

LETTER TO SHAREHOLDERS DATED 11 MARCH 2020

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

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

Unless otherwise stated, capitalised terms on this cover are defined in this Letter under the Section entitled *Definitions*.

This Letter is circulated to Shareholders with TrickleStar's 2019 Annual Report. Its purpose is to explain to Shareholders the rationale, and to provide information, for the proposals for change of auditors, renewal of Share Buy-Back Mandate and participation and Awards under the TrickleStar Performance Share Plan to Bernard Christopher Emby and Gunanathan Nithyanantham, to be tabled at the 2019 AGM (to be held on 26 March 2020 at the Four Points by Sheraton Singapore, Riverview Elgin Room, 382 Havelock Road, Singapore 169629 at 10.30 am).

The Notice of the 2019 AGM and proxy form are enclosed with the 2019 Annual Report.

If you have sold or transferred all your Shares, you should immediately send this Letter, the Notice of AGM and the accompanying 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.

TrickleStar Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 18 June 2019. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This Letter has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This Letter has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Letter, including the accuracy and correctness of any of the statements or opinions made or reports contained in this Letter.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay #10-00 Income at Raffles Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).



TRICKLESTAR LIMITED

(Company Registration No.: 201837106C)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS

in relation to proposals for

- 1. CHANGE OF AUDITORS**
- 2. RENEWAL OF SHARE BUY-BACK MANDATE**
- 3. PARTICIPATION AND AWARDS TO MR BERNARD CHRISTOPHER EMBY AND MR GUNANANTHAN NITHYANANTHAM UNDER PSP**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	23 March 2020 at 10.30 a.m.
Date and time of Annual General Meeting	:	26 March 2020 at 10.30 a.m.
Place of Annual General Meeting	:	Four Points by Sheraton Singapore, Riverview Elgin Room, 382 Havelock Road, Singapore 169629.

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DEFINITIONS

“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore;
“Act” or “Companies Act”	:	The Companies Act (Chapter 50) of Singapore;
“AGM”	:	The annual general meeting of the Company; and 2019 AGM means the meeting to be held on 26 March 2020, notice of which is set out in the Company’s 2019 Annual Report;
“Associate”	:	<p>(a) In relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <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, and <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such company or companies taken together (directly or indirectly) have an interest of 30% or more.</p>
“2019 Annual Report”	:	TrickleStar’s annual report for the financial year ended 31 December 2019;
“Audit Committee”	:	The audit committee of the Company;
“Auditors”	:	The auditors of the Company as appointed from time to time;
“Award”	:	An award of Shares under the PSP;
“Award Date”	:	The date on which an Award is made pursuant to the rules of the PSP;
“Award Rights”	:	The right to Shares awarded pursuant to the rules of the PSP;
“BDO”	:	Messrs BDO LLP;

“Board”	:	The board of Directors of the Company;
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST;
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified;
“CDP”	:	The Central Depository (Pte) Limited;
“CEO”	:	Chief Executive Officer;
“Circlebright”	:	Circlebright Sdn Bhd;
“CPF”	:	Central Provident Fund;
“Company” or “TrickleStar”	:	TrickleStar Limited;
“Constitution”	:	The constitution of the Company;
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company;
“Controlling Shareholder”	:	<p>A person who:</p> <p>(a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in TrickleStar. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or</p> <p>(b) in fact exercises Control over TrickleStar;</p>
“CPF”	:	Central Provident Fund;
“Date of Award”	:	The date on which Shares are Awarded to a Participant pursuant to the PSP;
“Director(s)”	:	Director(s) of the Company;
“Emby”	:	Bernard Christopher Emby;
“employee”	:	A confirmed full-time employee of TrickleStar (including an Executive Director) who is selected by the Committee to participate in the PSP;
“EPS”	:	Earnings per Share;
“Executive Director”	:	A director of the Company and/or its subsidiaries, as the case may be, who performs an executive function;

“FY” or “Financial Year”	:	Financial year ended or ending 31 December, as the case may be;
“Guna”	:	Gunananthan Nithyanantham;
“Group”	:	The Company and its subsidiaries;
“Latest Practicable Date”	:	27 February 2020, being the latest practicable date prior to the printing of this Letter;
“Letter”	:	This letter to Shareholders dated 11 March 2020;
“Market Day”	:	A day on which the SGX-ST is open for trading of securities;
“Market Price”	:	The average of the last dealt prices for a Share, as determined by reference to the daily Official List (as defined in the Catalist Rules) published by the SGX-ST for a period of five (5) consecutive trading days immediately preceding the Offering Date of that Option, provided always that in the case of a Market Day on which the Shares of the Company are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediate preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices;
“Non-Executive Director”	:	A director of the Company and/or its subsidiaries, as the case may be, other than an Executive Director;
“Notice of AGM”	:	The notice of AGM as set out in the Company’s 2019 Annual Report;
“NTA”	:	Net tangible assets;
“Proposed Change of Auditors”	:	The proposed change of Auditors from BDO to PWCO;
“PSP”	:	The TrickleStar Performance Share Plan;
“PWCO”	:	Messrs Paul Wan & Co;
“Resolution for Change of Auditors”	:	The resolution to appoint Messrs PWCO as the Company’s auditors for FY2020 to be proposed at the 2019 AGM, the text of which is set out in the Appendix 1 to this Letter;
“Resolution for the Renewal of the Buy-Back Mandate”	:	The resolution to renew the authority to repurchase Shares under the Share Buy-Back Mandate to be proposed at the 2019 AGM;

“Resolutions for Participation and Awards”	:	The resolutions to allow Emby and Guna respectively, to participate in the PSP and to receive Awards, to be proposed at the 2019 AGM;
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities account maintained with a Depository Agent;
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289 of Singapore;
“SGX-ST”	:	Singapore Exchange Securities Trading Limited;
“Share(s)”	:	Ordinary share(s) in the capital of the Company;
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares;
“Share Buy-Back”	:	The purchase or acquisition by TrickleStar of its own Shares pursuant to the Share Buy-Back Mandate;
“Share Buy-Back Mandate”	:	The general mandate given by Shareholders to authorise the Directors to purchase, on behalf of TrickleStar, Shares in accordance with the terms set out in this Letter and the rules and regulations of the Companies Act and the Catalist Rules;
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.;
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than 5% of the issued Shares, as defined under section 81 of the Companies Act;
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers;
“S\$” and “S\$ cents”	:	Dollars and cents respectively of the currency of Singapore;
“US\$” and “US\$ cents”	:	Dollars and cents respectively of the currency of United States of America;
“%”	:	Per centum or percentage;

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

The terms **“subsidiary”** and **“substantial shareholder”** shall have the meaning ascribed to them respectively in the Companies Act and the Catalist Rules.

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*.

Words importing persons shall, where applicable, include corporations and unincorporated associations.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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

Any term defined under the Act or the Catalist Rules, or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Act or the Catalist Rules, or such modification thereof, as the case may be, unless otherwise provided.

