SUTL ENTERPRISE LIMITED
(Company No: 199307251M)
(Incorporated in the Republic of Singapore)

Directors:

Eu Yee Ming Richard, *Chairman (Non-Executive)* and *Independent Director*
Tay Teng Guan Arthur, *Executive Director* and *Chief Executive Officer*
Tay Teng Hock, *Non-Executive Director*
Chan Kum Tao, *Non-Executive Director*
Yeo Wee Kiong, *Independent Director*

Registered Office

#05-00 SUTL House,
100J Pasir Panjang Road
Singapore 118525

5 April 2023

To: The Shareholders of SUTL Enterprise Limited

Dear Sir/Madam

ADDENDUM RELATING TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE AND THE PROPOSED GRANT OF OPTIONS TO MR TAY TENG HOCK, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER

1. INTRODUCTION

1.1 SUTL Enterprise Limited (the "**Company**") has on 20 April 2023 issued a Notice convening the Twenty-Ninth Annual General Meeting of the shareholders of the Company (the "**Shareholders**") to be held physically on 20 April 2023 (the "**Twenty-Ninth AGM**").

1.2 The proposed Resolution 9 in the Notice of the Twenty-Ninth AGM relates to the proposed renewal of a general mandate (the "**Share Purchase Mandate**") to authorise the directors of the Company (the "**Directors**") to make purchases of ordinary shares in the capital of the Company (the "**Shares**") representing up to a maximum of ten (10) per cent. of the total number of issued Shares (excluding any Shares held as treasury shares or which comprise subsidiary holdings (as defined in the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")[1])) as at the date on which the resolution authorising the same is passed, unless the Company has effected a reduction of the share capital of the Company in which event the number of issued ordinary shares of the Company shall be taken to be the number of the issued ordinary shares of the Company as altered (excluding any Shares held as treasury shares or which comprise subsidiary holdings), at a price of up to but not exceeding the Maximum Price (as defined in Section 2.1 below), in accordance with the "Guidelines on Share Purchases" as set out in Appendix A hereto (the "**Guidelines on Share Purchases**"). Details pertaining to the Share Purchase Mandate are set out in Section 2 below.

1.3 The proposed Resolution 10 in the Notice of the Twenty-Ninth AGM relate to the proposed grant of Options (as defined in Section 3.1 below) pursuant to the SUTL Enterprise Limited Share Option Scheme 2011, as may be amended or modified from time to time (the **"Option Scheme**") to Mr Tay Teng Hock (non-executive Director of the Company). Mr Tay Teng Guan Arthur is considered a controlling shareholder of the Company, and Mr Tay Teng Hock is a sibling of Mr Tay Teng Guan Arthur, and is therefore considered to be an associate of Mr Tay Teng Guan Arthur. The Option Scheme was first approved by Shareholders at the extraordinary general meeting of the Company held on 29 April 2011, and thereafter altered and extended at the annual general meeting of the Company held on 28 April 2021. Details pertaining to this Resolution 10 is set out in Section 3.5 below.

1.4 The purpose of this Addendum is to provide information relating to and to explain the rationale for the proposed renewal of the Share Purchase Mandate and the proposed grant of Options to Mr Tay Teng Hock.

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1 "Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

1.5 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Addendum. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

1.6 Lee & Lee is the legal adviser to the Company as to Singapore law in relation to the proposed renewal of the Share Purchase Mandate, and the proposed grant of Options to Mr Tay Teng Hock.

2. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Authority and Limits of the Share Purchase Mandate

The Share Purchase Mandate, when granted, will authorise the Directors, from time to time, to purchase Shares either through market purchases as described in Section 76E of the Companies Act 1967 ("**Companies Act**") (the market purchases, **"Market Purchases"**) or off-market purchases on an equal access scheme as described in Section 76C of the Companies Act (the **"Off-Market Purchases"**) of up to a maximum of ten (10) per cent. of the total number of issued Shares (excluding any Shares held as treasury shares or which comprise subsidiary holdings) as at the date on which the resolution authorising the same is passed, unless the Company has effected a reduction of the share capital of the Company in which event the number of issued ordinary shares of the Company shall be taken to be the number of the issued ordinary shares of the Company as altered (excluding any Shares held as treasury shares or which comprise subsidiary holdings), and at a price up to but not exceeding the Maximum Price as defined below.

