

CIRCULAR DATED 27 MARCH 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This circular ("**Circular**") is sent to Shareholders (as defined below) of Excelpoint Technology Ltd. ("**Company**"), together with the Company's annual report for the financial year ended 31 December 2017 ("**Annual Report**").

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 the Company, please forward the Annual Report and this Circular immediately to the purchaser or 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 purpose of this Circular is to provide the shareholders of the Company ("**Shareholders**") with the relevant information pertaining to, and to seek Shareholders' approval for the proposed renewal of the Share Buyback Mandate (as defined in the Circular), the proposed renewal of the Excelpoint Performance Share Scheme and the proposed participation of Mr. Albert Phuay Yong Hen in the Excelpoint Performance Share Scheme at the annual general meeting to be held on **11 April 2018** at **3.00 p.m.**, at the **Grand Mercure Roxy Singapore, 50 East Coast Road, Roxy Square, Meyer & Frankel Room, Level 3, Singapore 428769** ("**AGM**").

The Notice of the AGM and the accompanying Proxy Form are enclosed with the Annual Report.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



EXCELPOINT TECHNOLOGY LTD.

(Incorporated in the Republic of Singapore on 18 May 2001)
(Company Registration No. 200103280C)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**
- (2) THE PROPOSED RENEWAL OF THE EXCELPOINT PERFORMANCE SHARE SCHEME**
- (3) THE PROPOSED PARTICIPATION OF MR. ALBERT PHUAY YONG HEN IN THE EXCELPOINT PERFORMANCE SHARE SCHEME**

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DEFINITIONS

For the purpose of this Circular, the following definitions have, where appropriate, been used:-

“AGM”	:	The annual general meeting of the Company to be held on 11 April 2018
“Annual Report”	:	The annual report of the Company for the financial year ended 31 December 2017
“Approval Date”	:	Has the meaning ascribed to it in Section 2.3.1 of this Circular
“Associate”	:	Shall have the meaning prescribed in the Listing Manual
“Auditors”	:	The auditors of the Company for the time being
“Awards”	:	A contingent award of Shares granted under the Scheme and “ Award ” shall be construed accordingly
“Board”	:	The board of directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This Circular to Shareholders dated 27 March 2018
“Committee”	:	A committee comprising of Directors duly authorised, appointed and nominated by the Board to administer the Scheme
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Company”	:	Excelpoint Technology Ltd.
“Concert Parties Group”	:	Has the meaning ascribed to it in Section 2.9.3 of this Circular
“Constitution”	:	As defined under Section 4 of the Companies Act
“Controlling Shareholder”	:	A person who:- (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company, unless determined by the SGX-ST that such person is not a controlling shareholder; (b) in fact exercises control over the Company; or (c) such other meaning as the SGX-ST may ascribe to this term from time to time
“Directors”	:	Directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company held on 25 June 2008
“EPS”	:	Earnings per Share

“Excelpoint SOS”	:	The Excelpoint Share Option Scheme as approved by Shareholders on 17 April 2014, as amended, modified or supplemented from time to time
“Executive Directors”	:	Executive Directors of the Company and “ Executive Director ” shall be construed accordingly
“Group”	:	The Company and its Subsidiaries
“Group Employees”	:	Any employee of the Group (including any Group Executive Directors who meet the relevant age and rank criteria and whose services had been seconded to a company within the Group) selected by the Committee to participate in the Scheme, in accordance with the provisions thereof and “ Group Employee ” shall be construed accordingly
“Group Executive Directors”	:	Directors of the Group who perform an executive function in the Group and “ Group Executive Director ” shall be construed accordingly
“Latest Practicable Date”	:	14 March 2018, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended, varied or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
“Maximum Price”	:	Has the meaning ascribed to it in Section 2.3.4 of this Circular
“Non-Executive Director”	:	A person who is:- (a) an Independent Director of the Company; or (b) a Director of the Group other than a Group Executive Director
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
“Option”	:	An option to subscribe for Shares, pursuant to the Excelpoint SOS
“Participants”	:	Persons who have been selected by the Committee to participate in the Scheme in accordance with these provisions and “ Participant ” shall be construed accordingly
“Performance Targets”	:	The performance targets prescribed by the Committee to be fulfilled by a Participant for any particular period under the Scheme and “ Performance Target ” shall be construed accordingly
“Relevant Period”	:	The period commencing from the date the last annual general meeting was held or was required by law to be held before the resolution relating to the Share Buyback Mandate is passed, and expiring on the date the next annual general meeting is or required by law to be held, whichever is the earlier, after the said resolution is passed

“Required Price”	:	In relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 which is the highest of the highest price paid by the offerors and/or person(s) acting in concert with them for the Company’s Shares (i) during the offer period and within the preceding six months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six months of the offer or during the offer period; or at such price as determined by the SIC under Rule 14.3 of the Take-over Code
“Rules”	:	The rules of the Scheme, as amended, modified or supplemented from time to time
“Scheme”	:	The performance share scheme known as the “Excelpoint Performance Share Scheme”, adopted by the Company at the EGM, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback”	:	The buyback of Shares by the Company pursuant to the terms of the Share Buyback Mandate and “ Share Buybacks ” shall be construed accordingly
“Share Buyback Mandate”	:	The general mandate granted by the Shareholders on 25 June 2008 to authorise the Directors to purchase Shares in accordance with the terms set forth in the Companies Act and the Listing Manual, the renewal of which is subject to the approval of the Shareholders at the AGM
“Shareholders”	:	Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term “ Shareholders ” shall in relation to such Shares mean the Depositors whose securities accounts with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company and “ Share ” shall be construed accordingly
“SIC”	:	The Securities Industry Council of Singapore
“Subsidiaries”	:	The subsidiaries of a company (as defined in Section 5 of the Companies Act) and “ Subsidiary ” shall be construed accordingly
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers
Currencies and others		
“S\$”	:	Singapore dollars
“US\$”	:	United States dollars
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**” shall have the meaning ascribed to them respectively by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time. The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act.

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

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

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time, unless otherwise provided.

Any reference to a time of a day in this Circular is a reference to Singapore time.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

EXCELPOINT TECHNOLOGY LTD.

(Incorporated in the Republic of Singapore on 18 May 2001)
(Company Registration No. 200103280C)

LETTER TO SHAREHOLDERS

Directors:

Albert Phuai Yong Hen (Chairman and Group Chief Executive Officer)
Alan Kwan Wai Loen (Executive Director)
Herbert Kwok Fei Lung (Executive Director)
Tonny Phuai Yong Choon (Executive Director)
Kwah Thiam Hock (Lead Independent Director)
Sunny Wong Fook Choy (Independent Director)
Professor Low Teck Seng (Independent Director)
Joanne Khoo Su Nee (Independent Director)

Registered Office:

15 Changi Business Park
Central 1
#06-00
Singapore 486057

27 March 2018

To: The Shareholders of Excelpoint Technology Ltd.

- (1) **THE RENEWAL OF THE SHARE BUYBACK MANDATE**
- (2) **THE PROPOSED RENEWAL OF THE EXCELPOINT PERFORMANCE SHARE SCHEME**
- (3) **THE PROPOSED PARTICIPATION OF MR. ALBERT PHUAY YONG HEN IN THE EXCELPOINT PERFORMANCE SHARE SCHEME**

Dear Shareholder,

1. INTRODUCTION

The Directors wish to refer Shareholders to: (a) the Notice of AGM convening the AGM, (b) Ordinary Resolution 12 in relation to the proposed renewal of the Share Buyback Mandate of the Company, (c) Ordinary Resolution 10 in relation to the proposed renewal of the Scheme, and (d) Ordinary Resolution 11 in relation to the proposed participation of Mr. Albert Phuai Yong Hen in the Scheme.

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval at the AGM to be held on 11 April 2018 for the matters set out in this Circular.

