of the following:

- (i) some or all of the Participant's unvested Awards will be tested at the end of the applicable Performance Period, and Vest to the extent the Conditions have been satisfied; or
- (ii) modify or waive any applicable Conditions or Performance Period in respect of the Awards; and,

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in making such determination, the Committee may have regard to the proportion of the Performance Period that has passed and the degree to which any Conditions have been satisfied at the time of cessation of employment.

The Committee will give written notice to each Participant of the number of Shares which are the subject of the Award that will Vest pursuant to this Rule 8.2.

- 8.3. For the purposes of this Scheme, (i) a Participant shall be deemed to have ceased to be in the employment of the Group on the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date; and (ii) a Participant shall be deemed to have ceased to be a Director of the Company on the date the notice of resignation of or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.
- 8.4. Subject to applicable laws, at the discretion of the Committee, a Participant who is granted an approved leave of absence and who exercises his right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the Awards Vest, will not be treated for those purposes as ceasing employment.

9. ALTERATION OF CAPITAL

- 9.1. If a variation in the number of issued Shares of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, including any dividend or other distribution whether in the form of cash, Shares, other securities, or other property, or a reduction, sub-division or consolidation of the existing Shares, or a reverse stock split, reorganisation, merger, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares) should take place, then:

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

may be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the Vesting date of the Award but the Record Date relating to such variation precedes such date of Vesting 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.

- 9.2. Notwithstanding the provisions of Rule 9.1 above, no such adjustment shall be made:
- (a) if as a result, the Participant receives a benefit that a Shareholder does not receive;
 - (b) if as a result, such adjustment will result in the number of Shares under an Award, together with new Shares to be issued or issuable under any other share option or

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share scheme of the Company then in force, to exceed fifteen per cent. (15%) of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) for the time being; or

- (c) unless the Committee after considering all relevant circumstances considers it equitable to do so.

9.3. Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment under the provisions of this Rule 9:

- (a) any issue of securities as consideration for an acquisition of any assets or of Shares by the Company, or a private placement of securities of the Company;
- (b) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to subscribe for new Shares in the capital of the Company;
- (c) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company;
- (d) any issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (e) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on SGX-ST pursuant to a share purchase mandate (or any renewal thereof) given by the shareholders of the Company in a general meeting and for the time being in force.

9.4. The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares issued by virtue of any adjustment to the number of Shares pursuant to this Rule 9.

9.5. Upon any adjustment required to be made, the Company shall notify each Participant (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 class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

10. TESTING OF CONDITIONS

10.1. Awards will only Vest once the Committee, in its discretion, determines the relevant Condition(s) have been satisfied.

10.2. Subject to Rule 10.1, following the end of the Performance Period, the Committee will:

- (a) test the applicable Condition(s) and determine the extent to which the Condition(s) have been satisfied;

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- (b) determine the Vesting schedule (if any), pursuant to which an Award shall Vest at the end of each Performance Period, provided the Condition(s) have been achieved;
 - (c) determine the time when the Awards Vest; and
 - (d) within a reasonable timeframe, notify Participants of the extent to which the applicable Condition(s) have been satisfied and Awards will Vest or have Vested.
- 10.3. Notwithstanding Rule 10.1, the Committee may, in its discretion, determine that an Award Vests prior to the end of the Performance Period.
- 10.4. Any Award which do not Vest following the testing in Rule 10.2 will lapse.

11. SETTLEMENT OF AWARDS

- 11.1. Subject to any applicable trading restrictions imposed by law, the Company must allocate or procure the transfer of the relevant number of Shares for each Vested Award to, or for the benefit of, the Participant who holds such Vested Awards.
- 11.2. Subject to such consents 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 subject to the compliance with the Rules of the Scheme and the Constitution of the Company, the Company shall do any one or more of the following in relation to the Vesting of Awards as it deems fit in its sole and absolute discretion:
- (a) allot New Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit and the Company shall, as soon as practicable after such allotment, apply to the SGX-ST or any other relevant stock exchange for permission to deal in and for quotation of such Shares, if necessary;
 - (b) purchase and transfer existing Shares to the Participant (whether such existing Shares are held as treasury shares or otherwise); and/or
 - (c) pay the aggregate Market Price of the Shares in cash in lieu of the allotment or transfer of Shares.