The purchase price (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees) to be paid for the Shares shall be determined by the Directors, provided that such price must not exceed the maximum price (the **"Maximum Price"**) of five (5) per cent. above the average of the closing market prices of the Shares over the last five (5) market days on which transactions in the Shares were recorded, before the day on which the Market Purchase was made by the Company or the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme (as the case may be), and deemed to be adjusted for any corporate action that occurs during the relevant period of five (5) market days and the day on which the purchases are made.

The Share Purchase Mandate will expire at the earliest of:

(a) the date on which the next annual general meeting of the Company is or is required by law to be held, whichever is the earlier;

(b) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent authorised under the Share Purchase Mandate; or

(c) the effective date on which the authority conferred in the Share Purchase Mandate is varied (as to the duration of the Share Purchase Mandate) or revoked by the Shareholders in general meeting.

2.2 Rationale for the Share Purchase Mandate

The Share Purchase Mandate will give the Directors the flexibility to purchase Shares when circumstances permit, with the objective of enhancing the earnings per share and/or net asset value per share of the Company and its subsidiaries (collectively, the "**Group**"). Such flexibility will also allow the Directors to better manage the Company's capital structure, dividend payout and cash reserves, and to return surplus cash over and above its capital requirements in an expedient and cost-effective manner.

The Share Purchase Mandate will thus provide the Company with an efficient mechanism to enhance returns to Shareholders when circumstances permit. Share purchases will only be effected when the Directors are of the view that such Share purchases will benefit the Company and its Shareholders.

2.3 **Source of Funds**

The Company may only apply funds for the purchase of Shares as provided in the constitution of the Company (the **"Constitution"**), the Guidelines on Share Purchases and in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with SGX-ST's trading rules. The Company intends to use its internal sources of funds to finance its purchase or acquisition of Shares. The Company does not intend to obtain or incur any borrowings to finance the purchase of its Shares.

The Company may purchase or acquire its Shares out of the Company's capital or distributable profits so long as the Company is solvent. For this purpose, pursuant to the Companies Act, a company is solvent if at the date of payment the following conditions are satisfied:

(a) there is no ground on which the company could be found to be unable to pay its debts;

(b) if —

(i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

(ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

(c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

2.4 **Financial Impact of the Share Purchase Mandate**

The impact of the Share Purchase Mandate on the Company's financial position is set out below.

The total number of issued Shares (excluding any Shares held as treasury shares or which comprise subsidiary holdings) in the Company as at 21 March 2023, being the latest practicable date prior to the printing of this Addendum (the **"Latest Practicable Date"**), is 86,050,902 Shares and the exercise in full of the Share Purchase Mandate would result in the purchase of up to 8,605,090 Shares. As at the Latest Practicable Date, the Company had 1,022,200 treasury shares and no subsidiary holdings, and the Shares, being the ordinary shares in the capital of the Company, were the only class of shares issued by the Company.

All Shares which are purchased or acquired by the Company shall be held by the Company as treasury shares which may be used for the purpose stated in the Companies Act, unless the Company elects that such Shares shall be cancelled immediately on the purchase or acquisition.

Treasury shares are ordinary shares or stocks purchased or otherwise acquired by a company in accordance with Sections 76B to 76G of the Companies Act and which have been held by the Company continuously since the treasury shares were so purchased, and the Company shall be entered in the Register of Members as the member holding those Shares. The number of Shares held as treasury shares cannot at any time exceed ten (10) per cent. of the total number of issued ordinary shares in the capital of the Company.

The treasury shares shall be treated as having no voting rights and shall not be entitled to any dividend or other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up). However, an allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller or greater amount is also allowed if the total value of the treasury shares after the subdivision or consolidation is the same as before the subdivision or consolidation, as the case may be.