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

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Introduction

The Share Buyback Mandate was first approved by Shareholders at the EGM and was renewed at previous annual general meetings of the Company held on 8 April 2009, 7 April 2010, 6 April 2011, 3 April 2012, 3 April 2013, 17 April 2014, 8 April 2015, 6 April 2016, and 5 April 2017. The Share Buyback Mandate will expire on the date of the forthcoming AGM to be held on 11 April 2018. Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the forthcoming AGM to be held on 11 April 2018.

The Company has not made any Share Buybacks in the 12 months preceding the date of this Circular.

2.2 Rationale

The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A Share Buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

A Share Buyback provides the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It also provides the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or NTA per Share.

The Directors further believe that Share Buybacks by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

If and when circumstances permit, the Directors will decide whether to effect the Share Buybacks via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out Share Buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position and financial condition of the Group, taking into account the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

2.3 Terms of the Share Buyback Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Buyback Mandate are summarised below:-

2.3.1 Maximum number of Shares

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

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company ascertained as at the date of the forthcoming AGM at which the renewal of the Share Buyback Mandate is approved ("**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time. For the purpose of calculating the percentage of the issued Shares above, any of the Shares which are held as treasury shares and subsidiary holdings will be disregarded.

2.3.2 Duration of authority

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:-

- (a) the date on which the next annual general meeting is held or required by law to be held;
- (b) the date on which the Share Buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.

2.3.3 Manner of the Share Buyback

Purchases or acquisitions of Shares by the Company may be made by way of, *inter alia*:-

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose, in accordance with Section 76E of the Companies Act; and/or
- (b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Companies Act and the Constitution of the Company, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy all of the following conditions:-

- (a) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:-
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:-

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share Buyback;
- (d) the consequences, if any, of Share Buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share Buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

- (g) whether the Shares purchased by the Company pursuant to any Share Buybacks will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:-

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined below),

(“**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:-

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five consecutive Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer for an Off-Market Purchase pursuant to an equal access scheme, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five-day period.

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

2.4 **Status of purchased shares under the Share Buyback Mandate**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

2.5 **Treasury shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:-

2.5.1 Maximum holdings

The total number of Shares held as treasury shares and subsidiary holdings cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 Voting and other rights

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

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision of any treasury share into a greater number of treasury shares, or a consolidation of treasury shares into a smaller number of treasury shares is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):-

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of Shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Sources of funds for Share Buyback

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company.

2.7 Financial effects of the Share Buyback

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, how the Shares are purchased or acquired, the aggregate number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2017, are based on the following principal assumptions:-

- (a) the acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 January 2017 for the purpose of computing the financial effects on the EPS of the Company and the Group;
- (b) the acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 31 December 2017 for the purpose of computing the financial effects on the shareholders' equity, NTA per Share and gearing of the Company and the Group; and
- (c) transaction costs incurred for the acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

2.7.1 Purchase or acquisition out of capital and/or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Any Share Buyback will:-

- (a) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled. The total amount of the purchase price shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the Shares which is paid out of the Company's capital or profits.

2.7.2 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the Company does not hold any treasury shares.

For illustrative purposes only, based on 118,502,940 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming that no further Shares are issued or repurchased and held as treasury shares or cancelled, on or prior to the AGM, not more than 11,850,294 Shares (representing 10% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

2.7.3 Illustrative financial effects

For illustrative purposes only, and on the basis of the assumptions set out below, the financial effects of the:-

- (a) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and held as treasury shares; and
- (b) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and cancelled,

based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2017 are set out in the sections below.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of the Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Circular.

2.7.3.1 Purchases made entirely out of capital and held as treasury shares

Market Purchase

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S\$0.7035, which is 105% of the Average Closing Price of the Shares over the five trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 11,850,294 Shares is S\$8,336,682 (equivalent to US\$6,334,865⁽¹⁾). On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Buyback Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2017 is as follows:-

As at 31 December 2017	Company		Group	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (US\$'000)	41,316	34,981	73,835	67,500
NTA (US\$'000)	41,316	34,981	73,835	67,500
Current Assets (US\$'000)	30,791	30,073	384,389	378,054
Current Liabilities (US\$'000)	1,707	7,324	316,001	316,001
Working Capital (US\$'000)	29,084	22,749	68,388	62,053
Total Borrowings (US\$'000)	–	5,617	142,720	142,720
Cash & Cash Equivalents (US\$'000)	718	–	9,979	3,644
Net Profit (US\$'000)	3,688	3,688	8,098	8,098
Number of Shares, excluding treasury shares	118,502,940	106,652,646	118,502,940	106,652,646
Financial Ratios				
NTA per Share (US\$ cents)	34.86	32.80	62.31	63.29
Basic EPS ⁽²⁾ (US\$ cents)	3.11	3.46	6.83	7.59
Gearing Ratio ⁽³⁾	N.M. ⁽⁴⁾	0.16	1.80	2.06
Current Ratio (times)	18.04	4.11	1.22	1.20

Note(s):

- (1) Based on five days' average exchange rate preceding the Latest Practicable Date of US\$1 = S\$1.3160.
- (2) EPS has been computed based on FY2017 net profit attributable to Shareholders divided by the number of Shares in issue.
- (3) The gearing ratio is calculated based on net debt over equity. Net debt is derived from the total of interest-bearing loans and borrowings less cash and cash equivalents.
- (4) Not meaningful.

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.8040, which is 120% of the Average Closing Price of the Shares over the five trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 11,850,294 Shares is S\$9,527,636 (equivalent to US\$7,239,845⁽¹⁾). On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Buyback Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2017 is as follows:-

As at 31 December 2017	Company		Group	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (US\$'000)	41,316	34,076	73,835	66,595
NTA (US\$'000)	41,316	34,076	73,835	66,595
Current Assets (US\$'000)	30,791	30,073	384,389	377,149
Current Liabilities (US\$'000)	1,707	8,229	316,001	316,001
Working Capital (US\$'000)	29,084	21,844	68,388	61,148
Total Borrowings (US\$'000)	–	6,522	142,720	142,720
Cash & Cash Equivalents (US\$'000)	718	–	9,979	2,739
Net Profit (US\$'000)	3,688	3,688	8,098	8,098
Number of Shares, excluding treasury shares	118,502,940	106,652,646	118,502,940	106,652,646

Financial Ratios

NTA per Share (US\$ cents)	34.86	31.95	62.31	62.44
Basic EPS ⁽²⁾ (US\$ cents)	3.11	3.46	6.83	7.59
Gearing Ratio ⁽³⁾	N.M. ⁽⁴⁾	0.19	1.80	2.10
Current Ratio (times)	18.04	3.65	1.22	1.19

Note(s):

- (1) Based on five days' average exchange rate preceding to the Latest Practicable Date of US\$1 = S\$1.3160.
- (2) EPS has been computed based on FY2017 net profit attributable to Shareholders divided by the number of Shares in issue.
- (3) The gearing ratio is calculated based on net debt over equity. Net debt is derived from the total of interest-bearing loans and borrowings less cash and cash equivalents.
- (4) Not meaningful.