Any Awards granted to Non-Executive Directors shall be deemed as directors' fees and Vesting thereof shall be conditional upon Shareholders' approval. The Company shall, in seeking Shareholders' approval for the Vesting of any Awards to Non-Executive Directors, indicate in the notice of the general meeting to be convened: (i) the number of Shares that may be issued or transferred upon the Vesting of any Awards granted to Non-Executive Directors; and (ii) the value of such Shares based on average of the last dealt prices for a Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant.

- 11.3. (a) All Shares allotted and issued upon the Vesting of an Award shall be subject to all provisions of the Companies Act and the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares,

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including those rights which arise from a liquidation 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 dividend, right, allotment or other distribution, the Record Date for which falls on or before the relevant Vesting date of the Award.

- (b) If the Company issue Shares to the Participant, the Company shall, if necessary, as soon as practicable, apply to the SGX-ST for permission to deal in and for quotation of the Shares which may be issued upon the Vesting of the Award and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 9.
 - (c) Shares which are the subject of an Award by a Participant shall be issued, as the Participant may elect, in his name or, if the Shares are listed and quoted on the SGX-ST, in the name of CDP to the credit of the Securities Account of the Participant maintained with CDP or the Participant's securities sub-account with a CDP depository agent.
- 11.4. Subject to any applicable restriction imposed by the Committee or imposed under these Rules, no restrictions shall apply to any Shares issued and allotted under the Scheme.
- 11.5. If payment in cash for the aggregate Market Price of the Shares is to be made in lieu of the allotment or transfer of Shares, the payment shall be made within ten (10) Market Days after the Vesting date of the Award.
- 11.6. The "aggregate Market Price" of the Shares to be paid to a Participant in lieu of the allotment or transfer of Shares, shall be calculated in accordance with the following formula:-

$$A = B \times C$$

Where:

"A" is the aggregate Market Price of the Shares to be paid to the Participant in lieu of all or some of the Shares to be issued or transferred upon the Vesting of an Award;

"B" is the Market Price of each Share; and

"C" is such number of Shares (as determined by the Committee in its sole and absolute discretion) to be Vested to the Participant under an Award in accordance with these Rules.

12. MODIFICATIONS TO THE SCHEME

- 12.1. Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Award granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Awards in full, would thereby become entitled to Shares representing not less than three-quarters of the total

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voting rights (or such other requirements as may be prescribed by the SGX-ST) of all the Shares which would fall to be Vested upon release of all outstanding Awards upon the Performance Target(s) for all outstanding Awards being satisfied in full;

- (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of the Shareholders in a general meeting, save that Shareholders who are also Participants shall be required to abstain from voting in respect of any resolution relating to such modification or alteration; 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 and listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Award shall be final and conclusive.

- 12.2. Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST or such other regulatory authorities as may be necessary) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 12.3. Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

13. DURATION OF THE SCHEME

- 13.1. The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the Adoption Date. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- 13.2. The 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 Scheme is so terminated, no further Awards shall be offered by the Company hereunder.
- 13.3. The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Awards which have been granted and accepted as provided in Rule 7, whether such Awards have been exercised (whether fully or partially) or not.

14. TAKE-OVER AND WINDING UP OF THE COMPANY

- 14.1. In the event of a take-over or exit offer being made for the Company, notwithstanding Rule 7 but subject to Rule 14.5, Participants shall be entitled to the Shares under the Awards if the

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applicable Conditions have been satisfied (or estimated to have been satisfied) for the corresponding Performance Period. For the avoidance of doubt, the Vesting of such Awards will not be affected by the take-over offer.