Treasury shares may be held by the Company or may be sold, transferred or cancelled in accordance with Section 76K of the Companies Act and the Listing Manual of the SGX-ST. Under Section 76K of the Companies Act, where the purchased or acquired Shares are held as treasury shares, the Company may at any time:

(a) sell the Shares (or any of them) for cash;

(b) transfer the Shares (or any of them) for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;

(c) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the Shares (or any of them); or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

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

If the purchased Shares will be cancelled, the issued share capital of the Company will be reduced by the corresponding purchase price of the purchased Shares. Accordingly, the net tangible assets of the Company and the Group will be reduced by the dollar value of the Shares purchased.

The financial impact on the Group arising from purchases or acquisition of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date, assuming that the Company purchases 8,605,090 Shares at the Maximum Price of S$0.57 per Share (being the price equivalent of five (5) per cent. above the average of the closing market prices of the Shares for the five (5) consecutive market days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 8,605,090 Shares (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees) is approximately S$4,924,000.

For illustrative purposes only and on the basis of the assumption above, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and Company for the financial year ended 31 December 2022 is set out below and assuming the following:

(a) the purchase or acquisition of 8,605,090 Shares by the Company pursuant to the Share Purchase Mandate by way of purchases (whether Market Purchases or Off-Market Purchases) made entirely out of profits and/or capital and held in treasury; and

(b) the purchase or acquisition of 8,605,090 Shares by the Company pursuant to the Share Purchase Mandate by way of purchases (whether Market Purchases or Off-Market Purchases) made entirely out of profits and/or capital and cancelled.

Scenario (a)

(i) Purchases of up to a maximum of ten (10) per cent. out of profits and/or capital and held in treasury.

	Group		Company	
Treasury	**Before share purchase**	**After share purchase**	**Before share purchase**	**After share purchase**
Issued capital and reserves (S$'000)	61,210	61,210	47,088	47,088
Treasury Shares (S$'000)	(495)	(5,419)	(495)	(5,419)
Net Tangible Assets(S$'000)	60,715	55,791	46,593	41,669
Current Assets (S$'000)	58,642	53,718	46,908	41,984
Current Liabilities (S$'000)	19,855	19,855	20,955	20,955
Net Borrowings/(Cash)(S$'000)	(24,707)	(19,783)	(16,817)	(11,893)
Number of Shares (as at the Latest Practicable Date)	86,050,902	77,445,812	86,050,902	77,445,812
NTA / Share (cents)	70.56	72.04	54.15	53.80
Profit/(loss) per Share (cents)	8.74	9.71	(0.79)	(0.88)
Gearing ratio (times)	0.02	0.02	–	–
Current ratio (times)	2.95	2.71	2.24	2.00

Scenario (b)

(i) Purchases of up to a maximum of ten (10) per cent. out of profits and/or capital and cancelled.

	Group		Company	
Cancelled	**Before share purchase**	**After share purchase**	**Before share purchase**	**After share purchase**
Issued capital and reserves (S$'000)	60,715	55,791	46,593	41,669
Treasury Shares (S$'000)	–	–	–	–
Net Tangible Assets(S$'000)	60,715	55,791	46,593	41,669
Current Assets(S$'000)	58,642	53,718	46,908	41,984
Current Liabilities(S$'000)	19,855	19,855	20,955	20,955
Net Borrowings/(Cash) (S$'000)	(24,707)	(19,783)	(16,817)	(11,893)
Number of Shares (as at the Latest Practicable Date)	86,050,902	77,445,812	86,050,902	77,445,812
NTA / Share (cents)	70.56	72.04	54.15	53.80
Profit/(loss) per Share (cents)	8.74	9.71	(0.79)	(0.88)
Gearing ratio (times)	0.02	0.02	–	–
Current ratio (times)	2.95	2.71	2.24	2.00

Notes:

1. Net Tangible Assets equals Total assets less goodwill, intangible assets and net assets attributable to non-controlling interest.

2. Net Borrowings equals loan from financial institution (excluding loan from non-controlling interest) and convertible bonds less cash.