2.7.3.2 Purchases made entirely out of capital and cancelled

Market Purchase

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S\$0.7035, which is 105% of the Average Closing Price of the Shares over the five trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 11,850,294 Shares is S\$8,336,682 (equivalent to US\$6,334,865⁽¹⁾). On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Buyback Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2017 is as follows:-

As at 31 December 2017	Company		Group	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (US\$'000)	41,316	34,981	73,835	67,500
NTA (US\$'000)	41,316	34,981	73,835	67,500
Current Assets (US\$'000)	30,791	30,073	384,389	378,054
Current Liabilities (US\$'000)	1,707	7,324	316,001	316,001
Working Capital (US\$'000)	29,084	22,749	68,388	62,053
Total Borrowings (US\$'000)	–	5,617	142,720	142,720
Cash & Cash Equivalents (US\$'000)	718	–	9,979	3,644
Net Profit (US\$'000)	3,688	3,688	8,098	8,098
Number of Shares, excluding treasury shares	118,502,940	106,652,646	118,502,940	106,652,646
Financial Ratios				
NTA per Share (US\$ cents)	34.86	32.80	62.31	63.29
Basic EPS ⁽²⁾ (US\$ cents)	3.11	3.46	6.83	7.59
Gearing Ratio ⁽³⁾	N.M. ⁽⁴⁾	0.16	1.80	2.06
Current Ratio (times)	18.04	4.11	1.22	1.20

Note(s):

- (1) Based on five days' average exchange rate preceding to the Latest Practicable Date of US\$1 = S\$1.3160.
- (2) EPS has been computed based on FY2017 net profit attributable to Shareholders divided by the number of Shares in issue.
- (3) The gearing ratio is calculated based on net debt over equity. Net debt is derived from the total of interest-bearing loans and borrowings less cash and cash equivalents.
- (4) Not meaningful.

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.8040, which is 120% of the Average Closing Price of the Shares over the five trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 11,850,294 Shares is S\$9,527,636 (equivalent to US\$7,239,845⁽¹⁾). On this assumption, the impact of the Share Buyback by the Company undertaken in accordance with the proposed Share Buyback Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2017 is as follows:-

As at 31 December 2017	Company		Group	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' Equity (US\$'000)	41,316	34,076	73,835	66,595
NTA (US\$'000)	41,316	34,076	73,835	66,595
Current Assets (US\$'000)	30,791	30,073	384,389	377,149
Current Liabilities (US\$'000)	1,707	8,229	316,001	316,001
Working Capital (US\$'000)	29,084	21,844	68,388	61,148
Total Borrowings (US\$'000)	–	6,522	142,720	142,720
Cash & Cash Equivalents (US\$'000)	718	–	9,979	2,739
Net Profit (US\$'000)	3,688	3,688	8,098	8,098
Number of Shares, excluding treasury shares	118,502,940	106,652,646	118,502,940	106,652,646

Financial Ratios

NTA per Share (US\$ cents)	34.86	31.95	62.31	62.44
Basic EPS ⁽²⁾ (US\$ cents)	3.11	3.46	6.83	7.59
Gearing Ratio ⁽³⁾	N.M. ⁽⁴⁾	0.19	1.80	2.10
Current Ratio (times)	18.04	3.65	1.22	1.19

Note(s):

- (1) Based on five days' average exchange rate preceding to the Latest Practicable Date of US\$1 = S\$1.3160.
- (2) EPS has been computed based on FY2017 net profit attributable to Shareholders divided by the number of Shares in issue.
- (3) The gearing ratio is calculated based on net debt over equity. Net debt is derived from the total of interest-bearing loans and borrowings less cash and cash equivalents.
- (4) Not meaningful.

Shareholders should note that the financial effects set out above are for illustrative purposes only (based on the foresaid assumptions). In particular, it is important to note that the above analysis is based on historical audited financial statements for the financial year ended 31 December 2017 and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may, subject to the requirements of the Companies Act, cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional advisers.

2.8 Listing rules

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m., (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the date of purchase, the total number of shares purchased or acquired, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in compliance with Rule 1207(19)(c) of the Listing Manual, the Company would not purchase or acquire any Shares through Market Purchases during the period of two weeks and one month immediately preceding the announcement of the Company’s quarterly financial statements and the annual (full-year) results respectively.

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 38.46% of the issued Shares, excluding treasury shares are held by public Shareholders. The word “public” is defined in the Listing Manual as persons other than directors, the chief executive officer, substantial shareholders or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date and assuming the Company undertakes purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate, approximately 31.62% of the issued Shares will be held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.9 Take-over obligations

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:-

2.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

2.9.2 Persons acting in concert

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

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert, namely:-

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

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

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six months. In calculating the percentage of voting rights of such Directors and their persons acting in concert with them, treasury shares shall be excluded.

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

The interests of the respective Directors and substantial Shareholders of the Company, and where applicable, their relationship with respect of each other as at the Latest Practicable Date, are set out in Section 5 of this Circular below.

Shareholders are reminded that those who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of Share Buybacks by the Company should consult the SIC and/or their professional advisers at the earliest opportunity.

For illustrative purposes only, based on information available to the Company as at the Latest Practicable Date, the shareholdings of the respective Directors and substantial Shareholders of the Company before and after the purchase or acquisition of Shares pursuant to the Share Buyback Mandate, assuming that (i) the Company purchases or acquires the maximum of 10% of the total number of issued Shares as at the Latest Practicable Date; (ii) there is no change in the number of Shares held by the respective Directors and substantial Shareholders of the Company as at the Latest Practicable Date; (iii) there are no further issue of Shares; and (iv) no Shares are held by the Company as treasury shares on or prior to the AGM, will be as follows:-

Name	Total Interest (Direct and Indirect)			
	Before the Share Buyback	%	After the Share Buyback ⁽¹⁾	%
Directors				
Albert Phuay Yong Hen	50,513,372 ^{(2) (3)}	42.63	50,513,372 ^{(2) (3)}	47.36
Alan Kwan Wai Loen	6,258,244	5.28	6,258,244	5.87
Herbert Kwok Fei Lung	723,100 ⁽⁴⁾	0.61	723,100 ⁽⁴⁾	0.68
Tonny Phuay Yong Choon	144,800	0.12	144,800	0.14
Sunny Wong Fook Choy	80,000	0.07	80,000	0.08
Professor Low Teck Seng	60,000	0.05	60,000	0.06
Kwah Thiam Hock	60,000	0.05	60,000	0.06
Joanne Khoo Su Nee	—	0.00	—	0.00

Name	Total Interest (Direct and Indirect)			
	Before the Share Buyback	%	After the Share Buyback ⁽¹⁾	%
Substantial Shareholders				
Albert Phuay Yong Hen	50,513,372	42.63	50,513,372	47.36
Alonim Investments Inc.	15,000,000	12.66	15,000,000	14.06
Alan Kwan Wai Loen	6,258,244	5.28	6,258,244	5.87

Note(s):

- (1) Assuming that the Share Buyback Mandate is exercised in full.
- (2) This includes (a) 166,000 Shares held by AP21 Holdings Pte Ltd and (b) 2,432,168 Shares held by Mdm. Han Jiak Siew who is his spouse, which he is deemed to be interested in.
- (3) This includes 400,000 Shares held by Maybank Kim Eng Securities Pte. Ltd.
- (4) This includes 281,200 Shares held by his spouse, which he is deemed to be interested in.

Based on their respective shareholdings as at the Latest Practicable Date, Mr. Albert Phuay Yong Hen holds 47,915,204 Shares, representing approximately 40.43% of the issued Shares (excluding treasury shares) of the Company. Mr. Tonny Phuay Yong Choon, Mr. Phuay Yong Hua, AP21 Holdings Pte Ltd and Mdm. Han Jiak Siew are presumed to be parties acting in concert under the Take-over Code with Mr. Albert Phuay Yong Hen in relation to their interests in the Company (the “**Concert Parties Group**”). As at the Latest Practicable Date, the Concert Parties Group’s shareholding comprises 47,915,204 Shares held by Mr. Albert Phuay Yong Hen, 144,800 Shares held by Mr. Tonny Phuay Yong Choon, 92,000 Shares held by Mr. Phuay Yong Hua, 166,000 Shares held by AP21 Holdings Pte Ltd, and 2,432,168 Shares held by Mdm. Han Jiak Siew. Accordingly, the Concert Parties Group holds in aggregate 50,750,172 Shares, representing approximately 42.83% of the issued Shares (excluding treasury shares) of the Company as at the Latest Practicable Date.