- 14.2. If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, notwithstanding the provisions under this Rule 14 but subject to Rule 14.5, to any Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later, if the applicable Conditions have been satisfied (or estimated to have been satisfied) for the corresponding Performance Period by the Participant.
- 14.3. If an order is made or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that Shares may have not been released to the Participants, shall be deemed or become null and void.
- 14.4. In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company (other than for amalgamation or reconstruction), the Company shall on the same date or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 14.4) and thereupon, the Shares under the Awards shall be released to the Participant for so long as, in the absolute determination by the Committee, the applicable Conditions have been satisfied (or estimated to have been satisfied) by the Participant for the corresponding Performance Period prior to the date on which the members' voluntary winding-up is deemed to have commenced or is effective in law.
- 14.5. If in connection with the making of a general offer referred to in Rule 14.1 above or the scheme referred to in Rule 14.2 above or the winding up referred to in Rule 14.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or otherwise, no release of Shares under the Award shall be made in such circumstances.

15. ADMINISTRATION OF THE SCHEME

- 15.1. The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as may be conferred on it by the Board provided that a member of the Committee who is a Participant shall not be involved in the deliberations or decisions of the Committee in respect of the Awards to be granted to him.
- 15.2. The Committee shall have the power, from time to time, to make or vary such rules and regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 15.3. Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors who are to act as experts and not as arbitrators), shall

ANNEX B – RULES OF THE 2020 ESAS

be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).

- 15.4. A Director shall not be involved in the Committee's deliberation in respect of Awards or Shares granted to him.
- 15.5. The exercise of any powers under these Rules by the Committee is subject to any restrictions or procedural requirements relating to the amendment of the rules of an employee incentive scheme or of issued options imposed by Singapore law or by the Listing Manual and applicable to the Scheme or Awards, as the case may be, unless those restrictions, conditions or requirements are relaxed or waived by the SGX-ST or any of its delegates either generally or in a particular case or class of cases and either expressly or by implication.

16. NOTICES

- 16.1. Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other address as may be notified by the Company to him in writing.
- 16.2. Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person or persons as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him by post or electronic communication to the relevant address according to the records of the Company.
- 16.3. Any notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service by post, it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper.
- 16.4. Any notice sent by electronic communication shall be deemed to have been served on the day on which electronic communication is transmitted by the email server or facility operated by the Company, its service provider or agent, to the relevant address of such Participant (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent).

17. TERMS OF EMPLOYMENT UNAFFECTED

- 17.1. The Scheme or any Awards shall not form part of any contract of employment between the Company or 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 Scheme or any right which he may have to participate in it or any Award which he may hold and the Scheme or any Award shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

ANNEX B – RULES OF THE 2020 ESAS

- 17.2. The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Awards 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.

18. TAXES

All taxes (including income tax, if applicable) arising from the exercise of any Award granted to any Participant under the Scheme shall be borne by that Participant.

19. COSTS AND EXPENSES OF THE SCHEME

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

20. CONDITION OF AWARD

Every Award shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Award if such issue 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 Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

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 Scheme, including but not limited to the Company's delay in allotting and issuing the Shares or in applying for or procuring the listing of the Shares on the SGX-ST.

22. DISCLOSURES IN ANNUAL REPORT

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

- (a) The names of the members of the Committee;

ANNEX B – RULES OF THE 2020 ESAS

- (b) The information required in the table below for the following Participants:
- (i) Participants who are Directors of the Company; and
 - (ii) Participants (other than those in (i) above) who receive five per cent. (5%) or more of the total number of Awards available under the Scheme.

Name of Participant	Awards granted during the financial year under review (including terms)	Aggregate Awards granted since commencement of the Scheme to end of the financial year under review	Aggregate Awards Vested since commencement of the Scheme to the end of the financial year under review	Aggregate Awards which have not been released as at the end of the financial year under review
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- (c) Any other information required to be disclosed pursuant to the Listing Manual and all other applicable laws and requirements.

Where any of the above requirements are not applicable, an appropriate negative statement should be included therein.