TRICKLESTAR LIMITED

(Company Registration No.: 201837106C)
(Incorporated in the Republic of Singapore)

Directors:

Bernard Christopher Emby (*Executive Chairman and Chief Executive Officer*)
Gunananthan Nithyanantham (*Non-Executive Non-Independent Director*)
Jeremy John Figgins (*Lead Independent Director*)
Chuah Jern Ern (*Independent Director*)
Ling Hee Keat (*Independent Director*)

Registered Office:

80 Robinson Road
#02-00
Singapore 068898

11 March 2020

To: The Shareholders of TrickleStar Limited

Dear Shareholders

Proposed Change of Auditors

Proposed Renewal of Share Buy-Back Mandate

Proposed Participation and Awards to Bernard Christopher Emby and Gunananthan Nithyanantham under the PSP

INTRODUCTION

The Directors are seeking the approval of Shareholders for the following ordinary resolutions at the 2019 AGM:

- (i) the proposed appointment of Messrs Paul Wan & Co as the Company's auditors (Resolution 7);
- (ii) the proposed renewal of the Share Buy-Back Mandate (Resolution 10);
- (iii) the proposed participation of Bernard Christopher Emby, the Executive Chairman, Chief Executive Officer and a Controlling Shareholder of the Company, in the PSP (Resolution 11);
- (iv) the proposed Awards to Bernard Christopher Emby, the Executive Chairman, Chief Executive Officer and a Controlling Shareholder of the Company, under the PSP (Resolution 12);
- (v) the proposed participation of Gunananthan Nithyanantham, the Non-Executive Non-Independent Director and a Controlling Shareholder of the Company, in the PSP (Resolution 13); and
- (vi) the proposed Awards to Gunananthan Nithyanantham, the Non-Executive Non-Independent Director and a Controlling Shareholder of the Company, under the PSP (Resolution 14);

(collectively, the "Proposed Resolutions").

The purpose of this Letter is to provide you with information relating to the Proposed Resolutions, and to seek approval from Shareholders in respect of the same at the upcoming 2019 AGM, to be held on 26 March 2020 at Four Points by Sheraton Singapore, Riverview Elgin Room, 382 Havelock Road, Singapore 169629 at 10.30 a.m., notice of which is set out in the Company's 2019 Annual Report.

THE PROPOSED CHANGE OF AUDITORS

1. Background and Rationale

- 1.1. The Company's current Auditors, BDO, has been its Auditors since TrickleStar's incorporation and, prior to that, their affiliates were the Group auditors since 2018. BDO holds office until the conclusion of the upcoming 2019 AGM.
- 1.2. The Board is of the view that, following the successful listing of the Company on the Catalist market, it is appropriate, as a matter of good corporate governance, to review the continued use of the same external advisors and auditors. The Board believes that a change of Auditors may enable the Company to benefit from fresh perspectives and the views of another professional audit firm and enhance the value of the audit. As such, it is timely to rotate and effect a change of external Auditors and to seek a fee quotation from another major international audit firm for the audit of the Company's financial statements for the financial year ending 31 December 2020.
- 1.3. Following a review, the Board requested a fee quotation from PWCO and proposed audit plans from PWCO. In consultation with the Audit Committee, the Board has accepted the Audit Committee's view that the PWCO's plans and quote are reasonable and the Audit Committee's recommendation for the appointment of PWCO as the Company's Auditors for the financial year ending 31 December 2020, subject to the approval of the Shareholders in general meeting.
- 1.4. Pursuant to Rule 712(3) of the Catalist Rules, the appointment of PWCO as Auditors must be approved by Shareholders in a general meeting. On 27 February 2020, PWCO gave their written consent to be appointed as Auditors, subject to approval of Shareholders. The appointment of PWCO as Auditors will therefore take effect upon approval of the same by Shareholders at the 2019 AGM and, if appointed, PWCO will hold office until the conclusion of the AGM to be held in 2021.

For the purpose of Rule 712(3) of the Catalist Rules, BDO did not resign, did not decline to stand for election and were not dismissed. The Board would like to take this opportunity to express its gratitude to BDO for the past services rendered by BDO.

2. Information on PWCO and the Audit Engagement Partner

2.1. *About PWCO*

Paul Wan & Co is one of the major established accounting firms in Singapore and has been in existence since 1986. In 1962, PWCO joined the worldwide accounting group Morison International, which is now known as Morison KSi. Morison KSi has ranked 9th in the International Accounting Bulletin World Survey 2017, published on 14 February 2017. Over the years, PWCO have been the external and internal auditors of 13 listed companies. There will be approximately 8 persons in the audit team who will be assigned to the audit of TrickleStar.

2.2. *About the audit engagement partner*

Yaw Shyy Yuan will be the audit engagement partner for TrickleStar. He is a Chartered Accountant of Singapore who has more than 12 years of audit experience, including 10 years with international accounting firms in Singapore. He is currently a registered Public Accountant with the Accounting and Corporate Regulatory Authority (ACRA) in Singapore and is also a member of the Institute of Singapore Chartered Accountants (ISCA) and the Association of Chartered Certified Accountants (ACCA).

He has more than 5 years of audit experience in auditing companies with similar business activities as TrickleStar.

He has not been subject to a Practice Monitoring Programme carried out by ACRA and, accordingly, has had no feedback from ACRA.

3. Compliance with Rule 712 of the Catalist Rules

- 3.1. The Company confirms that it is in compliance with Rule 712 of the Catalist Rules in relation to the appointment of PWCO as its new Auditors. PWCO is registered with ACRA. The Board, having considered various factors including, *inter alia*, the fee structure, the size and complexity of the Group, the adequacy of resources of PWCO, the experience of the firm, the audit engagement partner, the other audit engagements of PWCO, the number and expertise of the supervisory and professional staff to be assigned to the audit of the financial statements of the Group and PWCO's proposed audit arrangements of the Group, is of the opinion that PWCO will be able to meet the audit requirements of the Group and that Rules 712(1) and 712(2) of the Catalist Rules have been complied with.
- 3.2. In accordance with the requirements of Rule 712(3) of the Catalist Rules:
 - 3.2.1. BDO has confirmed, by way of their letter dated 2 March 2020, that they are not aware of any professional reasons why PWCO should not accept appointment as the new Auditors;
 - 3.2.2. TrickleStar confirms that there were no disagreements with BDO on accounting treatments within the last twelve (12) months;
 - 3.2.3. TrickleStar confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders and which has not been disclosed in this Letter; and
 - 3.2.4. the specific reasons for the Proposed Change of Auditors are disclosed in paragraph 1 above. The Proposed Change of Auditors is not due to the dismissal of BDO, or due to BDO declining to continue to serve as the Auditors of the Company.
 - 3.2.5. TrickleStar confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of PWCO.

4. Compliance with Rule 715 of the Catalist Rules

- 4.1. The Company confirms that it is in compliance with Rule 715 of the Catalist Rules in relation to the appointment of PWCO as its new Auditors. Following Shareholders' approval of the Proposed Change of Auditors, PWCO will become the auditors of the Company in place of BDO and will be appointed to conduct an audit on the consolidated financial statements of the Company.
- 4.2. Affiliates of PWCO will become Auditors, where audit is a requirement, to the Company's foreign incorporated subsidiaries namely, TrickleStar (M) Sdn Bhd, TrickleStar Limited (Hong Kong) and TrickleStar Inc (USA).
- 4.3. PWCO has given their written consent to act as the Auditors, subject to the approval of Shareholders at the 2019 AGM.

- 4.4. The appointment of PWCO will be effective upon obtaining the approval of Shareholders at the 2019 AGM for their appointment.