In the event the Company undertakes the Share Buyback within the Relevant Period of up to 10% of the issued share capital of the Company (excluding treasury shares) as permitted by the Share Buyback Mandate, the aggregate shareholdings and voting rights held by the Concert Parties Group may be increased from approximately 42.83% to 47.58%. The aggregate shareholdings and voting rights held by the Concert Parties Group may thus be increased by more than 1% within a six month period. Accordingly, the Concert Parties Group may be required to make a general offer to the other Shareholders under Rule 14.1(b) of the Take-over Code.

Shareholders are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company pursuant to the Share Buyback Mandate.

2.9.4 Exemption from making a general offer pursuant to Section 3(a) of Appendix 2 entitled “Share Buy-Back Guidance Note” of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 entitled “Share Buy-Back Guidance Note” of the Take-over Code, the Concert Parties Group will be exempted from the requirement to make an offer under Rule 14 of the Take-over Code after any Share Buyback, subject to the following conditions:-

- (a) the Circular on the resolution to authorise the renewal of the Share Buyback Mandate contains advice to the effect that by voting for the resolution for the renewal of the Share Buyback Mandate, Shareholders are waiving their rights to a general offer at the Required Price from the Concert Parties Group who, as a result of the Company purchasing its own Shares, would increase their aggregate voting rights by more than 1% in any six month period; and the names and voting rights of the Concert Parties Group at the time of the resolution and after the proposed Share Buybacks are disclosed in the Circular;
- (b) the resolution to approve the Share Buyback Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the Share Buyback;
- (c) the Concert Parties Group to abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Buyback Mandate;
- (d) within seven days after the passing of the resolution to approve the Share Buyback Mandate, Mr. Albert Phuay Yong Hen and Mr. Tonny Phuay Yong Choon to submit to the SIC a duly signed form as prescribed by the SIC;
- (e) the Concert Parties Group not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the proposal for the Share Buyback Mandate is imminent and the earlier of:-
 - (i) the date on which the authority of the Share Buyback Mandate expires; and
 - (ii) the date on which the Company announces that it has bought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be,
 if such acquisitions, taken together with the Share Buyback(s), would cause their aggregate voting rights in the Company to increase by more than 1% in the preceding six months.

If the Company ceases to buy back its Shares under the Share Buyback Mandate and the increase in the voting rights held by the Concert Parties Group as a result of the Company buying back its Shares at such time is less than 1%, the Concert Parties Group will be allowed to acquire further voting rights in the Company. However, any increase in the percentage voting rights held by the Concert Parties Group as a result of the Company buying back its Shares will be taken into account together with any voting rights acquired after the cessation by the Concert Parties Group in determining whether their aggregate voting rights in the Company have increased by more than 1% in any six month period.

It should be noted that approving the Share Buyback Mandate will constitute a waiver by the Shareholders in respect of their rights to receive a general offer by the Concert Parties Group at the Required Price.

2.10 Share purchases in the previous 12 months

The Company has not purchased or acquired any Shares under the existing Share Buyback Mandate approved by the Shareholders at the annual general meeting of the Company held on 5 April 2017, in the previous 12 months prior to the Latest Practicable Date.

3. THE PROPOSED RENEWAL OF THE EXCELPPOINT PERFORMANCE SHARE SCHEME

3.1 Background

The Scheme was first approved by Shareholders at the EGM. The Scheme was adopted for an initial duration of up to a maximum of 10 years, provided always that the Scheme may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. The initial duration of the Scheme will expire on 24 June 2018.

As at the Latest Practicable Date, the Company has granted Awards comprising an aggregate of 2,571,100 Shares to an aggregate of 41 Participants under the Scheme. No awards have been granted to Controlling Shareholders and their Associates and no Participant has received 5% or more of the total awards available under the Scheme as at the Latest Practicable Date.

3.2 Existing share option scheme

Currently, the Company has in place the Excelpoint SOS approved by Shareholders at an extraordinary general meeting of the Company held on 17 April 2014. Other than the Excelpoint SOS and the Scheme, the Company does not have any other existing share plans or share option schemes. As at the Latest Practicable Date, no options have been granted under the Excelpoint SOS.

3.3 Proposed renewal and rationale for the Scheme

The Directors are proposing to renew the Scheme to complement the Excelpoint SOS. This will increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance. The Scheme will further strengthen the Company's competitiveness in attracting and retaining local and foreign talent.

The Scheme will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Scheme, the Company will be able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term prosperity. In addition, the Scheme aims to foster an ownership culture within the Group which aligns the interests of the Group Employees and Non-Executive Directors with the interests of Shareholders.

The Scheme uses methods fairly common among successful multinational companies to incentivise and motivate employees to achieve pre-determined targets and/or to put in their best efforts which create and enhance economic value for Shareholders. By giving the Participants the opportunity to participate in the equity of the Company as opposed to providing cash rewards for their performance, the Scheme aims to cultivate a greater sense of involvement in the Company amongst the Participants. The Company hence believes that the Scheme will be more effective than cash bonuses in motivating employees to work towards pre-determined targets and/or to put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with other multinational companies.

Unlike Options granted under the Excelpoint SOS, the Scheme contemplates the award of fully paid Shares when or after pre-determined performance or service conditions are accomplished and/or when due recognition should be given to any good work performance and/or any significant contribution to the Company.

In addition, the Scheme is intended to be broad-based and will serve to enhance the Group's overall compensation packages in order to attract talent. Potential executive hires who decide on a career switch often have to forego substantial share options/share incentives when they join the Group. Through the Scheme, the Company will be able to compensate such new hires for any share options or incentives that they may have to forego when they join the Group.

An Option may be granted, for example, as a supplemental to the remuneration packages for employees of the Company. The Scheme will complement the Excelpoint SOS and serve as an additional and flexible incentive tool. Within the Scheme, the Company would be able to tailor share-based incentives according to the objectives to be achieved by combining Awards under the Scheme with the grant of Options under the Excelpoint SOS. However, the aggregate number of new Shares available under the Scheme, the Excelpoint SOS and such other share-based incentive schemes of the Company collectively will remain subject to the existing maximum limit of 15% of the Company's total issued share capital from time to time (excluding treasury shares and subsidiary holdings), as previously approved by Shareholders in respect of the Excelpoint SOS.

As the Scheme is a key part of the Group's compensation arrangements, the Directors propose that the Scheme be extended for a further period of 10 years from (and including) 25 June 2018 up to (and including) 24 June 2028.

The renewal of the Scheme is subject to the approval of the Shareholders which is being sought at the AGM.

3.4 Summary of the Scheme

Save that subsidiary holdings shall be excluded from the Company's total issued share capital in the computation of the maximum number of new Shares available under the Scheme, all other Rules of the Scheme remain unchanged. The following is a summary of the principal Rules of the Scheme. The detailed Rules are set out in the Appendix to this Circular and are available for inspection at the registered office of the Company during the times stated in Section 11 entitled "Documents for Inspection" of this Circular.

3.5 Eligibility

The Scheme allows for participation by Group Employees (including Group Executive Directors) and Non-Executive Directors who have attained the age of 21 years and above on or before the relevant date of Award provided that none shall be an undischarged bankrupt, and none shall have entered into a composition with their respective creditors, and who, in the absolute discretion of the Committee, will be eligible to participate in the Scheme.

Persons who are Controlling Shareholders or Associates of a Controlling Shareholder would be eligible to participate in the Scheme. However, pursuant to Rule 845 of the Listing Manual, (i) the aggregate number of shares available to the Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the Scheme; and (ii) the number of Shares available to each Controlling Shareholder or his Associate must not exceed 10% of the Shares available under the Scheme.

Pursuant to Rule 853 of the Listing Manual, participation in the Scheme by Controlling Shareholders and their Associates must be approved by independent Shareholders of the Company and a separate resolution must be passed for each such person and to approve the actual number and terms of Awards to be granted to such person.