3. Net Gearing Ratio equals Loan from financial institution (excluding loan from non-controlling interest) and convertible bonds divided by Shareholders' Fund.

4. Current Ratio equals Current Assets divided by Current Liabilities.

5. Profit Per Share equals profit attributable to the Company's shareholders divided by Number of Shares.

6. The Treasury Shares are purchased on the 1st day of the year.

Shareholders should note that the financial effects set out above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited numbers for the financial year ended 31 December 2022, and are not necessarily representative of future financial performance.

The Directors emphasise that they do not propose to exercise the Share Purchase Mandate to the extent that it will have a material adverse impact on the working capital requirements of the Group or the gearing levels which are from time to time, in the opinion of the Directors, appropriate for the Group. The Share Purchase Mandate will be exercised in accordance with the Guidelines on Share Purchases and the Directors will be prudent in exercising the Share Purchase Mandate and only to such extent which the Directors believe will be beneficial to the Group and the Shareholders from time to time giving consideration to the prevailing market conditions, the financial position of the Group and other relevant factors. Further, in accordance with the Guidelines on Share Purchases, Share purchases are prohibited after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced. In particular, the Company may not purchase its Shares on the SGX-ST during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or one (1) month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements), and ending on the date of announcement of the relevant results.

2.5 **Take-over Code Implications Arising from Share Purchases**

The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following the purchase of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 ("**Rule 14**") of the Singapore Code on Take-overs and Mergers (the "**Take-over Code**"). Consequently, depending on the number of Shares purchased by the Company and the Company's issued share capital at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

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. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert, namely (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, companies of which such companies are associated companies, all with one another, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, ownership or control of at least twenty (20) per cent., but not more than fifty (50) per cent., of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders of the Company including Directors 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 the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty (30) per cent. or more, or if the voting rights of such Directors and their concert parties fall between thirty (30) per cent. and fifty (50) per cent. of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one (1) per cent. in any period of six (6) months. Where the concert party group holds over fifty (50) per cent. of the Company's voting rights, no obligation to make a take-over offer under Rule 14 normally arises from acquisitions by any member of the concert party group.

Based on the Register of Directors of the Company, as at the Latest Practicable Date, the shareholdings of the Directors of the Company before and (assuming (a) the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding any Shares held as treasury shares or which comprise subsidiary holdings), and (b) there is no change in the number of Shares held or deemed to be held by the Directors) after the purchase by the Company of ten (10) per cent. of the total number of issued Shares (excluding any Shares held as treasury shares or which comprise subsidiary holdings) pursuant to the Share Purchase Mandate were/will be as follows:

	Before Share Purchase			**After Share Purchase**		
Name of Director	**Direct Interest** %	**Deemed Interest** %	**Total Interest** %	**Direct Interest** %	**Deemed Interest** %	**Total Interest** %
Eu Yee Ming Richard	–	–	–	–	–	–
Tay Teng Guan Arthur	0.15	55.07	55.22	0.16	61.19	61.35
Tay Teng Hock	0.06	–	0.06	0.06	–	0.06
Chan Kum Tao	0.06	–	0.06	0.06	–	0.06
Yeo Wee Kiong	0.06	–	0.06	0.06	–	0.06

Based on the above information and at the Latest Practicable Date, as Tay Teng Guan Arthur (together with persons acting in concert with him) has aggregate voting rights of the Company of more than fifty (50) per cent., the increase in his shareholdings and voting rights in the event the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares or which comprise subsidiary holdings) of the Company under the Share Purchase Mandate, will not result in him and persons acting in concert with him being obligated to make a mandatory offer under Rule 14 of the Take-over Code. None of the Directors (together with persons acting in concert with them) will become obliged to make a take-over offer under Rule 14 and Appendix 2 of the Take-over Code in the event that the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares or which comprise subsidiary holdings) of the Company under the Share Purchase Mandate.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty (30) per cent. or more, or, if such Shareholder holds between thirty (30) per cent. and fifty (50) per cent. of the Company's voting rights, the voting rights of such Shareholder would increase by more than one (1) per cent. in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Company to purchase or acquire its Shares, unless so required under the Companies Act.