5. Audit Committee Recommendation

- 5.1. The Audit Committee has reviewed the Proposed Change of Auditors. After discussions with a number of firms, the Audit Committee recommended to the Board the change to PWCO. In reaching its decision, the Audit Committee took into account *inter alia*, the items mentioned in paragraph 1 above, the audit firms' other engagements and the size and complexity of the Group. In assessing the suitability of PWCO, the Audit Committee considered in general terms the Audit Quality Indicators Disclosure Framework issued by ACRA but did not undertake a formal review based on the Framework.
- 5.2. Following the review, the Audit Committee and the Board are of the opinion that PWCO is well suited to meet the existing needs and audit requirements of the Group, is likely to enhance the value of the audit, and that the requirements of the Catalist Rules have been complied with.
- 5.3. The quality and scope of audit services to be provided by PWCO will be comparable to those currently provided by BDO.

6. Directors' and Substantial Shareholders Interests

None of the Directors or substantial Shareholders have any interest, whether direct or indirect (other than through their respective shareholding interests in the Company) in the Proposed Change of Auditors.

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

7. Background

- 7.1. The Companies Act allows TrickleStar to purchase or otherwise acquire its Shares if the purchase or acquisition is permitted under the Constitution. Any purchase or acquisition of Shares by TrickleStar would have to be made in accordance with, and in the manner prescribed by, the Companies Act and the Catalist Rules and such other laws and regulations as may for the time being be applicable. As TrickleStar is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares.
- 7.2. It is a requirement under the Companies Act and the Catalist Rules that a company that wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. In this regard, the Shareholders approved the Share Buy-Back Mandate at an Extraordinary General Meeting held on 17 May 2019. The Share Buy-Back Mandate, unless renewed, is expiring at the date of the 2019 AGM.
- 7.3. Accordingly, the Company is seeking approval from Shareholders for the renewal of the Share Buy-Back Mandate at the 2019 AGM. If approved by Shareholders, the authority conferred by the Share Buy-Back Mandate will continue to be in force until the Company's next AGM (expected in 2021), when it will lapse, unless renewed at such meeting or until it is varied or revoked by a general meeting of Shareholders (if varied or revoked prior to the next AGM).
- 7.4. As at the Latest Practicable Date, TrickleStar had not bought back any of its Shares.

8. Rationale for the Share Buy-Back Mandate

- 8.1. The proposed renewal of the Share Buy-Back Mandate would give the Company flexibility to undertake buy-backs of Shares as and when the circumstances permit, subject to market conditions, during the period when the Share Buy-Back Mandate is in force.
- 8.2. A Share Buy-Back at the appropriate price level is one of the ways through which the return on equity of TrickleStar may be enhanced. Further, amongst others, Share Buy-Backs provide TrickleStar with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. The Directors also believe that, in certain circumstances, Share Buy-Backs may help mitigate against short term volatility in TrickleStar's share price and offset the effects of short-term speculation. Share Buy-Backs will also allow Directors greater control over TrickleStar's share capital structure, dividend payout and cash reserves.
- 8.3. Share Buy-Backs may, depending on market conditions and funding arrangements at the time it is effected, lead to an enhancement of EPS and/or NTA per Share of TrickleStar and the Group.
- 8.4. Shareholders should note that Share Buy-Backs will only be made when the Directors believe that such purchases or acquisitions would benefit TrickleStar and its Shareholders and would not have a material adverse effect on the financial position of TrickleStar.

9. Terms of the Share Buy-Back Mandate

The authority and limitations placed on purchases and acquisitions of Shares by TrickleStar under the Share Buy-Back Mandate are summarised below:

Maximum number of Shares

- 9.1. Only Shares which are issued and fully paid-up may be purchased or acquired by TrickleStar.
- 9.2. The total number of Shares that may be purchased or acquired is limited to that number of Shares representing not more than 10% of the issued share capital of TrickleStar (excluding treasury shares), ascertained as at the date of the AGM at which the Share Buy-Back Mandate is approved ("**Approval Date**"), unless TrickleStar has effected a reduction in its share capital in accordance with the applicable provisions of the Companies Act during the relevant period, in which event the total number of Shares shall be taken to be the total number of Shares as altered (excluding treasury shares that may be held by TrickleStar from time to time). For the purposes of calculating the percentage of issued Shares above, any Shares which are held as treasury shares will be disregarded.
- 9.3. **For illustrative purposes only**, based on the existing issued and paid-up share capital of TrickleStar of 81,791,925 Shares (there are no treasury shares) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the AGM, not more than 8,179,192 Shares (representing approximately 10% of the Shares in issue as at that date) may be purchased or acquired by TrickleStar pursuant to the proposed Share Buy-Back Mandate.

Duration of authority

- 9.4. Purchases or acquisitions of Shares may be made at any time and from time to time from the Approval Date up to the earlier of:
- 9.4.1. the date on which the next AGM of TrickleStar is held or required by law or the Constitution to be held;
 - 9.4.2. the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by Shareholders in a general meeting; or
 - 9.4.3. the date on which the Share Buy-Back is carried out to the full extent mandated.
- 9.5. The Share Buy-Back Mandate may be renewed at each AGM or other general meeting of TrickleStar.

Manner of purchases or acquisitions of Shares

- 9.6. Purchases or acquisitions of Shares may be made by way of, inter alia:
- 9.6.1. on-market purchase(s) ("**Market Purchase**"), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by TrickleStar for the purpose; and/or
 - 9.6.2. off-market purchase(s) ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act.
- 9.7. The Directors may impose such terms and conditions, which are consistent with the Share Buy-Back Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of TrickleStar in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:
- 9.7.1. offers for the purchase of issued Shares shall be made to every person who holds issued Shares to purchase the same percentage of their issued Shares;
 - 9.7.2. all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
 - 9.7.3. the terms of the offers are the same, except that there shall be disregarded:
 - 9.7.3.1. differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - 9.7.3.2. (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - 9.7.3.3. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

- 9.8. In addition, the Catalist Rules provide that, in making an Off-Market Purchase in accordance with an equal access scheme, TrickleStar must issue an offer document to all Shareholders which must contain at least the following information:
- 9.8.1. the terms and conditions of the offer;
 - 9.8.2. the period and procedures for acceptances;
 - 9.8.3. the reasons for the proposed Share Buy-Back;
 - 9.8.4. the consequences, if any, of Share Buy-Backs by TrickleStar that will arise under the Take-over Code or other applicable takeover rules;
 - 9.8.5. whether the Share Buy-Back, if made, would have any effect on the listing of the Shares on the SGX-ST;
 - 9.8.6. details of any Share Buy-Backs (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme) made by TrickleStar in the previous 12 months, giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions;
 - 9.8.7. whether the shares purchased by TrickleStar will be cancelled or kept as treasury shares.

Maximum Purchase Price

- 9.9. The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares purchased or acquired will be determined by the Directors.
- 9.10. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:
- 9.10.1. in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
 - 9.10.2. in the case of an Off-Market Purchase pursuant to an equal access scheme, 105% of the Average Closing Price (as defined hereinafter) of the Shares,

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

- 9.11. For the above purposes:

- 9.11.1. “Average Closing Price” means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day on which the Market Purchase was made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the Market Purchase was made;

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

10. Status of Purchased Shares under the Share Buy-Back Mandate

- 10.1. A Share purchased or acquired by TrickleStar is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by TrickleStar as a treasury share in accordance with the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by TrickleStar and which are not held as treasury shares.
- 10.2. All Shares purchased or acquired by TrickleStar (other than treasury shares held by TrickleStar to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by TrickleStar as soon as reasonably practicable following settlement of any such purchase or acquisition.

