

CIRCULAR DATED 11 JULY 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular is issued by Ban Leong Technologies Limited (the “**Company**”). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward this Circular, including the Notice of Extraordinary General Meeting and the Proxy Form 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 Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

The SGX-ST has granted its in-principle approval for the listing of and quotation for the new Shares (as defined in this Circular) arising from the Share Plan (as defined in this Circular). The in-principle approval by the SGX-ST is not to be taken as an indication of the merits of the Share Plan, the new Shares, the Company and/or its subsidiaries.



BAN LEONG TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199303898C)

**CIRCULAR TO SHAREHOLDERS
in relation to**

- (1) THE PROPOSED ADOPTION OF THE BAN LEONG PERFORMANCE SHARE PLAN;**
- (2) THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE BAN LEONG PERFORMANCE SHARE PLAN; AND**
- (3) THE PROPOSED PARTICIPATION OF NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE BAN LEONG PERFORMANCE SHARE PLAN.**

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	24 July 2019 at 11.00 am
Date and time of Extraordinary General Meeting	:	26 July 2019 at 11.00 am (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 am on the same day and at the same place)
Place of Extraordinary General Meeting	:	150 Ubi Avenue 4, #04-01 Ubi Biz-Hub Singapore 408825

CONTENTS

	PAGE
DEFINITIONS	2
LETTER TO SHAREHOLDERS	
1. INTRODUCTION	6
2. THE PROPOSED BAN LEONG PERFORMANCE SHARE PLAN	6
3. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS . . .	23
4. DIRECTORS' RECOMMENDATION	23
5. ABSTENTION FROM VOTING	23
6. EXTRAORDINARY GENERAL MEETING	24
7. ACTION TO BE TAKEN BY SHAREHOLDERS	24
8. DIRECTORS' RESPONSIBILITY STATEMENT	24
9. ADVICE TO SHAREHOLDERS	24
10. INSPECTION OF DOCUMENTS	25
APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN	26
NOTICE OF EXTRAORDINARY GENERAL MEETING	42
PROXY FORM	

DEFINITIONS

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

“ACRA”	:	Accounting and Corporate Regulatory Authority
“Act” or “Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as maybe amended, modified or supplemented from time to time
“AGM”	:	Annual general meeting
“Associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Auditors”	:	The auditors of the Company as at the Latest Practicable Date
“Award”	:	A contingent award of Shares granted under Ban Leong Performance Share Plan
“Award Letter”	:	A letter in such form as the Awards Committee shall approve, confirming an Award granted to a Participant by the Awards Committee
“Awards Committee”	:	A committee comprising directors of the Company, duly authorised, appointed and nominated by the Board to administer the Performance Share Plan, which shall be the remuneration committee of the Company from time to time
“Board of Directors” or “Board”	:	The board of directors of the Company as at the Latest Practicable Date
“CDP”	:	The Central Depository (Pte) Limited

DEFINITIONS

<i>“Circular”</i>	:	This circular to Shareholders dated 11 July 2019
<i>“Company”</i>	:	Ban Leong Technologies Limited
<i>“Constitution”</i>	:	The constitution of the Company
<i>“Control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
<i>“Controlling Shareholder”</i>	:	A person who: (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or (b) in fact exercises Control over the Company
<i>“Directors”</i>	:	The directors of the Company as at the Latest Practicable Date
<i>“EGM”</i>	:	The extraordinary general meeting of the Company to be held on 26 July 2019 at 11.00 am (or soon thereafter following the Annual General Meeting of the Company to be held at 10.00 am on the same day and at the same place)
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Director”</i>	:	A director who is a full-time employee of the Company and who performs an executive function
<i>“Grant Date”</i>	:	In relation to an Award, the date on which the Award is granted
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Group Executive”</i>	:	Any Directors of the Company, confirmed full-time assistant managers and those listed above them in the organisation charts of the Group (or persons of equivalent ranks), who are selected by the Awards Committee to participate in the Plan in accordance with the Listing Rules
<i>“Independent Director”</i>	:	An independent Non-Executive Director of the Company
<i>“Latest Practicable Date”</i>	:	30 June 2019, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual” or “Listing Rules”</i>	:	The rules of the listing manual of the SGX-ST applicable to an entity listed on the mainboard of the SGX-ST, and its relevant rule(s), as may be amended, modified or supplemented, from time to time
<i>“Market Day”</i>	:	A day on which SGX-ST is open for securities trading

DEFINITIONS

<i>“Market Price”</i>	:	The average of the closing price for a Share as determined by reference to the closing prices of the Shares for the three consecutive Market Days immediately preceding the date on which the Award vests
<i>“Non-Executive Director”</i>	:	A director (other than an Executive Director) from time to time of the Company
<i>“NTA”</i>	:	Net tangible assets
<i>“Participant”</i>	:	Any eligible person who is selected by the Committee to participate in the Share Plan in accordance with the rules thereof
<i>“Performance Condition”</i>	:	In relation to performance-related Awards, the condition(s) specified on the Grant Date in relation to that Award
<i>“Plan” or “Share Plan”</i>	:	The proposed Ban Leong Performance Share Plan, as may be amended or modified from time to time
<i>“Returned Shares”</i>	:	681,818 ordinary shares of the Company that was transferred from Christine Anne McGregor and Innovision Technology Australia Pty Ltd pursuant to a Settlement Agreement as compensation for the shortfall in guaranteed profits in prior years
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
<i>“Settlement Agreement”</i>	:	The settlement agreement made between Christine Anne McGregor, Innovision Technology Australia Pty Ltd and the Company dated 30 April 2009
<i>“SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as may be amended, modified or supplemented from time to time
<i>“SGX-ST”</i>	:	The Singapore Exchange Securities Trading Limited
<i>“Share(s)”</i>	:	Ordinary share(s) in the share capital of the Company
<i>“Shareholders”</i>	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<i>“Substantial Shareholder”</i>	:	A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued Shares

DEFINITIONS

“*Treasury Shares*” : Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances under which Section 76H of the Act applies and have since purchase been continuously held by the Company

“*Vesting Period*” : In relation to an Award, a period or periods the duration of which is or are to be determined by the Awards Committee at the date of the grant of the Award.

Currencies, Units and Others

“*S\$*”, “*\$*” or “*cents*” : Singapore dollars and cents respectively

“*%*” or “*per cent*” : Per centum or percentage

The terms “*Depositor*”, “*Depository Agent*” and “*Depository Register*” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The term “*Subsidiary*” and “*Treasury Shares*” shall have the meaning ascribed to them in the Act.

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

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

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.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

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

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.

Unless otherwise defined in the Section entitled “*Definitions*” of this Circular, all terms and expressions used herein shall have the meanings defined in Rule 2 of Appendix I of this Circular.

LETTER TO SHAREHOLDERS

BAN LEONG TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199303898C)

Directors:

Teng Woo Boon	Managing Director
Loh Yih	Lead Independent Director
Neo Gim Kiong	Independent Director
Tan Eng Bock	Independent Director
Lo Yew Seng	Non-Independent Non-Executive Director

Registered Office:

150 Ubi Avenue 4
#04-01 Ubi Biz-Hub
Singapore 408825

11 July 2019

To: The Shareholders of Ban Leong Technologies Limited

- (1) THE PROPOSED ADOPTION OF THE BAN LEONG PERFORMANCE SHARE PLAN;**
- (2) THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES IN THE BAN LEONG PERFORMANCE SHARE PLAN; AND**
- (3) THE PROPOSED PARTICIPATION OF NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE BAN LEONG PERFORMANCE SHARE PLAN.**

Dear Sir/Madam

1. INTRODUCTION

The Directors are convening an EGM to be held on 26 July 2019 to seek the approval of Shareholders for the following proposals:

- (a) the proposed adoption of the Ban Leong Performance Share Plan;
- (b) the proposed participation of the Controlling Shareholders and an Associate of a Controlling Shareholder in the Ban Leong Performance Share Plan; and
- (c) the proposed participation of the Non-Executive Directors (including Independent Directors) in the Ban Leong Performance Share Plan.

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the above proposals to be tabled at the EGM.