23. ABSTENTION FROM VOTING

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

24. DISPUTES

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

25. GOVERNING LAW

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

FIRST RESOURCES EMPLOYEE SHARE AWARD SCHEME 2020

LETTER OF AWARD

Serial No. _____

Private and Confidential

[Date]

To: [Name]
[Designation]
[Address]

Dear Sir/Madam

GRANT OF AWARD SHARES UNDER THE FIRST RESOURCES EMPLOYEE SHARE AWARD SCHEME 2020 FOR [FINANCIAL YEAR]

1. As part of your overall compensation package, the First Resources Employee Share Award Scheme 2020 (the “**ESAS**”) gives recognition to outstanding employees of the Company and the Group who have contributed to the long-term growth and profitability of the Company and the Group.
2. We are pleased to inform you that you are eligible to participate in the ESAS, and will be granted an award of shares in the Company (“**Award**”), the particulars of which are as set out below:
 - 2.1. Award date: [●]
 - 2.2. Number of shares which are the subject of the Award: [●] (“**Award Shares**”)
 - 2.3. Performance period which the Award relates to: [●] to [●]
 - 2.4. Performance condition which the Award relates to: [●]
 - 2.5. Release of Award Shares (“**Released Award**”):

Vesting Periods	Release Schedule (As a percentage of the number of Award Shares to be released)
FY [Year A]	[●]%
FY [Year B]	[●]%
FY [Year C]	[●]%

ANNEX B – RULES OF THE 2020 ESAS

3. You are not required to pay for the grant of the Award Shares.
4. The Award is governed by the terms and conditions of the ESAS. In particular, pursuant to Rule 8 of the ESAS, should your service with the Company end prior to the release of the Award Shares, all unreleased Award Shares shall immediately lapse.
5. The Released Award is determined by both the Group's performance and your individual performance during the performance period and it may differ from the Award Shares.
6. Upon vesting of the Released Award, they will be credited to your CDP securities account, as soon as practicable.
7. Please kindly note that the grant is part of your total compensation and should be kept strictly confidential. I look forward to the continued success of the Company and the Group with your support.

Yours faithfully

THE COMMITTEE

[Name]

FIRST RESOURCES EMPLOYEE SHARE AWARD SCHEME 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

FIRST RESOURCES LIMITED
Company Registration No. 200415931M
(Incorporated in the Republic of Singapore)

*Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular dated 4 May 2020 issued by First Resources Limited to its shareholders (the "**Circular**").*

This Notice of EGM has been made available on SGXNet, the Company's website and via an advertisement on Business Times dated 4 May 2020. A printed copy of this Notice will NOT be despatched to members.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**" or the "**Meeting**") of First Resources Limited (the "**Company**") will be held by way of electronic means on Monday, 1 June 2020 at 3.00 p.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM of the Company to be convened at 2.30 p.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020

THAT:

- (a) the employee share option scheme to be known as the "First Resources Employee Share Option Scheme 2020" ("**ESOS**"), particulars of which are set out in the Circular dated 4 May 2020 (the "**Circular**"), under which options ("**Options**") may be granted to selected Employees and Directors of the Company and/or its subsidiaries who have attained the age of 21 years, to subscribe for ordinary shares (the "**Shares**") in the capital of the Company, be and is hereby approved; and
- (b) the Board of Directors of the Company be and is hereby authorised:-
 - (i) to establish and administer the ESOS;
 - (ii) to modify and/or amend the ESOS from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the ESOS and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the ESOS;
 - (iii) to offer and grant Options in accordance with the provisions of the ESOS and pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore to allot and issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the exercise of Options provided that the aggregate number of New Shares available pursuant to the ESOS, and any other share-based schemes of the Company, shall not exceed fifteen per cent. (15%) of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time; and
 - (iv) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2: THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT OF UP TO 20% TO MARKET PRICE UNDER THE PROPOSED FIRST RESOURCES EMPLOYEE SHARE OPTION SCHEME 2020

THAT:

subject to and contingent upon the passing of Ordinary Resolution 1 being approved, approval be and is given for:

- (a) the maximum discount that may be given under the Scheme to be up to twenty per cent. (20%) of the Market Price (as defined hereinbelow) for the Shares at the time of the grant of the Option; and
- (b) the Directors of the Company be and are hereby authorised to offer and grant Options in accordance with the rules of the Scheme with exercise prices set at a discount to the market price (being a price equal to the average of the last dealt prices for the Shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") over the five (5) consecutive market days on which the Shares are traded on the SGX-ST immediately preceding the date of grant of that Option, as determined by the Committee authorised and appointed to administer the Scheme by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices) ("**Market Price**").

ORDINARY RESOLUTION 3: THE PROPOSED ADOPTION OF THE FIRST RESOURCES EMPLOYEE SHARE AWARD SCHEME 2020

THAT:

- (a) the employee share award scheme to be known as the "First Resources Employee Share Award Scheme 2020" ("**ESAS**"), particulars of which are set out in the Circular, under which awards ("**Awards**") of Shares may be granted to selected Employees and Directors of the Company and/or its subsidiaries who have attained the age of 21 years, be and is hereby approved; and
- (b) the Board of Directors of the Company be and is hereby authorised:–
 - (i) to establish and administer the ESAS;
 - (ii) to modify and/or amend the ESAS from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the ESAS and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the ESAS;
 - (iii) to grant Awards in accordance with the provisions of the ESAS and pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore to allot and issue, transfer and/or deliver from time to time such number of fully paid-up Shares, or pay the aggregate Market Price of the Shares in cash in lieu of the allotment or transfer of Shares, as may be required;
 - (iv) pursuant to the vesting of Awards provided that the aggregate number of New Shares available pursuant to the ESAS, and any other share-based schemes of the Company, shall not exceed fifteen per cent. (15%) of the total issued Shares of the Company (excluding treasury shares and subsidiary holdings) from time to time; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (v) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.

By Order of the Board

Tan Lay Hong
Company Secretary

Singapore, 4 May 2020

Notes:

1. Pre-Registration

The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Company's announcement dated 4 May 2020 which has been uploaded together with this Notice of EGM on SGXNet and the Company's website on the same day. The announcement and this Notice of EGM may also be accessed at the URL <http://www.first-resources.com/generalmeetings>.

A member will be able to participate at the EGM by watching the EGM proceedings via a "live" audio-visual webcast via mobile phones, tablets or computers or listening to the proceedings through a "live" audio-only feed via telephone. In order to do so, a member must pre-register by **2.30 p.m. on 29 May 2020**, at the URL <http://first-resources.investorcentral.org> for the Company to authenticate his/her/its status as members. Authenticated members will receive email instructions on how to access the "live" audio-visual webcast and "live" audio-only feed of the proceedings of the EGM by **12.00 p.m. (noon) on 31 May 2020**.

Members who do not receive an email by **12.00 p.m. (noon) on 31 May 2020**, but have registered by the **29 May 2020** deadline, may contact the Company at agm@first-resources.com.

Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the "live" audio-visual webcast or listen to the "live" audio-only feed of the EGM must approach their respective depository agents to pre-register by **5.00 p.m. on 20 May 2020** in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company.

2. Submission of Questions

A member who pre-registers to watch the "live" audio-visual webcast or listen to the "live" audio-only feed may also submit questions related to the resolutions to be tabled for approval at the EGM. To do so, all questions must be submitted by **2.30 p.m. on 20 May 2020**:

- (a) via the pre-registration website at the URL <http://first-resources.investorcentral.org>;
- (b) in hard copy by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
- (c) by email to agm@first-resources.com.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Shareholders submitting questions by post or email should download, complete and sign the prescribed question form at the URL <http://www.first-resources.com/generalmeetings/2020questionform>, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM via SGXNet and on our corporate website or during the EGM through the “live” audio-visual webcast and “live” audio-only feed.