11. Treasury Shares

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

Maximum Holdings

- 11.1. The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

Voting and Other Rights

- 11.2. TrickleStar cannot exercise any right in respect of treasury shares. In particular, TrickleStar cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, TrickleStar shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.
- 11.3. In addition, no dividend may be paid, and no other distribution of TrickleStar’s assets may be made, to TrickleStar in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

Disposal and Cancellation

- 11.4. Where Shares are held as treasury shares, TrickleStar may at any time:
- 11.4.1. sell the treasury shares for cash;
 - 11.4.2. transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
 - 11.4.3. transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
 - 11.4.4. cancel the treasury shares; or
 - 11.4.5. sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.
- 11.5. In addition, under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include the:
- 11.5.1. date of the sale, transfer, cancellation and/or use;
 - 11.5.2. purpose of such sale, transfer, cancellation and/or use;
 - 11.5.3. number of treasury shares sold, transferred, cancelled and/or used;
 - 11.5.4. number of treasury shares before and after such sale, transfer, cancellation and/or use;
 - 11.5.5. percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
 - 11.5.6. value of the treasury shares if they are used for a sale or transfer, or cancelled

12. Source of Funds for Share Buy-Back

- 12.1. In purchasing Shares under the Share Buy-Back Mandate, TrickleStar may only apply funds legally available for such purchase in accordance with its Constitution, and the applicable laws in Singapore. TrickleStar may not purchase or acquire its Shares on Catalist for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST. Share Buy-Backs by TrickleStar may be made out of TrickleStar's profits or capital so long as TrickleStar is solvent (as defined in Section 76F(4) of the Companies Act).

- 12.2. When Shares are purchased or acquired, and cancelled:
- 12.2.1. if the Shares are purchased or acquired entirely out of the capital of TrickleStar, TrickleStar shall reduce the amount of its share capital by the total amount of the purchase price paid by TrickleStar for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (**Purchase Price**);
 - 12.2.2. if the Shares are purchased or acquired entirely out of profits of TrickleStar, TrickleStar shall reduce the amount of its profits available for the distribution of cash dividends by the total amount of the Purchase Price; or
 - 12.2.3. where the Shares are purchased or acquired out of both the capital and the profits of TrickleStar, TrickleStar shall reduce the amount of its share capital and profits available for the distribution of cash dividends proportionately by the total amount of the Purchase Price.
- 12.3. TrickleStar intends to use internal resources and/or external borrowings to fund purchases of Shares pursuant to the Share Buy-Back Mandate.
- 12.4. The purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate will only be undertaken if the Directors believe it can benefit the Company and its Shareholders. The Directors will only exercise the Share Buy-Back Mandate in a manner and to such extent that they believe that will not result in any material adverse effect on the Company's and the Group's financial condition, including the liquidity and capital adequacy position of the Company and the Group.

13. Financial Effects of the Share Buy-Back Mandate

- 13.1. Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below is based on the audited consolidated financial statements for FY2019 and are not necessarily representative of future financial performance of the Company or the Group. Although the proposed Share Buy-Back Mandate would authorise TrickleStar to buy-back up to 10% of its issued Shares, TrickleStar may not necessarily buy-back or be able to buy-back 10% of its issued Shares in full.
- 13.2. It is not possible for TrickleStar to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy-Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by TrickleStar to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The purchase price paid by TrickleStar for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by TrickleStar. The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and prevailing market conditions. The proposed Share Buy-Back Mandate will be exercised with a view to enhancing the EPS and/or NTA per Share of the Group. The financial effects presented in this section of this Letter are based on the assumption that at the Latest Practicable Date, the issued share capital of TrickleStar comprised 81,791,925 Shares (there are no treasury shares).

Illustrative Financial Effects

- 13.3. Purely for illustrative purposes, on the basis of 81,791,925 Shares and with no treasury shares in issue, the purchase by TrickleStar of approximately 10% of its issued Shares will result in the purchase of 8,179,192 Shares.
- 13.4. In the case of Market Purchases by TrickleStar and assuming that TrickleStar purchases or acquires 8,179,192 Shares at a Maximum Price of S\$0.44 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition would be approximately S\$3.6 million or approximately US\$2.6 million based on an exchange rate of USD1: SGD1.3929 as at the Latest Practicable Date⁽¹⁾.
- 13.5. In the case of Off-Market Purchases by TrickleStar and assuming that TrickleStar purchases or acquires 8,179,192 Shares at the Maximum Price of S\$0.44 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition would be approximately S\$3.6 million or approximately US\$2.6 million based on an exchange rate of USD1: SGD1.3929 as at the Latest Practicable Date⁽¹⁾.
- 13.6. For illustrative purposes only and on the basis of the assumptions set out above as well as the following:
- 13.6.1. the Share Buy-back Mandate had been effective on 1 January 2019 and TrickleStar effected Share Buy-Back on that date;
- 13.6.2. the Share purchases are funded solely by internal cash of the Group;
- 13.6.3. transaction costs incurred during the Share Buy-Back are assumed to be insignificant and have thus been ignored for the purpose of computing the financial effects; and
- 13.6.4. the impact of borrowings had no effect on the profits of TrickleStar, the financial effects of:
- 13.6.4.1. the acquisition of 10% of the issued shares of TrickleStar by TrickleStar in a Market Purchase or Off-Market Purchase pursuant to the Share Buy-Back Mandate by way of purchases made entirely out of capital and held as treasury shares ("**Scenario A**"); and
- 13.6.4.2. the acquisition of 10% of the issued shares of TrickleStar by TrickleStar in a Market Purchase or Off-Market Purchase pursuant to the Share Buy-Back Mandate by way of purchases made entirely out of capital and cancelled ("**Scenario B**"),

(1) Source: <https://www.poundsterlinglive.com>

on the audited consolidated financial results of the Group and TrickleStar for FY2019, are set out below:

Scenario A – Purchases made entirely out of capital and held as treasury shares

	Notes	GROUP		COMPANY	
		BEFORE As at 31 December 2019	AFTER Buy- Back	BEFORE As at 31 December 2019	AFTER Buy- Back
Profit/(loss) Attributable to Owners of the Company (US\$'000)		175	175	(837)	(837)
Share Buy Back Details					
SGD USD Rate			1.39		1.39
Price per share (S\$)			0.44		0.44
No. Shares Bought Back (‘000)			8,179		8,179
Total Cost (S\$'000)			3,607		3,607
Total Cost (US\$'000)			2,590		2,590
Equity					
Share Capital (US\$'000)		7,192	7,192	7,192	7,192
Treasury Shares (US\$'000)		0	(2,590)	0	(2,590)
Accumulated Losses (US\$'000)		(65)	(65)	(839)	(839)
Reserves (US\$'000)		(85)	(85)	8	8
Shareholders' Equity (US\$'000)		7,042	4,452	6,360	3,770
NTA (US\$'000)	1	6,649	4,060	6,360	3,770
Current Assets (US\$'000)		9,894	7,305	2,165	1,168
Current Liabilities (US\$'000)		(3,255)	(3,255)	(407)	(2,000)
Working capital (US\$'000)		6,640	4,050	1,758	(831)
Total Borrowings (US\$'000)		0	0	0	(1,593)
Cash and Cash Equivalents (US\$'000)		2,600	10	996	0
Number of Shares at 31 December 2019 (‘000)		81,792	73,613	81,792	73,613
Weighted Average No. Shares at 31 December 2019 (‘000)		81,792	73,613	81,792	73,613
Financial Ratios					
NTA per Share (US cents)		0.08	0.06	0.08	0.05
Current Ratio	2	3.04	2.24	5.32	0.58
Basic EPS (US cents)	3	0.0021	0.0024	(0.0102)	(0.0114)

(Notes appear below the table for Scenario B below.)