2. THE PROPOSED BAN LEONG PERFORMANCE SHARE PLAN

2.1 Rationale for the Share Plan

The Company had previously approved and adopted a performance share plan on 23 July 2009, which has expired as at the date of the Company's 2019 AGM. The Company has undertaken a review of employee remuneration and benefits and wishes to introduce a new compensation scheme that promotes higher performance goals and recognises exceptional achievement. The Company has taken steps to align itself with and embrace local trends and best practices in compensation.

LETTER TO SHAREHOLDERS

The Share Plan contemplates the award of fully-paid Shares to Participants after certain pre-determined benchmarks have been met. The Company believes that the Share Plan will be more effective than pure cash bonuses in motivating employees to work towards pre-determined goals.

With that in mind, the Share Plan is based on the principle of pay-for-performance and is designed to enable the Company to reward, retain and motivate employees to achieve superior performance. The purpose of adopting the Share Plan is to give the Company greater flexibility to align the interests of employees, especially key executives, with the interests of Shareholders. The Share Plan will:

- (a) provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
- (b) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
- (c) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
- (d) make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long term growth and profitability of the Group.

The Share Plan is intended to motivate the Group employees towards better performance through dedication and loyalty. The Share Plan, which forms an integral and important component of a compensation plan, is designed to reward and retain the Group Executives whose services are vital to the well-being and success of the Group.

2.2 Participation of Controlling Shareholders and their Associates

The employees of the Group and the Directors who are also Controlling Shareholders and/or their Associates shall be eligible to participate in the Plan if: (a) their participation in the Plan, and (b) the actual number and terms of the Awards to be granted to them have been approved by independent Shareholders of the Company in separate resolutions for each such person. The relevant employee and/or Director who are Controlling Shareholders and/or their Associates are required to abstain from voting on, and shall refrain from making any recommendation on, the resolutions in relation to the Plan.

Rationale and justification for participation

It is the intention of the Company that Group Executives and the Directors who are Controlling Shareholders and/or their Associates should be remunerated for their contribution to the Group on the same basis as other Group Executives who are not Controlling Shareholders. Although the Controlling Shareholders already have shareholding interests in the Company, the extension of the Plan to allow the Controlling Shareholders to participate in the Plan, will ensure that they are equally entitled, with the other Group Executives who are not Controlling Shareholders, to take part and benefit from this system of remuneration. The Plan is intended to be part of a system of remuneration for Group Executives and the Directors and the Company is of the view that such persons who are

LETTER TO SHAREHOLDERS

Controlling Shareholders should not be unduly discriminated against by virtue only of their shareholding in the Company. The Company is also of the view that the extension of the Plan to Controlling Shareholders will enhance the long-term commitment of the Controlling Shareholders to the Company as it will ensure that such Controlling Shareholders will continue to have a stake in the Company even if they decrease their shareholdings in the Company in the future. In addition, to deny participation by the Controlling Shareholders and their Associates may serve to demotivate them and undermine the objectives of the Plan.

The Controlling Shareholders and/or their Associates shall be treated equally for the purposes of the Plan. Accordingly, the Plan should not unduly favour Controlling Shareholders, and the terms and conditions of the Plan do not differentiate between the Controlling Shareholders from other Participants in determining the eligibility of such persons to participate in the Plan and be granted Awards thereunder. As such, the Controlling Shareholders would be subject to the same rules as those applicable to other Participants. In this manner, the Plan does not unduly favour Controlling Shareholders over other Participants.

The Directors are of the view that the grant of Awards to Controlling Shareholders and/or their Associates will act as an additional incentive for the Controlling Shareholders who are employees and Directors of the Group to improve their performance, as the value of the Awards will be best realised when the result of their performance correlates directly with higher values of the Shares.

The Directors (except for those who are Controlling Shareholders) are of the view that the participation in the Plan by the Controlling Shareholders is in the best interests of the Company as such Controlling Shareholders are able to set the direction of the Company, define objectives and roles of management and influence decisions made by the Company and thus stand in a unique position to contribute to the growth and prosperity of the Group.

Nevertheless, as a safeguard against abuse, where Awards are proposed to be granted to Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) who are not Controlling Shareholders shall be involved in the deliberations of the same.

As at the Latest Practicable Date, Teng Woo Boon (Managing Director) is a Controlling Shareholder of the Company. Teo Su Ching (Human Resource Director), is the spouse of Teng Woo Boon and therefore is regarded as an Associate of a Controlling Shareholder under the Listing Manual. The Company's other Controlling Shareholder, Wang Wei, is not employed by the Group and does not have any Associates employed by the Group.

It is proposed that Teng Woo Boon and Teo Su Ching who are employed by the Group, be entitled to participate in the Plan.

The Company does not have a fixed formula for determining the number of Awards(s) that the above proposed grantees are entitled to. The members of the Board will consider, among other things, the financial performance of the Group, the grantees' performance, responsibilities and contribution, the years of service, appropriate forms of incentives and other factors which it may deem relevant in granting the number of Awards.

LETTER TO SHAREHOLDERS

The aggregate number of Shares available to the Controlling Shareholders and Associates of Controlling Shareholders will not exceed 25% of the Shares available under the Performance Share Plan, and the number of Shares available to each Controlling Shareholder or Associates of Controlling Shareholders will not exceed 10% of the Shares available under the Performance Share Plan.

Pursuant to Rule 853 of the Listing Manual, and subject to the adoption of the Performance Share Plan, independent Shareholders' approval will be sought for the grant of awards to Controlling Shareholders and their Associates. The Company will seek independent Shareholders' approval before granting any Award to Controlling Shareholders and their Associates and will specify in the relevant resolution the number of Shares to be granted pursuant to such Award.

Rationale for participation of Teng Woo Boon

Teng Woo Boon, a Controlling Shareholder, is directly interested in 26,066,000 Shares and indirectly interested in 3,208,000 Shares held by his spouse, Teo Su Ching, representing approximately 25.70% of the total number of issued Shares (excluding Treasury Shares, Returned Shares and subsidiary holdings) as at the Latest Practicable Date,

Teng Woo Boon is the Managing Director and was appointed as a Director of the Company on 18 June 1993. He is the founder of the Group and plays an important role in managing the overall business, operations and profitability of the Group. His responsibilities include formulating and executing the Group's business strategies and policies as well as charting the growth of the Group. He also spearheads the sales and marketing function of the Group.

As the Managing Director, Teng Woo Boon provides leadership, management skills, business networks and market contacts to the Company and its subsidiaries. The Directors believe that the leadership of Teng Woo Boon will be critical as the Group embarks on its next phase of growth. For these reasons, the Directors consider his experience in and contribution towards the growth of the Company to be invaluable.

The Directors are of the view that the remuneration package of Teng Woo Boon is fair given his contributions to the Group. The extension of the Plan to Teng Woo Boon is consistent with the Company's objectives 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 Teng Woo Boon already has a shareholding interest in the Company, the extension of the Plan to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long term commitment to the Company. For the above reasons, the Directors believe that Teng Woo Boon deserves, and should be allowed to participate in the Plan.

Rationale for participation of Teo Su Ching

Teo Su Ching, an Associate of Controlling Shareholder, is directly interested in 3,208,000 Shares, representing approximately 2.82% of the total number of issued Shares (excluding Treasury Shares, Returned Shares and subsidiary holdings) as at the Latest Practicable Date.

Teo Su Ching is the Human Resource Director. She is in charge of all human resource related matters including policies, training and development programs. She has assumed different roles in Ban Leong Technologies Ltd since 1993, including Head of Operations of the Group.

LETTER TO SHAREHOLDERS

The Company recognizes her valuable contribution to the Group and wishes to allow Teo Su Ching to participate in the Plan.

The Directors are of the view that the remuneration package of Teo Su Ching is fair given her contributions to the Company. The extension of the Plan to Teo Su Ching is consistent with the Company's objectives 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 Teo Su Ching already has a shareholding interest in the Company, the extension of the Plan to her will ensure that she is equally entitled, with the other employees who are not Controlling Shareholders or their Associates, to take part in and benefit from this system of remuneration, thereby enhancing her long term commitment to the Company. For the above reasons, the Directors believe that Teo Su Ching deserves, and should be allowed to participate in the Plan.

2.3 Participation by Non-Executive Directors

Rationale for participation of Non-Executive Directors (including Independent Directors)

Under the rules of the Listing Manual, the Group has some flexibility in formulating a Plan that recognises and benefits not only persons who are in the employment of the Group but also Non-Executive Directors (including Independent Directors) who are not employed by the Group but who nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the development and success of the Group. The Plan is extended to the Non-Executive Directors (including Independent Directors) of the Group.