Subject to the Companies 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.

3.6 Awards

Awards represent the right of a Participant to receive fully paid Shares free of charge, upon the Participant achieving prescribed Performance Targets. Performance Targets set under the Scheme are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The Performance Targets are targets aimed at sustaining long-term growth. Examples of Performance Targets to be set include targets based on criteria such as sales growth, growth in earnings and return on investment.

Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Committee's satisfaction that the prescribed Performance Targets have been achieved.

Awards may be granted at any time in the course of a financial year, provided that in the event that an announcement on any matter of any exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

An Award letter confirming the Award and specifying, *inter alia*, in relation to the Award, the prescribed Performance Target(s), the performance period during which the prescribed Performance Target(s) are to be satisfied and the date by which the Award shall be vested, will be sent to each Participant as soon as reasonably practicable after the Award is finalised. Notwithstanding that a Participant may have met his Performance Targets, no Award shall vest in a Participant in the following circumstances:-

- (a) upon the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Award;
- (b) in the event of any misconduct of a Participant as determined by the Committee in its discretion;
- (c) in the event that the Committee shall, in its discretion, deem it appropriate that such Award shall so lapse on the grounds that any of the objectives of the Scheme have not been met; or
- (d) in the event that the Participant ceases to be employed by the Company before vesting of the Award to him.

The intention is to award Shares based on pre-determined dollar amounts such that the quantum of Shares comprised in Awards is dependent on the closing price of Shares transacted on the Market Day the Award is vested. The Committee will also monitor the grant of Awards carefully to ensure that the size of the Scheme will comply with the relevant rules of the SGX-ST (as described below).

3.7 Size and duration of the Scheme

The Company will be delivering Shares pursuant to the Awards granted under the Scheme in the form of existing Shares held as treasury shares and/or an issue of new Shares.

The Company will be seeking specific approval of the Shareholders for the mandate to offer and grant Awards in accordance with the Rules of the Scheme, and pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of new Shares as may be required to be issued comprised in the Awards that may be granted under the Scheme provided always that the aggregate number of the new Shares under the Scheme, the Excelpoint SOS and such other share-based incentive schemes of the Company shall not exceed 15% of the Company's total issued share capital from time to time (excluding treasury shares and subsidiary holdings).

In determining whether to issue new Shares or to purchase existing Shares for delivery to Participants 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 financial effect on the Company of either issuing new Shares or purchasing existing Shares.

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

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

3.8 Operation of the Scheme

Subject to prevailing legislation and SGX-ST guidelines, the Company will be delivering Shares to Participants upon vesting of their Awards by way of delivery of existing Shares held as treasury shares and/or issue of new Shares.

The financial effects of the delivery of Shares to Participants upon vesting of the Awards are set out in Section 3.14 of this Circular.

New Shares allotted and issued and existing Shares held as treasury shares for delivery, on the release of an Award shall rank in full for all entitlements, including the 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.

For purposes of the determination of Awards, the Committee has the right to make computational adjustments to figures extracted from the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and the right to amend the Performance Target(s) if the Committee decides that a changed Performance Target would be a fairer measure of performance.

3.9 Adjustments and alterations under the Scheme

3.9.1 Variation of capital

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

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

shall be adjusted in such manner as the Committee may determine to be appropriate, which will not result in a Participant receiving a benefit that a Shareholder does not receive.

The issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment.

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

3.9.2 Modifications or alterations to the Scheme

The Rules of the Scheme may be modified and/or altered from time to time by a resolution of the Committee, subject to compliance with the Listing Manual and such other regulatory authorities as may be necessary.

No modification or alteration shall be made to the Rules of the Scheme to the advantage of the Participants except with the prior approval of Shareholders in general meeting. Further, no modification or alteration shall be made to the Rules of the Scheme that will result in a Participant receiving a benefit that a Shareholder does not have.

3.10 **Disclosures in Annual Reports**

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

1.10.1 the names of the members of the Committee administering the Scheme;

1.10.2 in respect of the following Participants of the Scheme:-

- (a) Directors of the Company;
- (b) Participants who are Controlling Shareholders and their Associates; and
- (c) if applicable, Participants (other than those in sub-paragraphs (a) and (b) above) who have received Shares pursuant to the vesting of Awards granted under the Scheme which, in aggregate, represent 5% or more of the total number of Shares available under the Scheme,

the following information:-

- (i) name of Participant;
- (ii) aggregate number of Shares comprised in Awards granted to such Participant during the financial year under review (including terms);
- (iii) aggregate number of Shares comprised in Awards granted to such Participant since the commencement of the Scheme to the end of the financial year under review;
- (iv) aggregate number of Shares comprised in Awards allotted and/or transferred pursuant to the vesting of Awards since the commencement of the Scheme to the end of the financial year under review;
- (v) aggregate number of Shares comprised in Awards which have not been vested as at the end of the financial year under review; and
- (vi) the proportion of Shares comprised in Awards vested during the financial year under review.

3.11 **Role and composition of the Committee**

The Committee shall be responsible for the administration of the Scheme and shall consist of Mr. Albert Phuay Yong Hen, Mr. Sunny Wong Fook Choy, Professor Low Teck Seng and Mr. Kwah Thiam Hock. The Committee oversees executive development in the Group with the aim of building capable and committed management teams, through focused management and progressive policies which can attract and retain a pool of talented executives to meet the current and future growth of the Group.

The Committee shall have the power from time to time, to make and vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it deems fit.

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

In compliance with the requirements of the Listing Manual, any Participant of the Scheme who is a member of the Committee shall not be involved in its deliberations in respect of Awards to be granted to or held by that member of the Committee.

3.12 Rationale for participation by Controlling Shareholders and their Associates

Executive Directors who are also Controlling Shareholders and their Associates should be remunerated for their contribution to the Group on the same basis as other Executive Directors who are not Controlling Shareholders or Associates of Controlling Shareholders. Although Controlling Shareholders and their Associates already have shareholding interests in the Company, the extension of the Scheme to encompass them will ensure that they are equally entitled to take part and benefit from the same. The Scheme is intended to be part of the remuneration package for Executive Directors and the Controlling Shareholders should not be unduly discriminated against by virtue only of their shareholdings in the Company. The extension of the Scheme will enhance the long-term commitment of such Controlling Shareholders and their Associates as they will continue to have a stake in the Company even if they sell down their existing Shares in the Company.

Eligible Controlling Shareholders and their Associates shall be treated equally for the purposes of the Scheme. Accordingly, the Scheme shall not unduly favour such Controlling Shareholders or their Associates. The terms and conditions of the Scheme do not differentiate between eligible Controlling Shareholders and their Associates from other Participants. In this manner, the Scheme would not unduly favour such Controlling Shareholders or their Associates over other Participants.

Participation by Controlling Shareholders and their Associates allows the Company to propose a more balanced and flexible remuneration package which would link an employee's total remuneration to the results of the Company, and this would in turn increase Shareholder value. The grant of Awards to eligible Controlling Shareholders and their Associate will act as an incentive for such persons to better their performance as the delivery of Shares pursuant to the Scheme is contingent upon prescribed targets and conditions being met.

3.13 Rationale for participation by Non-Executive Directors

While the Scheme caters principally to Group Employees, it is recognised that there are other persons who make significant contributions to the Group through their close working relationships with the Group, even though they are not employed within the Group. Such persons include the Non-Executive Directors.

The Non-Executive Directors are persons from different professions and working backgrounds, bringing to the Group their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping the Group shape its business strategy by allowing the Group to draw on their diverse backgrounds and working experience. It is crucial for the Group to attract, retain and incentivise the Non-Executive Directors. By aligning the interests of the Non-Executive Directors with the interests of Shareholders, the Company aims to inculcate a sense of commitment on the part of the Non-Executive Directors towards serving the short and long-term objectives of the Group.