Scenario B – Purchases made entirely out of capital and cancelled.

	Notes	GROUP		COMPANY	
		BEFORE As at 31 December 2019	AFTER Buy- Back	BEFORE As at 31 December 2019	AFTER Buy- Back
Profit/(loss) Attributable to Owners of the Company (US\$'000)		175	175	(837)	(837)
Share Buy Back Details					
SGD USD Rate			1.39		1.39
Price per share (S\$)			0.44		0.44
No. Shares Bought Back ('000)			8,179		8,179
Total Cost (S\$'000)			3,607		3,607
Total Cost (US\$'000)			2,590		2,590
Equity					
Share Capital (US\$'000)		7,192	4,602	7,192	4,602
Treasury Shares (US\$'000)		0	0	0	0
Accumulated Losses (US\$'000)		(65)	(65)	(839)	(839)
Reserves (US\$'000)		(85)	(85)	8	8
Shareholders' Equity (US\$'000)		7,042	4,452	6,360	3,770
NTA (US\$'000)	1	6,649	4,060	6,360	3,770
Current Assets (US\$'000)		9,894	7,305	2,165	1,168
Current Liabilities (US\$'000)		(3,255)	(3,255)	(407)	(2,000)
Working capital (US\$'000)		6,640	4,050	1,758	(831)
Total Borrowings (US\$'000)		0	0	0	(1,593)
Cash and Cash Equivalents (US\$'000)		2,600	10	996	0
Number of Shares at 31 December 2019 ('000)		81,792	73,613	81,792	73,613
Weighted Average No. Shares at 31 December 2019 ('000)		81,792	73,613	81,792	73,613
Financial Ratios					
NTA per Share (US cents)		0.08	0.06	0.08	0.05
Current Ratio	2	3.04	2.24	5.32	0.58
Basic EPS (US cents)	3	0.0021	0.0024	(0.0102)	(0.0114)

Notes to the above tables:

1. NTA equals Total Equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of shares as at 31 December 2019.
2. Current Ratio equals current assets divided by current liabilities.
3. Basic EPS equals Profit attributable to owners of TrickleStar divided by the weighted average number of shares as at 31 December 2019.
4. If the Shares had been bought-back out of profits:
 - (a) in Scenario A, there would be no change to the numbers shown; and
 - (b) in Scenario B, the Share Capital would be unchanged before and after the Buy-Back and the Accumulated Profits/(Losses) would be reduced by the value of the buy-back (in the case of the Company, increasing its net deficit); and
 - (c) in both Scenario A and Scenario B, the changes in the financial ratios shown in the above tables would be insignificant.

- 13.7. The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buy-Back Mandate will be exercised with a view to enhance the EPS and/or NAV per Share of the Group.
- 13.8. Shareholders should note that the financial effects set out above, based on the respective aforesaid assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Group for FY2019, and is not representative of the future financial performance of the Group.
- 13.9. It should be noted that, although the Share Buy-Back Mandate would authorise TrickleStar to purchase or otherwise acquire up to 10% of the issued Shares, TrickleStar may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire 10% of the issued Shares. In addition, TrickleStar may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. TrickleStar will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Buy-Back before execution.

14. Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a share buy-back by TrickleStar or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

15. Catalist Rules

- 15.1. As at the Latest Practicable Date, approximately 25.3% of the issued Shares of TrickleStar are held in the hands of the public. Assuming that TrickleStar repurchased the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 17.0%.

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

- 15.2. Depending on the identity of sellers, the number of shareholder of TrickleStar might reduce following any Buy-Back. The Directors will use their best efforts to ensure that TrickleStar does not effect Share BuyBacks if the same would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of TrickleStar. Therefore any Share Buy-Back is not expected to affect the listing status or adversely affect the orderly trading of TrickleStar's Shares on the Catalist market of SGX-ST.

- 15.3. A listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of shares over the last five (5) market days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by TrickleStar, referred to in section 9.10 of this Letter, conforms to this restriction.
- 15.4. A listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:
- 15.4.1. in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and
- 15.4.2. in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of an offer under such scheme.

The notification of such purchase or acquisition of shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. TrickleStar shall make arrangements with its stockbrokers to ensure that they provide to TrickleStar in a timely fashion the necessary information which will enable TrickleStar to make the necessary notifications to the SGX-ST.

- 15.5. While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares. Accordingly, TrickleStar will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Catalist Rules, TrickleStar will not purchase or acquire any Shares through Market Purchases during the period commencing two weeks before the announcement of TrickleStar’s financial statements for the first half of its financial year, or one month immediately preceding the announcement of TrickleStar’s annual full-year results.

16. Take-Over Obligations

Obligation to make a Take-over Offer

- 16.1. Pursuant to the Take-over Code, an increase of a Shareholder’s proportionate interest in the voting rights of TrickleStar resulting from a share buy-back by TrickleStar will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (**Rule 14**).
- 16.2. Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, inter alia, they and persons acting in concert with them increase their voting rights in TrickleStar to 30% or more or, if they, together holding between 30% and 50% of TrickleStar’s voting rights, increase their voting rights in TrickleStar by more than 1% in any period of six (6) months.

Persons Acting in Concert

- 16.3. Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.
- 16.4. Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:
- 16.4.1. a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
 - 16.4.2. a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons for the purchase of voting rights;
 - 16.4.3. a company with any of its pension funds and employee share schemes;
 - 16.4.4. a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
 - 16.4.5. a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
 - 16.4.6. directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;
 - 16.4.7. partners; and
 - 16.4.8. an individual, his close relatives, his related trusts, and any person who is accustomed to act according to the instructions and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons for the purchase of voting rights.

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

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

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

- 16.6. In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of TrickleStar and persons acting in concert with them will incur an obligation to make a take-over offer for TrickleStar under Rule 14 if, as a result of TrickleStar purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of TrickleStar's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.
- 16.7. Under Appendix 2, a Shareholder not acting in concert with the Directors of TrickleStar will not be required to make a take-over offer under Rule 14 if, as a result of TrickleStar purchasing or acquiring its Shares, the voting rights of such Shareholder in TrickleStar would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of TrickleStar's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.
- 16.8. As at the Latest Practicable Date, Emby, Guna and Circlebright and persons presumed to be acting in concert with them under the Take-over Code (the "Concert Group") hold in aggregate more than 50% of TrickleStar's voting rights. Therefore, when TrickleStar purchases or acquires its Shares pursuant to the Share Buy-Back Mandate, any resulting increase in the percentage of voting rights held by the Concert Group will not incur an obligation to make a mandatory take-over offer under Rule 14 of the Take-over Code.

General Caveat

- 16.9. The statements in this Letter do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by TrickleStar pursuant to the proposed Share Buyback Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity before they acquire any Shares in TrickleStar during the period when the proposed Share Buy-Back Mandate is in force.

17. Details of the Shares bought by TrickleStar in the previous 12 months

No purchases of Shares have been made by TrickleStar in the 12 months preceding the Latest Practicable Date.