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

In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board (ie. Independent Directors) who may, in the future, be selected to participate in the Plan, Independent Directors would primarily continue to be remunerated for their services by way of directors' fees.

The Awards Committee when deciding on the selection of Non-Executive Directors (including Independent Directors) to participate in the Plan and the number of Shares to be offered (in accordance with the Plan) will take into consideration the nature and extent of their input, assistance and expertise rendered to the Board committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board. Non-Executive Directors (including Independent Directors) will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Awards to him is being considered.

For the avoidance of doubt, Wang Wei, a Controlling Shareholder, will not be eligible to participate in the Plan as he is neither a Director nor an employee of the Group. At the date of this Circular, he does not have any Associates employed by the Group.

LETTER TO SHAREHOLDERS

2.4 Overview of the Share Plan

The Share Plan is designed to reward its Participants by the issue and/or transfer of fully-paid Shares according to the extent to which they complete certain time-based service conditions or achieve their performance targets over set performance periods.

Awards granted under the Share Plan may be time-based or performance-related, and in each instance, shall vest only:

- (a) where the Award is time-based, after the satisfactory completion of time-based service conditions, that is, after the Participant has served the Group for a specified number of years (such Awards being “**time-based Awards**”); or
- (b) where the Award is performance-related, after the Participant achieves a pre-determined performance target (such Awards being “**performance-related Awards**”).

A time-based Award may be granted, for example, as a supplement to the cash component of the remuneration packages of senior executive officers, whom the Company seeks to attract and recruit. A performance-related Award may be granted, for example, with a Performance Condition based on the successful completion of a project or the successful achievement of certain quantifiable Performance Conditions, such as revenue growth, increased profitability, or productivity enhancement.

The rules of the Plan are in compliance with the rules of the Listing Manual relating to share schemes.

On 4 July 2019, the SGX-ST granted in-principle approval for the listing and quotation for the Shares to be issued pursuant to the Share Plan on the Official List of the Mainboard of the SGX-ST, subject to:

- (a) The Company’s compliance with the SGX-ST’s listing requirements and guidelines;
- (b) Shareholders’ approval for the proposed adoption of the Share Plan at the EGM to be convened; and
- (c) Submission of notification in Rule 864(4) of the Listing Manual, if applicable, upon any significant changes affecting the matter in the application.

The in-principle approval by the SGX-ST is not an indication of the merits of the Share Plan, the new Shares, the Company and/or its subsidiaries.

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

LETTER TO SHAREHOLDERS

2.5 Limitation on the size of the Share Plan

The aggregate number of new Shares over which the Awards Committee may grant Awards on any date, when added to the number of new Shares issued and issuable in respect of all Shares granted under this Plan and any other existing share schemes implemented or to be implemented by the Company shall not exceed 15% of the total issued Shares (excluding Treasury Shares, Returned Shares and subsidiary holdings) on the day immediately preceding the Grant Date (the “**Plan Limit**”).

With respect to the Returned Shares, they are held by a custodian at the instructions of the Company pursuant to the terms of the Settlement Agreement as compensation for the shortfall in guaranteed profits in prior years by Christine Anne McGregor and Innovision Technology Australia Pty Ltd. The Company is not the legal or beneficial owner of the Returned Shares. The legal ownership of the shares was transferred to the custodian, but the beneficial ownership remains unchanged in the respective owners of the Returned Shares. Pursuant to the Settlement Agreement, the Company is merely entitled to contractual rights, which include:

- (i) select and appoint any custodian to sell, transfer, dispose of or otherwise deal with the Returned Shares on such terms and conditions as the Company deems fit; and
- (ii) the Company shall be entitled to all the proceeds arising from the sale of any of the Returned Shares, as well as the economic and monetary benefits in any dividends, interest, bonus, rights and other distributions.

Accordingly, the Company may instruct the custodian to transfer the Returned Shares to Participants who have been granted Awards in the exercise of its rights under the Settlement Agreement.

Maximum Limits on Awards

The Awards granted under the Share Plan allow a Participant to receive fully-paid Shares free of consideration upon the Participant completing the time-based service condition or the achieving the Performance Condition(s) prescribed by the Awards Committee at its absolute discretion.

The selection of a Participant and the number of Shares which are the subject of each Award granted to a Participant in accordance with the Share Plan shall be determined at the absolute discretion of the Awards Committee. The Awards Committee plans to exercise this discretion judiciously, taking into account criteria such as his rank, job performance, years of service and potential for further development, his contribution to the success and development of the Company and the extent of effort required to achieve the Performance Condition(s) within the performance period.

The Awards Committee shall decide, in relation to each Award to be granted:

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

LETTER TO SHAREHOLDERS

- (d) in the case of a performance-related Award:
 - (i) the performance period; and
 - (ii) the performance target(s);
- (e) the Vesting Period(s); and
- (f) the schedule setting out the extent to which Shares will be released on satisfaction of the performance target(s) (the “**Release Schedule**”) (if any).

Awards may be granted at any time the Share Plan is in force. As soon as reasonably practicable after making an Award, the Awards Committee shall send to each Participant an Award letter confirming the Award and specifying in relation to the Award:

- (a) the Grant Date;
- (b) the number of Shares which are the subject of the Award;
- (c) in the case of a performance-related Award:
 - (i) the performance period; and
 - (ii) the performance target(s);
- (d) the Vesting Period(s); and
- (e) the Release Schedule (if any).

Special provisions apply for the vesting and lapsing of Awards, including the following:

- (a) the termination of the employment of the Participant;
- (b) the ill health, injury, disability or death of a Participant;
- (c) the bankruptcy of a Participant;
- (d) the misconduct or a breach of term of employment contract of a Participant; and
- (e) a take-over, winding-up or reconstruction of the Company.

The offer of the Award shall be personal to the Participant to whom it is granted and any Award granted and accepted by a Participant under the Share Plan shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part during a specified period set out in the Award Letter, unless approved by the Awards Committee, but may be exercised by the Participant’s duly appointed personal representative in the event of the death of the Participant.

Subject to the prevailing legislation and the rules of the Listing Manual, the Company will deliver Shares to Participants upon vesting of their Awards by way of an issue of new Shares,

LETTER TO SHAREHOLDERS

the transfer of Returned Shares and/or the transfer of Treasury Shares through the purchase of existing Shares for delivery to Participants pursuant to the existing share buy back mandate of the Company.

In determining whether to issue new Shares or to purchase existing Shares to satisfy the Awards, the Company shall have the right to take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing New Shares or purchasing existing Shares.

New Shares allotted and issued, Returned Shares and/or Treasury Shares transferred on the release of a Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue. "Record Date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions or rights of holders of Shares.

The Awards Committee shall have the discretion to determine whether the performance target(s) have been satisfied (whether fully or partially) or exceeded, and in making any such determination, the Awards Committee shall have the right to make reference to the audited results of the Company, or to take into account such factors as the Awards Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the Awards Committee decides that a changed performance target would be a fairer measure of performance.

2.6 Summary of the Share Plan

The rules of the Share Plan are set out in Appendix I to this Circular. The following is a summary of the rules of the Share Plan:

2.6.1 Eligibility

The following persons are eligible to participate in the Share Plan at the absolute discretion of the Awards Committee:–

- (a) confirmed full-time assistant general managers and those listed above them in the organisation charts of the Group (or persons of equivalent ranks) (including Controlling Shareholder(s) and Associate(s) of Controlling Shareholder(s)); and
- (b) Directors of the Company (including Non-Executive Directors)

who, in the opinion of the Awards Committee, have contributed or will contribute to the success and the development of the Group, provided that such persons are not undischarged bankrupts and have not entered into any compositions with their respective creditors.

Subject to and conditional upon the passing of Ordinary Resolution 1 for the adoption of the Share Plan, approval of independent Shareholders is also separately sought at the EGM pursuant to Rule 853 of the Listing Manual for the participation of Controlling Shareholders(s) and/or Associate(s) of Controlling Shareholder(s). The terms of each grant and the actual number of Awards granted under the Performance

LETTER TO SHAREHOLDERS

Share Plan to a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person.