The Directors are of the view that including the Non-Executive Directors in the Scheme will show the Company's appreciation for, and further motivate them in their contribution towards the success of the Group. However, as their services and contributions cannot be measured in the same way as the full-time employees of the Group while it is desired that participation in the Scheme be made open to the Non-Executive Directors, any Awards that may be granted to any such Non-Executive Director would be intended only as a token of the Company's appreciation.

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. In addition, the Committee will also consider the scope of advice given, the number of contacts and size of deals which the Group is able to procure from the contacts and recommendations of the Non-Executive Directors. The Committee may also decide that no Awards shall be made in any financial year or no grant and/or Award may be made at all.

It is envisaged that the vesting of Awards, and hence the number of Shares to be delivered to the Non-Executive Directors based on the criteria set out above will be relatively small, in terms of frequency and numbers. Based on this, the Directors are of the view that the participation by the Non-Executive Directors in the Scheme will not compromise their independent status.

3.14 Financial effects of the Scheme

3.14.1 Cost of Awards

As Participants are not required to pay for the grant of the Awards, such grant of awards will have a financial effect on our Company.

The Singapore Financial Reporting Standards (the “FRS”) 102 on Share-based Payments is effective for the financial statements of the Company for the financial year beginning 1 January 2005. FRS 102 requires the recognition of an expense in respect of Awards granted under the Scheme. The expenses will be based on the fair value of the Awards at the date of the grant and will be recognised over the expected vesting period. However, no expense will ultimately be recognised for any Awards granted that do not vest because of failure to satisfy the vesting conditions.

In accordance with paragraph 15 of the FRS 102, the Company shall account for the grant of an Award during the vesting period, with a corresponding increase in equity. As per paragraph 19 of the FRS 102, on a cumulative basis, no amount is recognised for services received if the Shares granted do not vest because of failure to satisfy a vesting condition. To apply the requirements of paragraph 19 and as per paragraph 20 of the FRS 102, the Company shall recognise an amount for the services received during the vesting period based on the best available estimate of the number of Shares expected to vest and shall revise that estimate, if necessary, if subsequent information indicates that the number of Shares expected to vest differs from previous estimates. Therefore, the grant of an Award is recognised to income statement over the expected vesting period. If an employee leaves before the end of the vesting period, the Company should revise the estimated number of Shares expected to vest.

3.14.2 Details of the financial effects of the Scheme

The following sets out the financial effects of the Scheme

(a) Share capital

The Scheme 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 Scheme. However, if existing Shares are purchased for delivery to Participants in lieu of issuing new Shares to Participants, the Scheme will have no impact on the Company’s issued share capital.

(b) NTA

As described below under sub-paragraph (c), the Scheme will result in a change to our Company’s and Group’s profit and loss account equal to the market value at which the new Shares are issued or the existing Shares are purchased to meet delivery under the Awards. If new Shares are issued under the Scheme, the NTA of the Group and the Company would decrease by the amount charged. If existing Shares are purchased for delivery to Participants, the NTA of the Group and the Company would decrease by the amount charged.

Although the Scheme will result in a change to our profit and loss account of our Company and the Group, it should be noted that Awards are granted only on a selective basis and will be granted to Participants whom our Company believes would have contributed or will contribute significant value in its success including financial performance. In particular, the grant of Awards and delivery of Shares to Participants of the Scheme, are contingent upon the Participants meeting prescribed Performance Targets. Therefore Participants would have contributed to or will contribute to significant value add to the NTA of our Company and the Group before the Awards are granted and Shares delivered.

(c) EPS

The Scheme will result in a change to earnings equivalent to the market value at which the existing Shares are purchased or the market value on the date at which new Shares are issued under the Awards.

Although the Scheme will have a dilutive impact (to the extent that new Shares are issued pursuant to the Scheme) on the EPS of the Company and the Group, it should again be noted that the delivery of Shares to Participants under the Scheme will generally be contingent upon the Participants meeting the prescribed performance targets and conditions. Accordingly, the earnings of our Company and the Group should have grown before the Awards are granted and Shares delivered.

(d) Dilutive impact

It is expected that any dilutive impact of the Scheme on the NTA and the EPS would not be significant.

4. THE PROPOSED PARTICIPATION OF MR. ALBERT PHUAY YONG HEN IN THE EXCELPOINT PERFORMANCE SHARE SCHEME

4.1 Rationale for participation by Mr. Albert Phuay Yong Hen in the Scheme

Mr. Albert Phuay Yong Hen is the Chairman and Group Chief Executive Officer of the Company and one of the founders of the Group. Mr. Albert Phuay Yong Hen provides leadership, management skills and business networks to the Company and its subsidiaries. Mr. Albert Phuay Yong Hen is responsible for the overall management, strategy, investment and development of the Group.

As a founder of the Group, Mr. Albert Phuay Yong Hen has been instrumental in steering and guiding the Group's corporate directions and strategies since its inception. He has been instrumental in developing the Group in the past years.

The extension of the Scheme to Mr. Albert Phuay Yong Hen is consistent with the Company's objective to motivate its employees to achieve and maintain a high level of performance and contribution, which is vital to the success of the Company. Although Mr. Albert Phuay Yong Hen already has a substantial interest in the Company, the extension of the Scheme to him will ensure that he is equally entitled, with other Executive Directors who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby further enhancing his long-term commitment to the Company.

Pursuant to Rule 853 of the Listing Manual, and subject to the renewal of the Scheme, independent Shareholder's approval is sought for the participation by Mr. Albert Phuay Yong Hen in the Scheme.

The specific grant of Awards to any other Controlling Shareholders or their Associates will have to be approved by independent Shareholders of the Company in general meetings. The Company will seek independent Shareholder's approval before granting any Award to Mr. Albert Phuay Yong Hen and will specify in the relevant resolution the number of Shares and the terms of Awards to be granted.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the Shares, as extracted from the Register of Directors' shareholdings, and the interests of the substantial Shareholders of the Company in the Shares (being a Shareholder whose interests in the Company's issued share capital is equal to or more than 5%), as extracted from the Register of substantial Shareholders, are as follows:-

Name	Direct Interest	% ⁽⁴⁾	Deemed Interest	% ⁽⁴⁾	Total Interest	% ⁽⁴⁾
Directors						
Albert Phuay Yong Hen	47,915,204 ⁽¹⁾	40.43	2,598,168 ⁽²⁾	2.20	50,513,372	42.63
Alan Kwan Wai Loen	6,258,244	5.28	—	0.00	6,258,244	5.28
Herbert Kwok Fei Lung	441,900	0.37	281,200 ⁽³⁾	0.24	723,100	0.61
Tonny Phuay Yong Choon	144,800	0.12	—	0.00	144,800	0.12
Sunny Wong Fook Choy	80,000	0.07	—	0.00	80,000	0.07
Professor Low Teck Seng	60,000	0.05	—	0.00	60,000	0.05
Kwah Thiam Hock	60,000	0.05	—	0.00	60,000	0.05
Joanne Khoo Su Nee	—	0.00	—	0.00	—	0.00
Substantial Shareholders						
Albert Phuay Yong Hen	47,915,204 ⁽¹⁾	40.43	2,598,168 ⁽²⁾	2.20	50,513,372	42.63
Alonim Investments Inc.	15,000,000	12.66	—	0.00	15,000,000	12.66
Alan Kwan Wai Loen	6,258,244	5.28	—	0.00	6,258,244	5.28

Note(s):

- (1) This includes 400,000 Shares held by Maybank Kim Eng Securities Pte Ltd.
- (2) Deemed to be interested as follows:-
 - (i) 166,000 Shares held by AP21 Holdings Pte Ltd; and
 - (ii) 2,432,168 Shares held by his spouse.
- (3) Deemed to be interested in 281,200 Shares held by his spouse.
- (4) Percentages are based on 118,502,940 issued Shares as at the Latest Practicable Date excluding treasury shares.