18. Reporting Requirements under the Companies Act

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by TrickleStar, TrickleStar shall lodge a copy of such resolution with ACRA. Within 30 days of a purchase of Shares on Catalist or otherwise, TrickleStar shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including inter alia, the date of the purchase, the total number of Shares purchased by TrickleStar, the total number of Shares cancelled, the number of Shares held as treasury shares, TrickleStar's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by TrickleStar for the purchase, and whether the Shares were purchased out of the profits or the capital of TrickleStar.

19. Directors' and Substantial Shareholders' Interests

None of the Directors or substantial Shareholders have any interest, whether direct or indirect (other than through their respective shareholding interests in the Company) in the renewal of the Share Buy-Back Mandate.

THE PROPOSED PARTICIPATION AND AWARDS UNDER THE PSP TO BERNARD CHRISTOPHER EMBY (THE EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER) AND GUNANANTHAN NITHYANANTHAM (NON-EXECUTIVE NON-INDEPENDENT DIRECTOR), WHO ARE ALSO DIRECTORS AND CONTROLLING SHAREHOLDERS OF TRICKLESTAR

20. Background

- 20.1. TrickleStar is proposing to seek Shareholders' approval for the proposed participation and Awards under the PSP to Emby (the Executive Chairman and CEO) and Gunananthan Nithyanantham (Non-Executive Non-Independent Director), who are also Controlling Shareholders of TrickleStar.
- 20.2. On 17 May 2019, Shareholders adopted the PSP to give eligible participants an opportunity to participate in the equity of TrickleStar and to motivate them towards better performance through increased dedication and loyalty.

21. Awards to Emby and Guna

- 21.1. Up to 9 December 2019, TrickleStar awarded a total of 407,842 Shares to Eligible Participants. In addition, TrickleStar is proposing to award:
 - 21.1.1. 136,000 Shares under the PSP to Emby; and
 - 21.1.2. 70,315 Shares under the PSP to Guna,subject to independent Shareholders' approval being obtained at the 2019 AGM.
- 21.2. Save for the above, TrickleStar has not made any Awards under the PSP.
- 21.3. Emby and Guna, are both deemed to have an interest in the 41,615,451 Shares held by Circlebright, which represents approximately 51% of the total number of issued Shares. As such, both Emby and Guna are a Controlling Shareholder for the purposes of the PSP and their respective participations in the PSP and their proposed Awards are both subject to the approval of independent Shareholders.

22. Rationale for participation by a Controlling Shareholder in the PSP

- 22.1. TrickleStar acknowledges that the contributions and services of Group employees who are Controlling Shareholders and Group employees who are Associates of Controlling Shareholders are equally important to the Group's long-term success. Accordingly, TrickleStar believes that all Group employees (including Group employees who are Controlling Shareholders and Group employees who are Associates of Controlling Shareholders) should be treated fairly and equally and should be equally entitled to participate in the Plan.
- 22.2. TrickleStar is of the view that Group employees who are Controlling Shareholders and Group employees who are Associates of Controlling Shareholders should be remunerated for their contributions to the Group on the same basis as other eligible Group employees who are not Controlling Shareholders or Associates of Controlling Shareholders. They should not be excluded from participating in the PSP solely for the reason that they are Controlling Shareholders or Associates of Controlling Shareholders.

- 22.3. The key objectives of the PSP are to increase TrickleStar's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees and Non-Executive Directors to promote higher performance goals, recognise exceptional achievement and retain talents within the Group. TrickleStar believes that the Plan will be more effective and rewarding than pure cash bonuses in motivating employees and Directors to work towards pre-determined goals.
- 22.4. To this end, key executives including the Controlling Shareholders and their Associates are treated equally as the Controlling Shareholders and their Associates are important to the development and success of the Group. As such, regardless of whether they are Controlling Shareholders or Associates of Controlling Shareholders, TrickleStar's view is that all deserving and eligible participants should be equally entitled to take part and benefit from TrickleStar's fair and equitable system of remuneration.
- 22.5. Although the Controlling Shareholders and their Associates may already have shareholding interests in TrickleStar, the extension of the PSP to include them ensures that they are similarly entitled, with the other eligible employees of the Group who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. The Directors are of the view that TrickleStar should have a fair and equitable system to reward the eligible persons who have made and continue to make important contributions to the long-term growth of the Group, notwithstanding that they are Controlling Shareholders or their Associates.
- 22.6. In terms of the basis for determining the quantum of Awards to each Controlling Shareholder and/or Associate of a Controlling Shareholder, factors which are taken into account include the designation, capability, experience, skills, expertise, scope of responsibility and years of service of the Participant as well as their overall past and potential contributions to the growth and development of the Group.

23. Independent Shareholders' Approval

- 23.1. Pursuant to Rule 852 of the Catalist Rules, participation in the PSP by controlling shareholders and their associates must be approved by independent shareholders of the issuer. A separate resolution must be passed for each person and to approve the actual number and terms of options to be granted to that participant.

24. Rationale for Participation of Emby and Guna

Emby

- 24.1. Emby is Executive Chairman and Chief Executive Officer. He is also a Controlling Shareholder of TrickleStar by virtue of his direct interest in 8,964,923 Shares and his deemed interest in 41,615,451 Shares held by Circlebright, in total aggregating 50,580,374 Shares and representing 61.8 per cent. of the Company's issued Share capital. He is the founder of TrickleStar and is a core component of the Group's future. He provides essential and valuable insights in management and Board decisions, drawing from his wealth of experience and business acumen. To date, Emby has been instrumental in the overall growth and business development of the Group and he is central in driving its strategic direction as well as holding responsibility for the overall future planning and corporate direction of the Group.
- 24.2. TrickleStar's Remuneration Committee and Board believes that the proposed Awards to Emby will spur him to continue to further contribute to the future growth, profitability and development of the Group over a long horizon.

Guna

- 24.3. Guna is a Non-executive Director. He is also a Controlling Shareholder of TrickleStar by virtue of his direct interest in 500,000 Shares and his deemed interest in 41,615,451 Shares held by Circlebright, in total aggregating 42,115,451 Shares and representing 51.5 per cent. of the Company's issued Share capital. In January 2012 to December 2017, Guna was the finance director of TrickleStar HK, which was the Group's holding company at that time, where he was responsible for overseeing the finances, logistics control and administrative activities of TrickleStar HK.
- 24.4. He provides important and valuable insights in Board decisions and is often consulted by management so that they can draw on his close knowledge of the Group and its structures as well as benefitting from his wealth of experience and business acumen. Guna works closely with Emby in forming the Group's key strategies. He is a member of all the Board Committees.

25. Opinion of the Remuneration Committee and the Board

- 25.1. TrickleStar's Remuneration Committee and Board believes that the proposed Awards to Emby and to Guna will spur each of them to continue to further contribute to the future growth, profitability and development of the Group over a long horizon.
- 25.2. Their participation in the PSP is consistent with TrickleStar's objectives to motivate its key employees and Directors to achieve and maintain a high level of performance and contribution which is vital for the success of the Group. It will also ensure that both Emby and Guna are similarly entitled, with the other eligible employees of the Group who are not Controlling Shareholders or their Associates, to take part in and benefit from this system or remuneration, thereby enhancing their respective long-term commitments to the Group.
- 25.3. As at the Latest Practicable Date, the Remuneration Committee administering the PSP comprises Mr. Ling Hee Keat, Mr. Chuah Jern Ern and Mr. Gunananthan Nithyanantham. However, Emby and Guna have abstained from participating in the Remuneration Committee's and Board's deliberations for the proposed Award to Emby and Guna.