The Awards Committee shall have absolute discretion to decide whether a person who is participating in this Plan shall be eligible to participate in any other share option scheme implemented by the Company or any other company within the Group.

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

2.6.2 Operation of the Plan

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

- (a) an issue of new Shares;
- (b) the purchase of existing Shares; and/or
- (c) the transfer of existing Treasury Shares and Returned Shares.

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.

2.6.3 Plan Administration

The Plan shall be administered by the Awards Committee with such discretion, powers and duties as are conferred on it by the Board of Directors. A member of the Awards Committee shall not be involved in the deliberations of the Awards Committee in respect of the grant of Awards to him. In exercising its discretion, the Awards Committee must act in accordance with any guidelines that may be provided by the Board of Directors. The Awards Committee shall refer any matter not falling within the scope of its terms of reference to the Board of Directors.

The Awards Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the released Awards to the Participants, as it may, in its absolute discretion, think fit.

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

LETTER TO SHAREHOLDERS

2.6.4 Grant of Awards

Awards represent the right conferred by the Company on a Participant to be issued or transferred Shares in the Company, free of charge, in accordance with the Plan.

The Awards Committee may grant Awards at any time, except for:

- (a) the two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, in the event that the Company adopts quarterly reporting;
- (b) the one month before the announcement of the Company's half-year or full-year financial statement, as the case may be; or
- (c) in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Awards may only be granted on or after the second Market Day on which such announcement is made.

Where the grant of Awards to any Participant is subject to approval of specific resolution at a general meeting, the Awards Committee shall grant such approved Awards within 30 days from the conclusion of the general meeting that approved the resolution.

The Awards Committee may in the case of performance-related Awards, amend or waive the Vesting Period(s), the performance period and/or the Performance Condition in respect of any Award:

- (a) if anything happens which causes the Awards Committee to conclude that:
 - (i) an amended Performance Condition would be a fairer measure of performance and would be no less difficult to satisfy; or
 - (ii) the performance condition should be waived; or
- (b) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares of the Company, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company,

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

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

2.6.5 Acceptance of Awards

The grant of an Award to a Participant shall be accepted by the Participant within 30 days from the Grant Date. The Participant may accept or refuse the whole but not part of the offer.

LETTER TO SHAREHOLDERS

The Awards Committee shall within 15 Market Days of receipt of the acceptance form acknowledge receipt thereof.

If the grant of an Award is not accepted by the Participant within 30 days from the Grant Date, such offer shall upon the expiry of the 30-day period automatically lapse and shall be null and void.

2.6.6 Release of Awards

Subject as provided in the Plan, an Award shall be released, in accordance with any conditions that the Awards Committee may, in its absolute discretion specify in the Award Letter.

Shares which are the subject of a released award shall be vested to a Participant on the vesting date and within 10 Market Days of the vesting date, the Awards Committee will procure the allotment of such new Shares, the purchase and/or transfer of such existing Shares (including Returned Shares and Treasury Shares) in accordance with the Award.

Where new Shares are allotted upon the vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for the listing and quotation of such Shares.

New Shares which are allotted and/or existing Shares (including Returned Shares and Treasury Shares) which are transferred on the release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.

(a) New Shares allotted and issued; (b) existing Shares purchased by the Company on behalf of the Participants for transfer; and (c) Treasury Shares and/or Returned Shares held by the Company for transfer, upon the release of an Award shall be subject to all the provisions of the Constitution of the Company, and rank for any dividend, right, allotment by other distribution the Record Date of which is on or after the relevant vesting date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.

2.6.7 Events Prior to Vesting Date

An Award to the extent not yet released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):

- (a) misconduct or breach of term of employment contract on the part of the Participant as determined by the Awards Committee in its discretion;
- (b) the Participant, for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) ceases to be in the employment of the Company and/or any subsidiary or in the event the company by which the Employee is employed ceases to be a company in the Group; and/or

LETTER TO SHAREHOLDERS

- (c) the Participant commits any breach of any of the terms of his Awards.

The Awards shall be deemed not to have become void nor cease to have effect in accordance with the Plan if a Participant ceases to be employed before the release by reason of:

- (a) death of the Participant;
- (b) ill-health, injury, disability or accident (in each case evidenced to the satisfaction of the Awards Committee); and
- (c) any other ground where the release of the Award has been approved by the Awards Committee in writing,

the Awards Committee may waive the Vesting Period for all or any of the Awards not yet released to the Participant or his duly appointed representative(s) under any of the above stated circumstances.

In the event of a take-over offer (whether conditional or unconditional) being made for all or any part of the Shares of the Company, all Awards to the extent not yet released shall be released to all Participants and the Vesting Period waived so that they be entitled to exercise their rights under the take-over offer, on the date on which such take-over offer becomes or is declared unconditional, as the case may be.

If before the vesting date, any of the following occurs:

- (a) a Participant does or suffers any act or thing whereby he would or might be deprived of the legal or beneficial ownership of his Award;
- (b) a Participant commits an act of bankruptcy or is subject to a petition for bankruptcy;
- (c) a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Act;
- (d) an order for the compulsory winding up of the Company is made; or
- (e) a resolution for a voluntary winding up (other than for amalgamation or reconstruction) of the Company being made,

the Awards Committee may consider, at its discretion, whether or not to release any Award. If the Awards Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Awards Committee will have regard to the proportion of the Vesting Period(s) which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. Where Awards are released, the Awards Committee will, as soon as practicable after Awards have been released, procure the allotment of such new Shares and/or transfer of such existing Shares (including Returned Shares and Treasury Shares) to each Participant of the number of Shares so determined in accordance with such Award, such allotment and/or transfer to be made in accordance with the Plan.

LETTER TO SHAREHOLDERS

2.6.8 Duration of the Plan

The Plan shall continue to be in force at the discretion of the Awards Committee, subject to a maximum period of 10 years commencing on the adoption date of the Ban Leong Performance Share Plan, provided always that the Plan 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.

The termination of the Plan shall not affect Awards which have been granted and accepted as provided in the Plan whether such Awards have been released (whether fully or partially) or not.

2.6.9 Adjustment Events

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

- (a) the class and/or the number of shares which are the subject of an Award to the extent not yet vested and the rights attached thereto; and/or
- (b) the class and/or the maximum number of shares over which future Awards may be granted under the Plan,

may at the option of the Awards Committee be adjusted and in such manner as the Awards Committee may determine to be appropriate.

No adjustment shall be made if, as a result the Participant receives a benefit that a Shareholder does not receive and any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Unless the Awards Committee considers an adjustment to be appropriate, the issue of securities as consideration for a private placement of shares or as consideration for or in connection with an acquisition of any assets or upon the exercise of any options or conversion of any loan stock or any other securities convertible into shares or subscription rights of any warrants or 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, will not be regarded as circumstances requiring adjustment.

When any adjustment has to be made pursuant to the Plan, 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 number of new Shares and/or existing Shares (including Returned Shares and Treasury Shares) thereafter to be issued or transferred respectively on the vesting of an Award and the date on which any adjustment shall take effect.

LETTER TO SHAREHOLDERS

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

2.6.10 Modifications to the Plan

Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Board on the recommendation of the Awards Committee, save that:

- (a) any modification or alteration which materially and adversely alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who if the Awards were released to them would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued in full of all outstanding Awards under the Plan;
- (b) any modification or alteration which would be to the advantage of the Participants under the Plan shall be subject to the prior approval of the Company's Shareholders in general meeting; and
- (c) no modification or alteration shall be made without due compliance with the Listing Manual and the approval of the SGX-ST and such other regulatory authorities as may be necessary.

The opinion of the Awards Committee as to whether any modification or alteration would materially and adversely alter the rights attaching to any Award or be to the advantage of the Participants shall be final and conclusive.

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

Written notice of any modification or alteration made in accordance with the above shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

2.6.11 Disclosure in Annual Report

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

- (a) The names of the members of the Awards Committee administering the Plan;
- (b) The information in the table below for:–

LETTER TO SHAREHOLDERS

- (aa) Participants who are Directors;
- (bb) Participants who are Controlling Shareholders or Associates of Controlling Shareholders;
- (cc) Participants other than those in paragraphs (aa) and (bb) above, who receive Awards comprising 5% or more of the aggregate of the total number of Shares available under the Share Plan;

Name of Participant	Awards granted during financial year under review (including terms)	Aggregate Awards granted since commencement of Share Plan to end of financial year under review	Aggregate Awards released since commencement of Share Plan to end of financial year under review	Aggregate Awards not yet released as at end of financial year under review

- (c) If any of the above is not applicable, an appropriate negative statement;
- (d) such other information as may be required by the Listing Manual and the Companies Act; and
- (e) Participants were not required to pay for the grant of any Awards to them.