6. LIMITS ON SHAREHOLDINGS

The Company does not have any limits on the shareholding of any Shareholder.

7. ANNUAL GENERAL MEETING

The AGM of the Company, notice of which is set out in pages 90 to 94 of the Annual Report, will be held at Grand Mercure Roxy Singapore, 50 East Coast Road, Roxy Square, Meyer & Frankel Room, Level 3, Singapore 428769 on 11 April 2018 at 3.00 p.m. for the purpose of, *inter alia*, considering and, if thought fit, passing with and without modifications, Ordinary Resolution 12 relating to the proposed renewal of the Share Buyback Mandate as set out in the Notice of AGM on page 93 of the Annual Report, Ordinary Resolution 10 relating to the Proposed renewal of the Scheme as set out in the Notice of AGM on page 92 of the Annual Report and Ordinary Resolution 11 relating to the Proposed participation of Mr. Albert Phuay Yong Hen in the Scheme as set out in the Notice of AGM on page 93 of the Annual Report.

8. ABSTENTION FROM VOTING

In light of the exemption under Section 3(a) of Appendix 2 of the Take-over Code, the Concert Parties Group, who are Shareholders of the Company, shall abstain from voting in respect of the Ordinary Resolution 12 relating to the proposed renewal of the Share Buyback Mandate, and will not accept any appointment as proxies or otherwise for voting on Ordinary Resolution 12 unless specific instructions have been given in the proxy instrument(s) on how the votes are to be cast.

All Shareholders who are eligible to participate in the Scheme shall abstain from voting in respect of the Ordinary Resolutions 10 and 11 relating to the proposed renewal of the Scheme and the proposed participation of Mr. Albert Phuay Yong Hen in the Scheme respectively, and will not accept any appointment as proxies or otherwise for voting on Ordinary Resolutions 10 and 11 unless specific instructions have been given in the proxy instrument(s) on how the votes are to be cast.

Mr. Albert Phuay Yong Hen will procure that his Associates shall abstain from voting on Ordinary Resolutions 10 and 11 relating to the proposed renewal of the Scheme and the proposed participation of Mr. Albert Phuay Yong Hen in the Scheme respectively and will not accept any appointment as proxies or otherwise for voting on Ordinary Resolutions 10 and 11 unless specific instructions have been given in the proxy instrument(s) on how the votes are to be cast.

9. DIRECTORS' RECOMMENDATION

9.1 Proposed renewal of the Share Buyback Mandate

The Directors (save for Mr. Albert Phuay Yong Hen and Mr. Tonny Phuay Yong Choon who have abstained from making any recommendation in view of the take-over obligations set out in Section 2.9 of this Circular above) are of the opinion that the adoption of the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 12 relating to the proposed renewal of the Share Buyback Mandate as set out in the Notice of AGM on page 93 of the Annual Report.

9.2 Proposed renewal of the Scheme

Subject to Shareholders' approval to be sought at the AGM, the Directors are eligible to participate in and are therefore interested in, the Scheme. They have accordingly abstained from making any recommendation on the adoption of the Scheme.

Save as disclosed in Section 5 of this Circular, none of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Scheme.

9.3 Proposed participation by Mr. Albert Phuay Yong Hen in the Scheme

Subject to Shareholders' approval to be sought at the AGM, the Directors are eligible to participate in and are therefore interested in, the Scheme. They have accordingly abstained from making any recommendation on the proposed participation by Mr. Albert Phuay Yong Hen in the Scheme.

10. 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 renewal of the Share Buyback Mandate, the proposed renewal of the Scheme and the proposed participation of Mr. Albert Phuay Yong Hen in the Scheme, 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.

11. DOCUMENTS FOR INSPECTION

A copy of the following documents may be inspected at the registered office of the Company at 15, Changi Business Park Central 1, #06-00, Singapore 486057 during normal business hours from the date of this Circular up to and including the date of the AGM:-

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

Yours faithfully

For and on behalf of the Board of Directors of
Excelpoint Technology Ltd.

Albert Phuay Yong Hen
Chairman and Group Chief Executive Officer

APPENDIX

THE RULES OF THE PROPOSED EXCELPOINT PERFORMANCE SHARE SCHEME

1. Name of the Scheme

The Scheme shall be called the “Excelpoint Performance Share Scheme”.

2. Definitions

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

“Act”	: The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Adoption Date”	: The date on which the Scheme is adopted by the Company in general meeting
“Associates”	: Shall bear the meaning prescribed in the Listing Manual
“Auditors”	: The auditors for the time being of the Company
“Awards”	: The contingent award of Shares under the Scheme
“Board”	: The board of directors of the Company for the time being
“CDP”	: The Central Depository (Pte) Limited
“Company”	: Excelpoint Technology Ltd.
“Committee”	: A committee comprising directors of the Company, duly authorised, appointed and nominated by the Board pursuant to the Rules to administer the Scheme
“Company”	: Excelpoint Technology Ltd., a company incorporated in Singapore
“Constitution”	: As defined under Section 4 of the Companies Act
“Controlling Shareholder”	: A person who:- (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the Company, unless determined by the SGX-ST that such person is not a controlling shareholder; (b) in fact exercises control over the Company; or (c) such other meaning as the SGX-ST may ascribe to this term from time to time
“CPF”	: The Central Provident Fund
“Group”	: The Company together with its subsidiaries

“Group Employees”	: Employees of the Group (including any Group Executive Directors) who meet the relevant age and rank criteria and whose services had been seconded to a company within the Group) selected by the Committee to participate in the Scheme in accordance with Rule 4.1(a) and “ Group Employee ” shall be construed accordingly
“Group Executive Directors”	: Directors of the Group, as the case may be, who performs an executive function within the Group and “ Group Executive Director ” shall be construed accordingly
“Listing Manual”	: The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Non-Executive Director”	: A person who is:- (a) an Independent Director of the Company; or (b) a Director of the Group other than a Group Executive Director
“Participants”	: Persons who have been selected by the Committee to participate in the Scheme in accordance with these provisions and “ Participant ” shall be construed accordingly
“Performance Period”	: The performance period during which the Performance Targets shall be satisfied
“Performance Targets”	: The performance targets prescribed by the Committee to be fulfilled by a Participant for any particular period under the Scheme and “ Performance Target ” shall be construed accordingly
“Rules”	: The rules of the Scheme, as amended, modified or supplemented from time to time
“Scheme”	: The Excelpoint Performance Share Scheme, as amended, modified or supplemented from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term “ Shareholder ” shall in relation to such Shares mean the Depositors whose securities accounts with CDP are credited with the Shares
“Shares”	: Ordinary shares in the capital of the Company
“%” or “per cent.”	: Percentage or per centum
“\$” or “S\$”	: Singapore dollars

2.2 For the purposes of the Scheme:

- (a) in relation to a Shareholder (including, where the context requires, the Company), “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company;
- (b) unless rebutted, a person who holds directly or indirectly, a shareholding of 15% or more of the Company’s issued share capital shall be presumed to be a Controlling Shareholder; and
- (c) in relation to a Controlling Shareholder, his “**associate**” shall have the meaning ascribed to it by the Listing Manual or any other publication prescribing rules or regulations for corporations admitted to the Official List of the SGX-ST (as modified, supplemented or amended from time to time).

2.3 The terms “**Depositor**” shall have the meaning ascribed to them respectively by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time. The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Act.

2.4 The term “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual.

2.5 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in these Rules shall have the meaning assigned to it under the Act.

2.6 Words importing the singular number shall include the plural number where the context admits and *vice versa*. Words importing the masculine gender shall include the feminine gender where the context admits.

2.7 Any reference to a time of day shall be a reference to Singapore time.

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

3. Objectives

The purpose of the Scheme is to provide an opportunity for Group Employees and Group Executive Directors, who have met the Performance Targets to be remunerated through an equity stake in the Company. The Scheme is also extended to Non-Executive Directors.