26. Details of the Proposed Awards

- 26.1. If independent Shareholders' approve the proposed Awards to Emby and Guna at the 2019 AGM, the terms of Award will be as set out below.
- 26.1.1. Date of Award : 9 December 2019, conditional upon independent shareholder approval.
- 26.1.2. Number of Shares which are the subject of the Award : 136,000 Shares to Emby and 70,315 Shares to Guna.
- 26.1.3. Market Price of TrickleStar's securities on the Latest Practicable Date : S\$0.44.
- 26.1.4. Vesting period of Awards : 1 June 2020.

26.2. A summary of the PSP is set out in Appendix 2. In compliance with the requirements of the Catalyst Rules and the rules of the PSP, the aggregate number of Shares for which Awards may be made on any date under the PSP, when added to the number of Shares issued and/or issuable in respect of:

26.2.1. all Awards under the PSP; and

26.2.2. all Shares, options or awards Awarded under any other share option scheme or share scheme of TrickleStar then in force (if any),

shall not exceed 15% of the total issued share capital of TrickleStar (excluding treasury shares) on the day immediately preceding that date. Furthermore, the aggregate number of Shares over which Awards may be Awarded under the PSP to Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the PSP, and the number of Shares that may be Awarded under the PSP to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the PSP.

26.3. As at the Latest Practicable Date, TrickleStar had 81,791,925 Shares in issue, and 614,157 Awards had been granted under the PSP of which 381,756 Awards have been granted to Directors, Controlling Shareholders and Associates of Controlling Shareholders and 206,315 have been granted to Controlling Shareholders and Associates of Controlling Shareholders (including the Awards to Emby and Guna referred to in this Letter). Further details are set out in the Company's announcement dated 10 December 2019. Accordingly, based on the rules of the PSP, as at the Latest Practicable Date:—

26.3.1. the aggregate number of Shares that may be issued pursuant to Awards granted under the PSP, when added to all Shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of TrickleStar then in force, shall not exceed 12,268,788 Shares;

26.3.2. the aggregate number of Shares that may be issued to Controlling Shareholders and Associates of Controlling Shareholders pursuant to Awards granted under the PSP shall not exceed 3,067,197 Shares; and

26.3.3. the number of Shares that may be issued to each Controlling Shareholder or Associate of a Controlling Shareholder pursuant to Awards granted under the PSP shall not exceed 1,226,878.

The aggregate number of Shares that may be issued to Emby and Guna pursuant to Awards granted under the PSP is 206,315 Shares, and the number of Shares that may be issued to Emby and Guna pursuant Awards under the PSP is 136,000 Shares and 70,315 Shares respectively, all of which are within the prescribed limits set out above.

26.4 The following are the effects of the Awards to Emby and Guna:

26.4.1 *Share Capital*

The grant of Awards under the Plan will result in an increase in the issued share capital of the Company to the extent that New Shares are allotted and issued upon vesting of the Awards.

26.4.2 EPS

The grant of the Awards to Emby and Guna will result in a charge to earnings equivalent to the fair value of the Awards as at the Date of Grant, and recognised over the period from the date of grant to the vesting date. The amount is estimated at approximately SGD 86,652, which approximates to SGD 0.001 per Share.

26.4.3 NTA

The grant of Awards to Emby and Guna will result in a charge to the Company's and Group's income statements equivalent to the fair value of the Awards as at mentioned above. The allotment and issue of New Shares to them will not have an impact on the NTA of the Company and the Group.

26.4.4 Dilutive Impact

The dilutive impact of the Plan on the EPS and the NTA per share of the Company and the Group is not significant.

DIRECTORS' RECOMMENDATIONS AND OTHER INFORMATION

27. Directors' and Substantial Shareholders' Interests

27.1. As at the Latest Practicable Date, save as disclosed below the Directors or Substantial Shareholders (who are not Directors) had deemed interest in the Shares of TrickleStar:

	Direct		Deemed	
	No.	%	No.	%
Directors				
Emby	8,964,923	10.9	41,615,451	50.9
Guna	500,000	0.6	41,615,451	50.9
Jeremy John Figgins	—	—	—	
Ling Hee Keat	1,582,500	1.9	1,518,183	1.9
Chuah Jern Ern	939,000	1.2		
Substantial Shareholders				
CircleBright Limited	41,615,451	50.9		
Harald Weinbrecht	6,000,068	7.3		

Notes:

- The percentage of issued share capital is calculated on the basis of 81,791,925 Shares as at the Latest Practicable Date.
- Emby and Guna are each deemed to have an interest in the 41,615,451 Shares held by Circlebright.
- Ling Hee Keat, our Independent Director, is deemed interested in 1,518,183 Shares held by his spouse, Yong Su Lin.
- CircleBright Limited is a company incorporated in the British Virgin Islands. Its shareholders comprise Emby (who has a shareholding interest of approximately 51.1% of the issued and paid-up capital of CircleBright Limited as at the Latest Practicable Date), Guna 23.2%, Harald Weinbrecht 8.5%, Law Cheok Chin 6.8%, Yong Su Lin (the spouse of Ling Hee Keat, our Independent Director) 3.2%, Emby Superannuation Fund (which is accustomed or under an obligation, either formal or informal, to act in accordance with the directions, instructions or wishes of Peter Bernard Emby, the father of Emby, our Executive Chairman and CEO) 2.4%, Patricia Lim Pek Yew 1.9%, Ng Mae Lin (the spouse of Chuah Jern Ern, our Independent Director) 2.5% and Wong Wei Tung 0.4%.

28. Change of Auditors

Having fully considered the rationale and benefit of the Proposed Change of Auditors and the Audit Committee's Recommendation, the Directors are of the opinion that the Proposed Change of Auditors is in the best interests of the Company and Shareholders and accordingly recommend that Shareholders vote in favour of the Resolution for Change of Auditors.

29. Renewal of Buy-Back Mandate

The Directors, having considered, inter alia, the terms, the rationale and the benefits of the proposed renewal of the Share Buy-Back Mandate, are of the view that the proposed renewal of the Share Buy-Back Mandate is in the best interests of TrickleStar and accordingly recommend that the Shareholders vote in favour of the Resolution for the Renewal of the Buy-Back Mandate.

30. The Proposed Participation and Awards under the PSP to Emby and Guna

Save for Emby and Guna who have abstained from making any recommendation in respect of the proposed participation and Awards under the PSP to Emby and Guna, the Directors, having considered, inter alia, the terms and the rationale for the proposed participation and Awards under the PSP to Emby and Guna, are of the view that the proposed participation and Awards are in the interests of the Company and accordingly recommend that Shareholders vote in favour of the Resolutions for Participation and Awards.