2.7 Financial Effects of the Plan

2.7.1 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 the Company.

Singapore Financial Reporting Standards (International) 2: Share-based Payment (“SFRS(I) 2”) relating to share-based payment takes effect for all listed companies beginning 1 January 2005. The Awards if settled by way of issue of new Shares or the purchase of existing Shares, would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to profit or loss over the period between the Grant Date and the vesting date of an Award. The total amount of the charge over the Vesting Period is determined by reference to the fair value of each Award granted at the Grant Date and where there are non-market conditions attached (see the following paragraph), the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the Vesting Period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is subject to revision, and the impact of the revised estimate will be recognised in profit or loss with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to profit or loss will be made.

The amount charged to profit or loss would be the same whether the Company settles the Awards by issuing new Shares or by purchasing existing Shares. The amount of

LETTER TO SHAREHOLDERS

the charge to the profit or loss also depends on whether or not the performance target attached to an Award is a “market condition”, that is, a condition which is related to the market price of the Shares. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Shares granted at the Grant Date, and no adjustments to amounts charged to profit or loss is made if the market condition is not met. On the other hand, if the performance target is not a market condition, the probability of the target being met is not taken into account in estimating the fair value of the Shares granted at the Grant Date. Instead, it is subsequently considered at each accounting date in assessing whether the Awards would vest. Thus, where the vesting conditions do not include a market condition, there would be no charge to profit or loss if the Awards do not ultimately vest.

2.7.2 Share Capital

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

2.7.3 NTA

The Share Plan will result in a charge to the Company’s and Group’s statements of profit or loss which is equal to the fair value of the Awards over the period from the Grant Date to the vesting date. In addition, when new Shares are issued under the Share Plan, there would be no effect on the NTA of the Group and the Company. If existing Shares are purchased for delivery to Participants, the NTA of the Group and the Company would decrease by the cost of Shares purchased.

Although the Share Plan will result in a charge to the income statements of the Company and the Group, it should be noted that Awards are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed or will contribute to its success including financial performance. In particular, the grant of Awards and delivery of Shares to Participants of the Share Plan are contingent upon the Participants meeting prescribed performance targets. Therefore, Participants would have contributed to or will contribute to value add to the NTA of the Company and the Group before the Awards are granted and Shares delivered.

2.7.4 EPS

The Plan will result in a charge 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 Plan will have a dilutive impact (to the extent that new Shares are issued pursuant to the Plan) on the EPS of the Company and the Group, the delivery of Shares to Participants in respect of Awards granted under the Plan, is contingent upon the Participants meeting prescribed conditions. Accordingly, the earnings of the Company and the Group should have grown before the Awards are granted and Shares delivered.

LETTER TO SHAREHOLDERS

2.7.5 Dilutive Impact

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

3. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:–

	Direct Interest ⁽¹⁾		Deemed Interest ⁽¹⁾	
	Number of Shares	%	Number of Shares	%
Directors				
Teng Woo Boon ⁽²⁾	26,066,000	22.88	3,208,000	2.82
Loh Yih	4,500,000	3.95	–	–
Neo Gim Kiong	3,094,100	2.72	–	–
Lo Yew Seng	2,966,000	2.60	–	–
Tan Eng Bock	–	–	–	–
Substantial Shareholders (other than Directors)				
Wang Wei	28,281,000	24.82	–	–
Teng Kim Sui	6,902,000	6.06	–	–

Notes:

(1) Based on a total of 113,923,000 issued Shares (excluding Treasury Shares, Returned Shares and subsidiary holdings) as at the Latest Practicable Date

(2) Teng Woo Boon's deemed interest arose through 3,208,000 Shares held by his spouse, Teo Su Ching.

4. DIRECTORS' RECOMMENDATION

As all the Directors are all eligible to participate in, and are therefore interested in the Plan, they have accordingly abstained from making any recommendation on the Ordinary Resolutions 1 to 4 that are proposed in the Notice of the EGM.

5. ABSTENTION FROM VOTING

All of the Directors, all Group Executives and any other Shareholders who are potentially eligible to participate in the Share Plan, are interested in the Share Plan. Accordingly, the Directors, all Group Executives, any other Shareholders eligible to participate in the Share Plan, and their respective Associates who are Shareholders shall abstain from voting on Ordinary Resolutions 1 to 4. In addition, the custodian of the Returned Shares shall also abstain from voting on Ordinary Resolutions 1 to 4 in respect of the Returned Shares.

The Directors, all Group Executives, any other Shareholders who are eligible to participate in the Share Plan and their respective Associates, shall also decline to accept the appointment of proxies for any Shareholder to vote in respect of Ordinary Resolutions 1 to 4 unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of such resolutions.

LETTER TO SHAREHOLDERS

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 42 of this Circular, will be held at 150 Ubi Avenue 4, #04-01 Ubi Biz-Hub, Singapore 408825 on 26 July 2019 at 11.00 am (or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 10.00 am on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

- 7.1 Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at 150 Ubi Avenue 4, #04-01 Ubi Biz-Hub, Singapore 408825 not less than 48 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.
- 7.2 A Depositor shall not be regarded as a shareholder of the Company and not entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

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

9. ADVICE TO SHAREHOLDERS

Shareholders who are in doubt as to the action they should take should consult their stockholder, bank manager, solicitor, accountant or other professionals adviser immediately.

LETTER TO SHAREHOLDERS

10. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 150 Ubi Avenue 4, #04-01 Ubi Biz-Hub, Singapore 408825 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution of the Company;
- (b) the rules of Ban Leong Performance Share Plan; and
- (c) the annual report of the Company for the financial year ended 31 March 2019.

Yours faithfully

For and on behalf of the Board of Directors

Ban Leong Technologies Limited

Teng Woo Boon
Managing Director

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

1. Name of the Performance Share Plan

The Performance Share Plan shall be called the “Ban Leong Performance Share Plan”.

2. Definitions

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

“Adoption Date” : The date on which the Performance Share Plan is adopted by the Company in an extraordinary general meeting

“Associate” : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder of a corporation (being an individual) means:–

(i) his immediate family;

(ii) a trustee, acting in his capacity as such trustee, of any trust of which the individual or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any corporation in which he and his immediate family (directly or indirectly) have interests in Shares of an aggregate of not less than 30% of the total votes attached to all Shares

(b) in relation to a substantial shareholder or controlling shareholder of a corporation (being a corporation) means any other corporation which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have interests in Shares of an aggregate of not less than 30% of the total votes attached to all Shares

“Auditors” : The auditors of the Company for the time being

“Award” : A contingent award of Shares under the Ban Leong Performance Share Plan

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

“Awards Committee”	:	A committee comprising directors of the Company, duly authorised, appointed and nominated by the Board to administer the Performance Share Plan, which shall be the remuneration committee of the Company from time to time
“Ban Leong Performance Share Plan” or “Performance Share Plan”	:	The proposed Ban Leong performance share plan, as may be modified or altered from time to time
“Board”	:	The board of directors for the time being of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Company”	:	Ban Leong Technologies Limited, a company incorporated in the Republic of Singapore
“Constitution”	:	The constitution of the Company
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies
“Controlling Shareholder”	:	A person who:– (a) holds directly or indirectly 15% or more of the aggregate of the votes attached to all the Shares; or (b) in fact exercises Control over the Company
“Executive Director”	:	A director who is a full-time employee of the Company and who performs an executive function
“Grant Date”	:	In relation to an Award, the date on which the Award is granted
“Group”	:	The Company and its subsidiaries
“Group Executive”	:	Any Directors of the Company, confirmed full-time assistant managers and those listed above them in the organisation charts of the Group (or persons of equivalent rank) who are selected by the Awards Committee to participate in the Performance Share Plan in accordance with Rule 4