3. **Submission of Proxy Form**

A member will not be able to vote through the “live” audio-visual webcast or “live” audio-only feed and voting is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. The proxy form for the EGM can be accessed at the Company’s website at the URL <http://www.first-resources.com/generalmeetings/2020egmdocuments>, and is made available with this Notice of EGM on SGXNet on the same day.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by **5.00 p.m. on 20 May 2020** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by **3.00 p.m. on 29 May 2020**.

In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

The Chairman of the Meeting, as a proxy, need not be a member of the Company.

The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

- (a) if in hard copy by post, be lodged at Company’s Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
- (b) if by email, be received by agm@first-resources.com

in either case, no later than **3.00 p.m. on 29 May 2020**.

A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy).

In the case of a member whose Shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

4. The following documents are made available to members on 4 May 2020 together with this Notice of EGM via SGXNet and the Company's website at the URL <http://www.first-resources.com/generalmeetings/2020egmdocuments>:
 - (a) Circular in respect of (i) the Proposed Adoption of the First Resources Employee Share Option Scheme 2020, (ii) the Proposed Grant of Authority to Offer and Grant Options at a Discount of up to 20% to Market Price under the Proposed First Resources Employee Share Option Scheme 2020, and (iii) the Proposed Adoption of the First Resources Employee Share Award Scheme 2020; and
 - (b) Proxy form in relation to the EGM.

Personal data privacy

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

FIRST RESOURCES LIMITED

Company Registration No. 200415931M
(Incorporated in the Republic of Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. The Extraordinary General Meeting ("EGM" or the "Meeting") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Company's announcement dated 4 May 2020 which has been uploaded together with this proxy form on SGXNet and the Company's website on the same day. The announcement and this proxy form may also be accessed at the URL <http://www.first-resources.com/generalmeetings>.
2. A member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. Members who hold shares through the relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 (including CPF investors, SRS investors and holders under depository agents) and who wish to appoint the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including CPF agent banks, SRS approved banks or depository agents) to submit their votes by 5.00 p.m. on 20 May 2020.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 4 May 2020.
5. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the EGM.**

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URL <http://www.first-resources.com/generalmeetings/2020egmdocuments>. A printed copy of this proxy form will NOT be despatched to members.

I/We _____ NRIC/Passport/Company Registration No. _____

of _____ (Address)

being a member/members of First Resources Limited (the "Company") hereby appoint the **Chairman of the Meeting**, as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM" or the "Meeting") of the Company to be held by way of electronic means via "live" audio-visual webcast or "live" audio-only feed on **Monday, 1 June 2020 at 3.00 p.m.** (Singapore time) (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be convened at 2.30 p.m. on the same day) and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the EGM, please indicate with a "✓" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the EGM, please indicate with a "✓" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. **In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.**)

No.	Resolutions:	For	Against	Abstain
1	Ordinary Resolution 1: Proposed Adoption of the First Resources Employee Share Option Scheme 2020			
2	Ordinary Resolution 2: Proposed Grant of Authority to Offer and Grant Options at a Discount of up to 20% to Market Price under the Proposed First Resources Employee Share Option Scheme 2020			
3	Ordinary Resolution 3: Proposed Adoption of the First Resources Employee Share Award Scheme 2020			

Dated this _____ day of _____ 2020

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

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

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the depository register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the depository register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the depository register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. **A member will not be able to vote through the “live” audio-visual webcast or “live” audio-only feed and voting is only through submission of proxy form. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.** In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. The Chairman of the Meeting, as a proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if in hard copy by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if by email, be received by agm@first-resources.comin either case, no later than **3.00 p.m. on 29 May 2020**.

A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

2nd fold

Postage will be paid by addressee.
For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 09520



FIRST RESOURCES LIMITED
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

3rd fold

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
Where an instrument appointing the Chairman of the Meeting as proxy is submitted by email, it must be authorised in the following manner:
 - (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
 - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.Where an instrument appointing the Chairman of the Meeting as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the Meeting as proxy, failing which the instrument may be treated as invalid.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 4 May 2020.