The Company believes that the retention of outstanding employees within the Group is paramount to the Group’s long-term objectives of pursuing continuous growth and expansion in its future business and operations. Furthermore, the Group acknowledges that the importance of preserving financial resources for future business development and to withstand difficult times. In light of this, the Group’s strategy is to contain the remuneration of its employees and executives which constitutes a major component of the Group’s operating costs.

The Scheme is formulated with those objectives in mind. Through the Scheme, the Company hopes to be able to remain an attractive and competitive employer, and to be better able to manage its fixed overhead costs without compromising on performance standards and efficiency.

4. Eligibility

- 4.1 The following persons (provided that such persons are not undischarged bankrupts at the relevant time) shall be eligible to participate in the Scheme at the absolute discretion of the Committee:-
- (a) Group Employees (including Group Executive Directors) who have attained the age of 21 years on or before the date of grant of the Award; and
 - (b) Non-Executive Directors who have attained the age of 21 years on or before the date of grant of the Award.
- 4.2 Controlling Shareholders and their Associates shall be eligible to participate in the Scheme. However, the aggregate number of Shares available to Controlling Shareholders and their Associates must not exceed 25% of the Shares available under the Scheme. The number of Shares available to each Controlling Shareholder or his Associate must also not exceed 10% of the Shares available under the Scheme.
- 4.3 For the purposes of determining eligibility to participate in the Scheme, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.
- 4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share-based incentive schemes implemented by the Company or any other company within the Group.
- 4.5 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.

5. Limitations under the Scheme

- 5.1 The aggregate number of Shares available under the Scheme and such other share-based incentive schemes of the Company shall not exceed 15% of the Company's total issued share capital from time to time (excluding treasury shares and subsidiary holdings).
- 5.2 The Company may deliver Shares pursuant to the Awards granted under the Scheme in the form of existing Shares held as treasury shares and/or an issue of new Shares.
- 5.3 Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Committee being satisfied that the Participant has achieved the Performance Targets.

6. Date of grant

The Committee may grant Awards at any time, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

7. Awards

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

- 7.2 Once an Award is finalised by the Committee, the Committee shall send an Award letter to the Participant confirming the said Award. The said Award letter shall specify, *inter alia*, the following:-
- (a) the Performance Target(s) for the Participant;
 - (b) the Performance Period for the Participant; and
 - (c) the date by which the Award shall be vested.

8. Performance Target

- 8.1 The Committee shall, in its absolute discretion, determine the relevant Performance Target(s) for each Participant, and such Performance Target(s) shall be specified in the Award letter as set out in Rule 7.2.
- 8.2 For the avoidance of doubt, the Performance Target(s) is measured with reference to the quarterly, semi-annual and/or annual financial results of the Company.

9. Vesting of the Awards

- 9.1 Notwithstanding that a Participant may have met his Performance Targets, no Awards shall be vested:-
- (a) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Award;
 - (b) in the event of any misconduct on the part of the Participant as determined by the Committee in its discretion;
 - (c) in the event that the Committee shall, at its discretion, deem it appropriate that such Award to be given to a Participant shall so lapse on the grounds that any of the objectives of the Scheme (as set out in Rule 3) have not been met; or
 - (d) in the event that the Participant ceases to be employed by the Company before vesting of the Award to him.

10. Take-over and winding up of the Company

- 10.1 Subject to Rule 9 and Rule 10.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to the Shares under the Awards if he has met the Performance Targets for the corresponding Performance Period. For the avoidance of doubt, the vesting of such Awards will not be affected by the take-over offer.
- 10.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant who has fulfilled his Performance Targets shall be entitled, notwithstanding Rule 10.4 but subject to Rule 10.5, 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.
- 10.3 If an order is made 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.

- 10.4 In the event of members' voluntary winding-up (other than for amalgamation or reconstruction), the Shares under the Awards shall be released to the Participant for so long as, in the absolute determination by the Committee, the Participant has met the Performance Targets prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law.
- 10.5 If in connection with the making of a general offer referred to in Rule 10.1 or the scheme referred to in Rule 10.2 or the winding-up referred to in Rule 10.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no release of Shares under the Award shall be made in such circumstances.

11. Shares

- 11.1 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to the compliance with the terms of the Scheme and the Constitution of the Company, the Company shall within one (1) month after the vesting of an Award, transfer and/or allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.
- 11.2 Shares which are the subject of an Award shall be issued in the name of CDP to the credit of the securities account of that Participant maintained with CDP, the securities sub-account maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.
- 11.3 Shares delivered upon the vesting of an Award shall be subject to all the provisions of the Constitution of the Company, and shall rank in full for all entitlements, excluding dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or before the relevant vesting date of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue. "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 11.4 The Company shall keep available sufficient treasury shares and/or issue sufficient new Shares to satisfy the delivery of the Shares pursuant to vesting of the Awards.

12. Variation of capital

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

- (a) the class and/or number of Shares comprised in an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares which may be granted under the Scheme,

shall be adjusted by the Committee to give each Participant the same proportion of the equity capital of the Company as that to which he was previously entitled and, in doing so, the Committee shall determine at its own discretion the manner in which such adjustment shall be made.

- 12.2 Unless the Committee considers an adjustment to be appropriate:-

- (a) the issue of securities as consideration for an acquisition or a private placement of securities; or
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders of the Company (including any renewal of such mandate) is in force,

shall not normally be regarded as a circumstance requiring adjustment.

12.3 Notwithstanding the provisions of Rule 12.1:-

- (a) no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive; and
- (b) any determination by the Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must (except in relation to a capitalisation issue) be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

12.4 Any increase in the issued share capital of the Company as a consequence of the delivery of Shares pursuant to the vesting of Awards from time to time by the Company or through any other share-based incentive schemes implemented by the Company will also not be regarded as a circumstance requiring adjustment.

12.5 Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the 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.

13. Administration of the Scheme

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

13.2 The Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as they think fit including, but not limited to:-

- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and
- (b) amending Performance Targets if by so doing, it would be a fairer measure of performance for a Participant or for the Scheme as a whole.

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

14. Notices and annual report

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

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

14.3 The Company shall disclose the following in its annual report:-

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

(b) the information required in the table below for the following participants:-

- (i) Directors of the Company;
- (ii) if applicable, Participants who are Controlling Shareholders and their Associates; and
- (iii) Participants (other than those in sub-paragraphs (i) and (ii) above) who have received Shares pursuant to the vesting of Awards granted under the Scheme which, in aggregate, represent 5% or more of the aggregate of the total number of Shares available under the Scheme;

Name of Participant	Aggregate number of Shares comprised in Awards granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the Scheme to the end of the financial year under review	Aggregate number of Shares comprised in Awards allotted and/or transferred since commencement of the Scheme to the financial year under review	Aggregate number of Shares comprised in Awards which have not been vested as at the end of the financial year under review	Proportion of Shares comprised in Awards vested during the financial year under review
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(c) such other information as may be required by the Listing Manual or the Act.

If any of the information in sub-paragraphs (a) to (c) above is not applicable, an appropriate negative statement must be included.

15. Modifications to the Scheme

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

- (a) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholders in a general meeting;
- (b) the modification or alteration must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; and
- (c) no modification or alteration shall be made without due compliance with the Listing Manual and such other regulatory authorities as may be necessary.

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

15.3 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants.

16. Terms of employment unaffected

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

17. Duration

- 17.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the Adoption Date, provided always that the Scheme may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 17.2 The Scheme may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Awards shall be vested by the Company thereunder.
- 17.3 The termination of the Scheme shall not affect Awards which have been vested, whether such Shares have been delivered or not.

18. Taxes

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

19. Costs and expenses

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

20. Disclaimer of liability

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

21. Disputes

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

22. Condition of Awards

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

23. 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 irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

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