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

“Independent Director”	:	The independent non-executive director of the Company
“Listing Manual”	:	The listing manual of the SGX-ST and its relevant rules, as amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Non-Executive Director”	:	A director of the Company who is not an Executive Director
“Participant”	:	Any eligible person who is selected by the Awards Committee to participate in the Performance Share Plan in accordance with the rules thereof
“Performance Condition(s)”	:	In relation to performance-related Awards, the condition(s) specified on the Grant Date in relation to that Award
“Returned Shares”	:	681,818 ordinary shares of the Company that was transferred from Christine Anne McGregor and Innovision Technology Australia Pty Ltd pursuant to a Settlement Agreement as compensation for the shortfall in guaranteed profits in prior years
“Rules”	:	The rules of the Performance Share Plan, as the same may be amended from time to time
“Securities Account”	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Settlement Agreement”	:	The settlement agreement made between Christine Anne McGregor, Innovision Technology Australia Pty Ltd and the Company dated 30 April 2009
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share(s)”	:	Ordinary share(s) in the capital of the Company

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

- “Shareholders” : The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, means the Depositors whose Securities Accounts are credited with such Share
- “Vesting Period” : In relation to an Award, a period or periods, the duration of which is to be determined by the Awards Committee at the date of the grant of the Award
- “\$” or “cents” : Singapore dollars and cents respectively
- 2.2 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.
- 2.3 The term “subsidiary” shall have the same meaning ascribed to it in Section 5 of the Companies Act.
- 2.4 The term “Treasury Shares” shall have the same meaning ascribed to it in Section 4 of the Companies Act.
- 2.5 Words importing the singular shall where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.
- 2.6 Any reference in the Performance Share Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any statutory modification thereof and used in the Performance Share Plan shall, where applicable, have the same meaning ascribed to it under the Companies Act or the Listing Manual or any statutory modification thereof, as the case may be unless otherwise provided.
- 2.7 Any reference to a time of day in the Performance Share Plan shall be a reference to Singapore time unless otherwise stated.

3. Objectives of the Performance Share Plan

The objectives of the Performance Share Plan are as follows:–

- (a) to provide an opportunity for Participants of the Performance Share Plan to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
- (b) to motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
- (c) to give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

- (d) to make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long term growth and profitability of the Group.

4. Eligibility

4.1 The following persons (provided that such persons are not undischarged bankrupts or entered into a composition with their respective creditors at the relevant time) who shall have attained the age of eighteen (18) years are eligible to participate in the Performance Share Plan at the absolute discretion of the Awards Committee:

- (a) confirmed full-time assistant general managers and those listed above them in the organisation charts of the Group (or persons of equivalent ranks) (including Controlling Shareholder(s) and Associate(s) of Controlling Shareholder(s); and
- (b) directors of the Company and its subsidiaries (including Non-Executive and Independent Directors),

who, in the opinion of the Awards Committee, have contributed or will contribute to the success of the Group.

4.2 Participants who participate in the Performance Share Plan are eligible to participate in other plans implemented by other companies in the Group if approved by the Awards Committee.

4.3 The Awards Committee shall have absolute discretion to decide whether a person who is participating in the Share Plan shall be eligible to participate in any other share option scheme implemented by the Company or any other company within the Group.

4.4 For the purposes of assessing the contributions of eligible persons, the Awards Committee may adopt a performance framework which incorporates financial and/or non-financial performance measurement criteria including, but not limited to the financial benefit or financial enhancement to the Group through any deals or transactions entered into by the Group as a result of the contributions of such persons, as well as the value of other contributions such as the introduction of new contacts or business opportunities.

4.5 Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Ban Leong Performance Share Plan may be amended from time to time at the absolute discretion of the Awards Committee.

4.6 Persons who are Controlling Shareholders and their Associates shall not participate in the Share Plan unless:–

- (a) their participation; and
- (b) the actual number of Shares and terms of any Award to be granted to them,

have been approved by independent Shareholders of the Company in general meeting in separate resolutions for each of (i) his participation and (ii) the actual number of Shares and terms of any Award to be granted to him, Provided Always That it shall not be necessary to obtain the approval of the independent Shareholders of the Company for the participation in the Share Plan if such approval has previously been obtained at a prior general meeting. For the purposes of obtaining such approval of the independent Shareholders of the

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

Company, the Awards Committee shall procure that the circular, letter or notice to the Shareholders in connection therewith shall set out:-

- (i) clear justification for his participation; and
- (ii) clear rationale for the number of Shares which are the subject of the Awards and the terms of the Awards to be granted to him.

5. Limitations under the Performance Share Plan

5.1 The aggregate number of Shares over which the Awards Committee may grant Awards on any date, when added to the aggregate number of Shares that are issued or are issuable in respect of such other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total number of issued Shares (excluding Treasury Shares, Returned Shares and subsidiary holdings) on the day immediately preceding the Grant Date, provided and subject to Rule 4, that in relation to Controlling Shareholders and their Associates as prescribed by the Listing Manual currently in force:-

- (a) the aggregate number of Shares which may be offered by way of grant of Awards to Participants who are Controlling Shareholders and their Associates under the Share Plan shall not exceed 25% of the total number of Shares available under the Share Plan; and
- (b) the aggregate number of Shares which may be offered by way of grant of Awards to each Participant who is a Controlling Shareholder or his Associate under the Share Plan shall not exceed 10% of the total number of Shares available under the Share Plan.

5.2 Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Awards Committee being satisfied that the Participant has achieved the Performance Condition(s) and that the Vesting Period (if any) has expired provided always that the Awards Committee shall have the absolute discretion to determine the extent to which the Shares under that Award shall be released on the prescribed Performance Condition(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period. No Shares under the Award shall be released for the portion of the prescribed Performance Condition(s) that is not satisfied by the Participant at the end of the prescribed performance period.

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

6. Grant Date

6.1 The Awards Committee may grant Awards at any time, except for:

- (a) the two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, in the event that the Company adopts quarterly reporting;
- (b) the one month before the announcement of the Company's half-year or full-year financial statement, as the case may be; or

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

- (c) in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Awards may only be granted on or after the second Market Day on which such announcement is made.
- 6.2 Where the grant of Awards to any Participant is subject to approval of specific resolution at a general meeting, the Awards Committee shall grant such approved Awards within 30 days from the conclusion of the general meeting that approved the resolution.
- 6.3 The grant of an Award to a Participant shall be accepted by the Participant within 30 days from the Grant Date. The Participant may accept or refuse the whole but not part of the offer. The Awards Committee shall within 15 Market Days of receipt of the acceptance form acknowledge receipt thereof.
- 6.4 If the grant of an Award is not accepted by the Participant within 30 days from the Grant Date, such offer shall upon the expiry of the 30-day period automatically lapse and shall be null and void.

7. Awards Entitlement

- 7.1 Awards represent the right of a Participant to receive fully-paid Shares free of consideration. A Participant is entitled to receive fully-paid Shares free of consideration subject to the Performance Conditions prescribed by the Awards Committee in its absolute discretion being met.
- 7.2 The Vesting Periods of Awards will be determined by the Awards Committee in its sole discretion.
- 7.3 The selection of a Participant, the number of Shares which are the subject of each Award to be granted to him, and the prescribed Vesting Period shall be determined at the absolute discretion of the Awards Committee, which shall take into account criteria such as his rank, job performance, years of service, potential for future development, his contribution to the success and development of the Group and the extent of effort required to achieve the Performance Condition within the performance period.
- 7.4 The Awards Committee shall decide, in relation to each Award to be granted to a Participant:–
 - (a) the Grant Date;
 - (b) the number of Shares which are the subject of the Award;
 - (c) the prescribed Vesting Period(s);
 - (d) the prescribed Performance Condition(s);
 - (e) the performance period during which the prescribed Performance Condition(s) are to be satisfied; and
 - (f) the extent to which Shares which are the subject of that Award shall be released on the prescribed Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period.

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

- 7.5 Once an Award is finalised by the Awards Committee, the Awards 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 Grant Date;
 - (b) the number of Shares which are the subject of the Award;
 - (c) the prescribed Performance Condition(s);
 - (d) the performance period during which the prescribed Performance Condition(s) are to be satisfied;
 - (e) the Vesting Period(s), if any; and
 - (f) the extent to which Shares which are the subject of that Award shall be released on the prescribed Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period.