31. Abstentions From Voting

- 31.1. Shareholders who are entitled to participate in the PSP should abstain from voting at the AGM on the Resolutions for Participation and Awards, and should decline appointment as proxies for voting at the AGM in respect of the aforesaid resolutions, unless specific instructions have been given in the proxy form on how the votes are to be cast for each of the aforesaid resolutions.
- 31.2. Accordingly, Emby and Guna will abstain from voting in respect of the Resolutions for Participation and Awards and will also decline to accept any appointment as proxy to vote at and attend the forthcoming AGM in respect of the Resolutions for Participation and Awards unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.
- 31.3. As CircleBright Limited is considered an Associate of Emby and Guna, they are not considered independent Shareholders for the purposes of Rule 852 of the Catalist Rules. Accordingly, CircleBright Limited will abstain from voting in respect of Resolutions for Participation and Awards. Additionally, CircleBright Limited will decline to accept any appointment as proxy to vote at and attend the forthcoming AGM in respect of the Resolutions for Participation and Awards unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.
- 31.4. The Company will disregard any votes cast on a resolution by person(s) required to abstain from voting by the Catalist Rules or pursuant to a court order where such court order is served on the Company.

32. General Meeting

The 2019 AGM, notice of which is set out in the Company's 2019 Annual Report, will be held at Four Points by Sheraton Singapore, Riverview Elgin Room, 382 Havelock Road, Singapore 169629 on 26 March 2020 at 10.30 a.m. The meeting will include the Proposed Resolutions.

33. Directors' Responsibility Statement

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

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

34. Advice To Shareholders

- 34.1. As different Shareholders would have different investment objectives, profiles with specific investment objectives, financial situations, tax positions or unique needs or constraints, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.
- 34.2. Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

35. Actions To Be Taken By Shareholders

- 35.1. Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote at the AGM on their behalf are requested to complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898, not later than 72 hours before the time fixed for the AGM. The appointment of a proxy or proxies by a Shareholder does not preclude him from attending and voting in person at the AGM if he so wishes in place of the proxy.
- 35.2. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting in person at the AGM if he subsequently wishes to do so. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the AGM in person, and in such event, TrickleStar reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
- 35.3. A Depositor shall not be regarded as a Shareholder of TrickleStar entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time appointed for the AGM.

36. Documents For Inspection

36.1. Copies of the following documents may be inspected at the registered office of TrickleStar at 80 Robinson Road, #02-00, Singapore 068898 during normal business hours from the date of this Letter to the date of the forthcoming AGM scheduled to be held on 26 March 2020:

36.1.1. the Constitution;

36.1.2. the 2019 Annual Report;

36.1.3. the professional clearance letter issued by BDO to PWCO dated 2 March 2020;

36.1.4. the letter of consent to act as Auditors dated 2 March 2020 from PWCO; and

36.1.5. the letter from BDO dated 2 March 2020, giving notice that they would not be seeking re-appointment as the Auditors at the 2019 AGM; and

36.1.6. the rules of the PSP.

Yours faithfully

For and on behalf of the Board of Directors of

TRICKLESTAR LIMITED

Bernard Christopher Emby

Chairman and Chief Executive Officer

APPENDIX 1

SUMMARY OF THE TRICKLESTAR PERFORMANCE SHARE PLAN

The PSP was approved by Shareholders on 17 May 2019.

ELIGIBILITY

Subject to the absolute discretion of the Remuneration Committee, the following persons shall be eligible to participate in the PSP:

- (a) any confirmed employee of the Group (including any a Director of the Company and/or a director of the Company's subsidiaries, as the case may be, who performs an executive function ("**Group Executive Director**") selected by the Remuneration Committee to participate in the PSP in accordance with the Rules of the PSP ("**Group Employee**"); and
- (b) Directors of the Company (including Non-Executive Directors of the Company), provided that, as at the Date of Grant, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of the Group for at least 12 months, or such shorter period as the Remuneration Committee may determine.

Subject to the absolute discretion of the Remuneration Committee, a Controlling Shareholder or an Associate of a Controlling Shareholder who meets the criteria as set out above is eligible to participate in the PSP, provided that his participation in the PSP and the grant of Awards to him, including the actual number of Shares and terms of Awards to be granted to him, shall be subject to independent Shareholders' approval at a general meeting in separate resolutions for participation by each Controlling Shareholder or Associate of a Controlling Shareholder in the PSP, and for the grant of Awards to each Controlling Shareholder or Associate of a Controlling Shareholder. The circular to Shareholders to seek independent Shareholder's approval for such matters shall disclose the rationale and justification for his participation in the PSP and for the grant of Awards, including the actual number of Shares and the terms of such Awards.

SIZE AND DURATION OF THE PSP

The aggregate number of Shares available under the PSP, when added to all Shares, options or awards granted under any other share option scheme, performance share PSP or share incentive scheme of the Company then in force, shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

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

The PSP may be terminated at any time by the Remuneration Committee, or by Shareholders by ordinary resolution at a general meeting subject to all approvals of any relevant authorities which may then be required, and if the PSP is so terminated, no further Awards shall be granted by the Company hereunder.

Awards represent the right of a Participant to receive fully paid Shares in the Company free of charge upon the Participant satisfying or exceeding prescribed performance target(s) at the end of the performance period(s) and/or otherwise having performed well and/or made a significant contribution to the Group. Awards are vested and the Shares which are the subject of the Award are delivered to the Participant at the end of the performance period(s), once the Remuneration Committee is, at its sole discretion, satisfied that the prescribed performance target(s) have been satisfied. The Remuneration Committee may also grant an Award where in its opinion a Participant has performed well and/or made a significant contribution to the Group.

An Award is personal to the Participant to whom it is granted and it may not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Remuneration Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse and shall forthwith become void and cease to have effect. However, the Shares received by a Participant pursuant to the vesting of Awards granted under the PSP may be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part.

INFORMATION ON OPTIONS

The Awards are not options, so the rule is not applicable.

TERMS OF ISSUE OF SHARES

New Shares allotted and issued and/or treasury shares (if any) transferred, upon the vesting of an Award shall:

- (a) be subject to the provisions of the Constitution of the Company; and
- (b) rank *pari passu* in all respects with the then existing issued Shares of the Company including as to dividend, transfer and other rights including on liquidation, except for any dividend, right, allotment or other distribution the Record Date of which is before the vesting date.

ADMINISTRATION OF THE PSP

The PSP shall be administered by our Remuneration Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that a Participant who is a member of the Remuneration Committee shall not be involved in its deliberation or decision in respect of Awards granted or to be granted to him or held by him, and provided further that where Awards are proposed to be granted to Directors, Controlling Shareholders or their Associates, all members of the Board (and not just members of the Remuneration Committee), except for those Directors, Controlling Shareholders or their Associates, will be involved in the deliberation or decision on the same.

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

AWARDS TO CONTROLLING SHAREHOLDERS

The grant of Awards to Participants who are Controlling Shareholders or Associates of a Controlling Shareholder shall be subject to independent Shareholders' approval at a general meeting in separate resolutions for the grant of Awards to each Controlling Shareholder or Associate of a Controlling Shareholder, and the actual number of Shares which are the subject of such Awards shall comply with the following limits:

- (a) the aggregate of the number of Shares available to Controlling Shareholders and Associates of Controlling Shareholders under the PSP shall not exceed 25.0% of the Shares available under the PSP; and
- (b) the number of Shares available to each Controlling Shareholder or Associate of a Controlling Shareholder shall not exceed 10.0% of the Shares available under the PSP.

5% RULE

Any grant of options to a director or employee of the issuer's parent company and its subsidiaries that, together with options already granted to the person under the scheme, represents 5% or more of the total number of options available to such directors and employees, must be approved by independent shareholders. A separate resolution must be passed for each such person and to approve the aggregate number of options to be made available for grant to all directors and employees of the parent company and its subsidiaries.