8. Vesting of the Awards

- 8.1 An Award shall, to the extent not yet vested, immediately lapse without any claim whatsoever against the Company:–
- (a) in the event of misconduct or breach of term of employment contract on the part of the Participant as determined by the Awards Committee at its discretion; or
 - (b) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of such Award; or
 - (c) subject to Rules 8.2 and 8.3, upon a Participant, being a Group Employee ceasing to be in the full-time employment of the Group for any reason whatsoever; or
 - (d) the Participant commits any breach of any of the terms of the Award; or
 - (e) in the event that the Awards 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 Performance Share Plan (as set out in Rule 3) have not been met.

For the purpose of Rule 8.1(c), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

- 8.2 If a Participant, being a Group Employee ceases to be employed by the Group, by reason of his:–
- (a) ill health, injury, disability (in each case, evidenced to the satisfaction of the Awards Committee); or
 - (b) redundancy; or
 - (c) retirement at or after the normal retirement age; or
 - (d) retirement before that age with the consent of the Awards Committee;

or for any other reason approved in writing by the Awards Committee, the Awards Committee may, at its absolute discretion, decide that a Participant is entitled to an Award or any part thereof, so long as he has met the Performance Condition(s) notwithstanding that he may have ceased to be so employed or ceased to hold office after the fulfilment of such Performance Condition(s) and that the Vesting Period (if any) has not expired prior to the cessation of such employment or holding of office.

In exercising its discretion, the Awards Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition(s) have been satisfied.

- 8.3 If a Participant who has fulfilled his Performance Condition(s) dies before an Award is vested, the Award shall in such circumstances be given to the duly appointed personal representatives of the Participant.
- 8.4 Save as provided and for the avoidance of doubt, an Award shall nevertheless be vested in a Participant for as long as he has fulfilled his Performance Condition(s) and the Vesting Period (if any) has not expired and notwithstanding a transfer of his employment within any company in the Group or any apportionment of Performance Condition(s) within any company in the Group.

9. Take-over and Winding-up of the Company

- 9.1 Notwithstanding the provisions of Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall (notwithstanding that the Vesting Period for the Award has not expired) be entitled to the Shares under the Awards if he has met the Performance Condition(s) which falls within the period commencing on the date on which such offer for a take-over of the Company is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:–
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Awards Committee and the SGX-ST, such expiry date is extended to a later date being a date falling not later than the last date on which the Performance Condition(s) are to be fulfilled); or

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

- (b) the date of expiry of the period for which the Performance Condition(s) are to be fulfilled. Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participant shall be obliged to fulfil such Performance Condition(s) until the expiry of such specified date or the expiry date of the Performance Condition(s) relating thereto, whichever is earlier, before an Award can be vested.

9.2 If:

- (a) 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 Condition(s) shall be entitled, notwithstanding the provisions herein and the fact that the Vesting Period for such Award has not expired but subject to Rule 9.5, to any Awards so determined by the Awards Committee to be vested in 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 sixty (60) days thereafter or the date upon which the compromise, arrangement or amalgamation becomes effective, whichever is later; or
- (b) if under the Companies Act, the Accounting and Corporate Regulatory Authority issues a notice of amalgamation, for the purposes of, or in connection with the amalgamation of the Company with another company or companies, each Participant who has fulfilled his Performance Condition(s) shall be entitled, notwithstanding Rule 9 and the non-expiry of the Vesting Period for the Award but subject to Rule 9.5, to any Awards so determined by the Awards Committee to be vested in him during the period commencing on the date upon which the notice of amalgamation is issued by the Accounting and Corporate Regulatory Authority and ending either on the expiry of sixty (60) days thereafter or the date upon which the amalgamation becomes effective, whichever is later.

9.3 If an order or an effective resolution is made for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that they may have been so vested shall be deemed to become null and void.

9.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Awards shall so vest in the Participant for so long as, in the absolute determination by the Awards Committee, the Participant has met the Performance Condition(s) prior to the date that the members' voluntary winding-up shall be deemed to have been commenced or effective in law.

9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, 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 Award shall be made in such circumstances.

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

10. Shares

- 10.1 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 compliance with the terms of the Performance Share Plan and the Constitution, the Company shall, within ten (10) Market Days after the vesting of an Award, allot and issue the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Awards Committee may deem fit, or in the case of a transfer of Treasury Shares or Returned Shares, do such acts or things which are necessary for the transfer to be effective.
- 10.2 The Company shall, as soon as practicable after such allotment, where necessary, apply to the SGX-ST for permission to deal in and for quotation of such Shares.
- 10.3 Shares which are the subject of an Award shall be issued or transferred to in the name of CDP or its nominees to the credit of the Securities Account of that Participant or the securities sub-account maintained with a Depository Agent.
- 10.4 Shares allotted and issued, Treasury Shares and/or Returned Shares transferred, upon the vesting of an Award, shall be subject to all the provisions of the Constitution, and be eligible for all entitlements, including dividends, rights, allotments or other distributions, the Record Date for which is on or after the vesting date, 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 or rights of holders of Shares.
- 10.5 Shares which are allotted, Treasury Shares and/or Returned Shares which are transferred, on the vesting of an Award to a Participant, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, for a period of six (6) months commencing on the date the Shares are allotted and issued, or the date the Treasury Shares and/or Returned Shares are transferred to a Participant upon the vesting of an Award, except to the extent set out in the Award letter or with the prior approval of the Awards Committee.

11. Variation of Capital

- 11.1 If a variation in the share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, capital reduction, subdivision, consolidation 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 Performance Share Plan,

may be adjusted in such manner as the Awards Committee may determine to be appropriate.

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

11.2 Unless the Awards 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 Official List of 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.

11.3 Notwithstanding the provisions of Rule 11.1:–

- (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 Awards 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.

11.4 Upon any adjustment required to be made pursuant to this Rule 11, 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 or transferred pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

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

12. Administration of the Performance Share Plan

12.1 The Performance Share Plan shall be managed by the Awards Committee, which has the absolute discretion to determine persons who will be eligible to participate in the Performance Share Plan. However, a Participant who is a member of the Awards Committee shall not be involved in any deliberation or decision in respect of Awards (as the case may be) to be granted to or held by that Participant.

12.2 The Awards Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Performance Share Plan) for the implementation and administration of the Performance Share Plan as they think fit including, but not limited to:–

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and
 - (b) amending Performance Condition(s) if by so doing, it would be a fairer measure of performance for a Participant or for the Performance Share Plan as a whole and/or amending the Vesting Period (if any).
- 12.3 Neither the Performance Share Plan nor the grant of Awards under the Performance Share Plan shall impose on the Company or the Awards Committee any liability whatsoever in connection with:–
- (a) the lapsing of any Awards pursuant to any provision of the Performance Share Plan;
 - (b) the failure or refusal by the Awards Committee to exercise, or the exercise by the Awards Committee of, any discretion under the Performance Share Plan; and/or
 - (c) any decision or determination of the Awards Committee made pursuant to any provision of the Performance Share Plan.
- 12.4 Any decision of the Awards Committee (including any decisions pertaining to the number of Shares to be vested) made pursuant to any provision of the Performance Share Plan (other than a matter to be certified by the Auditors) shall be final and binding in all cases including any disputes as to the interpretation of the Performance Share Plan or any rule, regulation, procedure thereunder or as to any rights under the Performance Share Plan.
- 13. Notices and Annual Report**
- 13.1 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 (including electronic mail addresses) or facsimile number, and marked for the attention of the Awards Committee, as may be notified by the Company to him in writing.
- 13.2 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 Awards Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or at the last known address, electronic mail address or facsimile number of the Participant.
- 13.3 Any notices or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any notices or communication from the Company to a Participant shall be deemed to be received by that Participant when left at the address specified in Rule 13.2, or if sent by post, shall be deemed to have been given on the day following the date of posting, or if sent by electronic mail or facsimile transmission, on the day of despatch.
- 13.4 The Company, as required by law or the SGX-ST or other relevant authority, shall make the following disclosures in its annual report for so long as the Performance Share Plan continues in operation:–
- (a) the names of the members of the Awards Committee;

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

- (b) the information in the table below for:–
- (i) Participants who are directors of the Company;
 - (ii) Participants who are Controlling Shareholders or Associates of Controlling Shareholders; and
 - (iii) Participants other than those in paragraph (i) above, who receive Awards comprising 5% or more of the aggregate of the total number of Shares available under the Performance Share Plan;

Name of Participant	Awards granted during financial year under review (including terms)	Aggregate Awards granted since commencement of Performance Share Plan to end of financial year under review	Aggregate Awards released since commencement of Performance Share Plan to end of financial year under review	Aggregate Awards not yet released as at end of financial year under review
---------------------	---	---	--	--

- (c) If any of the above is not applicable, an appropriate negative statement must be included;
- (d) such other information as may be required by the Listing Manual and the Act; and
- (e) Participants were not required to pay for the grant of any Awards to them.

14. Modifications to the Performance Share Plan

14.1 Any or all of the provisions of the Performance Share Plan may be modified and/or altered at any time and from time to time by a resolution of the Board on the recommendation of the Awards Committee, except that:–

- (a) no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Participants under the Performance Share Plan who, if their Awards were released to them, would thereby become entitled to not less three-quarters in number the aggregate number of all the Shares which would be issued in full of all outstanding Awards under the Performance Share Plan;
- (b) any modification or alteration which would be to the advantage of Participants under the Performance Share Plan shall be subject to the prior approval of Shareholders in a general meeting; and
- (c) no modification or alteration shall be made without due compliance with the Listing Manual and the approval of the SGX-ST and such other regulatory authorities as may be necessary.

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

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

- 14.3 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants but accidental omission to give notice to any Participants shall not invalidate any such modifications or alterations.
- 14.4 Shareholders who are eligible to participate in the Performance Share Plan must abstain from voting on any resolution relating to the Performance Share Plan.

15. Terms of Employment Unaffected

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

16. Duration of the Performance Share Plan

- 16.1 The Performance Share Plan shall continue to be in force at the discretion of the Awards Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Performance Share Plan may continue beyond the above stipulated period with the approval of Shareholders by an ordinary resolution in a general meeting and of any relevant authorities which may then be required.
- 16.2 The Performance Share Plan may be terminated at any time by the Awards Committee and by an ordinary resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Performance Share Plan is so terminated, no further Awards shall be granted by the Company thereunder.
- 16.3 The termination of the Performance Share Plan shall not affect Awards which have been granted and accepted, whether such Awards have been released fully or partially.

17. 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 Performance Share Plan shall be borne by that Participant.

18. Costs and Expenses

- 18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the allotment and issue and/or transfer of any Shares in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account or the Participant's securities sub-account with a Depository Agent.
- 18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the Performance Share Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Performance Share Plan including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of Shares or transfer of Treasury Shares (if any) pursuant to the Awards shall be borne by the Company.

APPENDIX I – RULES OF BAN LEONG PERFORMANCE SHARE PLAN

19. Disclaimer of Liability

Notwithstanding any provisions herein contained, the Board, the Awards Committee and any company within the Group, as the case may be, 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 allotting and issuing Shares, transferring Treasury Shares and/or Returned Shares, or applying for or procuring the listing of the Shares on the Official List of the SGX-ST in accordance with Rule 10.2 (and any other stock exchange on which the Shares are quoted or listed).

20. Disputes

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

21. Condition of Awards

Every Award shall be subject to the condition that no Shares would be issued or Treasury Shares (if any) 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 and/or transfer of Shares hereto.

22. Governing Law

The Performance Share Plan 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 Performance Share Plan, and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

NOTICE OF EXTRAORDINARY GENERAL MEETING

BAN LEONG TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 199303898C)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **Ban Leong Technologies Limited** (the “**Company**”) will be held at 150 Ubi Avenue 4, #04-01 Ubi Biz-Hub, Singapore 408825 on Friday, 26 July 2019 at 11.00 am (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 am on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions as set out below:

All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the Circular to Shareholders of the Company dated 11 July 2019.

ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE BAN LEONG PERFORMANCE SHARE PLAN

That:

- (a) a share plan to be known as the Ban Leong Performance Share Plan (the “**Plan**”), the rules of which have been submitted to the meeting and, for the purpose of identification, subscribed by the Chairman thereof, under which awards (“**Awards**”) of fully paid-up ordinary shares in the capital of the Company (the “**Shares**”), their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the Company and/or its subsidiaries, including the Directors of the Company, and other selected participants, details of which are set out in the Circular to Shareholders dated 11 July 2019 be and is hereby approved;
- (b) the Directors of the Company be and are hereby authorised:
 - (i) to establish and administer the Plan; and
 - (ii) to modify and/or alter the Plan from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the Plan and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Plan; and
 - (iii) subject to the same being allowed by law, to apply any share purchased under any share buyback mandate towards the satisfaction of Awards granted under the Plan; and
- (c) the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the Plan and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards under the Plan, provided that the aggregate number of Shares to be allotted and issued pursuant to the Plan shall not exceed 15% of the total issued Shares of the Company (excluding Treasury Shares, Returned Shares and subsidiary holdings) from time to time.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2: THE PROPOSED PARTICIPATION BY TENG WOO BOON, MANAGING DIRECTOR AND CONTROLLING SHAREHOLDER, IN THE BAN LEONG PERFORMANCE SHARE PLAN

That subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Teng Woo Boon, who is a Controlling Shareholder [as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)] of the Company, in the Plan be and is hereby approved.

ORDINARY RESOLUTION 3: THE PROPOSED PARTICIPATION BY TEO SU CHING, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE BAN LEONG PERFORMANCE SHARE PLAN

That subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Teo Su Ching, who is an Associate of a Controlling Shareholder of the Company, in the Plan be and is hereby approved.

ORDINARY RESOLUTION 4: THE PROPOSED PARTICIPATION OF NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE BAN LEONG PERFORMANCE SHARE PLAN

That subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Non-Executive Directors (including Independent Directors) of the Company in the Share Plan, be and is hereby approved.

By Order of the Board
Ban Leong Technologies Limited

Ronald Teng Woo Boon
Managing Director
11 July 2019

Notes:

- (1) A shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company (“**EGM**”) may appoint not more than two proxies to attend and vote in his/her stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.
- (2) Relevant Intermediaries such as banks and capital markets services licence holders which provide custodial services and are shareholders of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the shareholder. Relevant Intermediaries has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50 of Singapore.
- (3) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 150 Ubi Avenue 4 #04-01 Ubi Biz-Hub, Singapore 408825 not later than 48 hours before the time appointed for the holding of the EGM.
- (4) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (5) A Depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY:

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

This page has been intentionally left blank.

PROXY FORM

BAN LEONG TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199303898C)

Important:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Cap. 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the capital of Ban Leong Technologies Limited, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective agent Banks/SRS Operators if they any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 11 July 2019.

I/We* _____ (Name) NRIC/Passport number* _____

of _____ (Address)
being a shareholder/shareholders* of Ban Leong Technologies Limited (the "Company") hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at 150 Ubi Avenue 4 #04-01 Ubi Biz-Hub, Singapore 408825 on Friday, 26 July 2019 at 11.00 am (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 am on the same day and at the same place), and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

Please tick here if more than two proxies will be appointed (Please refer to note 3). This is only applicable for intermediaries such as banks and capital markets services licence holders which provide custodial services.

All resolutions put to the vote at the EGM shall be decided by way of poll.

ORDINARY RESOLUTIONS	For**	Against**
1. The Proposed Adoption of the Ban Leong Performance Share Plan		
2. The Proposed Participation by Teng Woo Boon in the Ban Leong Performance Share Plan		
3. The Proposed Participation by Teo Su Ching in the Ban Leong Performance Share Plan		
4. The proposed participation of Non-Executive Directors (including Independent Directors) in the Ban Leong Performance Share Plan		

* Delete where inapplicable

** Please indicate your vote "For" or "Against" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____, 2019

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A shareholder entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
3. Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
4. The instrument appointing a proxy or proxies, duly executed, must be deposited at 150 Ubi Avenue 4, #04-01 Ubi Biz-Hub, Singapore 408825 not later than 48 hours before the time appointed for the EGM.
5. Where a shareholder appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy and, if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50.
9. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
10. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
11. Terms not defined in this Proxy Form shall have the meanings ascribed to them in the circular to shareholders dated 11 July 2019.

Affix
Postage
Stamp

The Company Secretary
BAN LEONG TECHNOLOGIES LIMITED
150 Ubi Avenue 4, #04-01 Ubi Biz-Hub
Singapore 408825