Under Appendix 2 of the Take-over Code, in general, Shareholders will be subject to the provisions of Rule 14 if they acquire voting shares after the Company's share buy-back.

Based on the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date, the shareholdings of the substantial shareholders of the Company before and (assuming (a) the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares or which comprise subsidiary holdings) of the Company, and (b) there is no change in the number of Shares held or deemed to be held by the substantial shareholders) after the purchase by the Company of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares or which comprise subsidiary holdings) of the Company pursuant to the Share Purchase Mandate were/will be as follows:

	Before Share Purchase			After Share Purchase		
Name of substantial shareholder	**Direct Interest** %	**Deemed Interest** %	**Total Interest** %	**Direct Interest** %	**Deemed Interest** %	**Total Interest** %
SUTL Global Pte. Ltd.	55.07	–	55.07	61.19	–	61.19
Tay Teng Guan Arthur[(a)]	0.15	55.07	55.22	0.16	61.19	61.35

Note:

(a) The deemed interest of Mr Tay Teng Guan Arthur of 50.62 per cent. of the issued Shares (excluding any Shares held as treasury shares or which comprise subsidiary holdings) of the Company arises out of the Shares in which SUTL Global Pte. Ltd. has an interest.

Based on the above information and at the Latest Practicable Date, as SUTL Global Pte. Ltd. (together with persons acting in concert with it, including Tay Teng Guan Arthur) has aggregate voting rights of the Company of more than 50%, the increase in their shareholdings and voting rights in the event the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares or which comprise subsidiary holdings) of the Company under the Share Purchase Mandate will not result in them and persons acting in concert with them being obligated to make a mandatory offer under Rule 14 of the Take-over Code. None of the substantial shareholders of the Company would become obliged to make a take-over offer for the Company under Rule 14 and Appendix 2 of the Take-over Code in the event the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares or which comprise subsidiary holdings) of the Company under the Share Purchase Mandate.

The Directors are also not aware of any Shareholder or group of Shareholders acting in concert who may become obliged to make a mandatory offer in the event that the Directors exercise the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or the relevant authorities at the earliest opportunity as to whether they would incur any obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.

2.6 **Disclosure Requirements for Substantial Shareholders**

The disclosure of interests requirements in listed entities by a substantial shareholder are set out in Part VII of the Securities and Futures Act 2001.

Under the Securities and Futures Act, a substantial shareholder in a company is defined as a person who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than five (5) per cent. of the total votes attached to all the voting shares (excluding treasury shares) in the company.

Shareholders should note that a purchase of Shares by the Company may inadvertently cause the percentage shareholding of Shareholders, particularly Shareholders whose current holding of Shares is close to five (5) per cent., to become a substantial shareholder in the Company for the purposes of the Securities and Futures Act.

2.7 **Listing Status on SGX-ST**

The Directors will use their best efforts to ensure that the Company does not effect a purchase of Shares if the purchase of Shares 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 the Company.

Under Rule 723 of the Listing Manual, a company should ensure that at least ten (10) per cent. of a class of its listed securities is at all times held by the "public" (as defined in the Listing Manual).

As at the Latest Practicable Date, 44.78 per cent. of the issued share capital of the Company is held by the public. The Company is as such of the view that there is currently a sufficient number of Shares in issue held by public Shareholders which would permit the Company to effect a purchase of up to ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares or which comprise subsidiary holdings) of the Company pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST. Before deciding to effect a purchase of Shares, the Directors will also ensure that, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

2.8 **Shares Purchased in the Previous 12 Months**

As at the Latest Practicable Date, the Company had not purchased or acquired any of its Shares by way of Market Purchases or Off-Market Purchases in the twelve (12) months preceding the Latest Practicable Date.

3. THE PROPOSED GRANT OF OPTIONS TO MR TAY TENG HOCK, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER

3.1 **Adoption and Extension of the Option Scheme**

The Option Scheme was first approved by Shareholders at the extraordinary general meeting of the Company held on 29 April 2011. The Option Scheme was adopted for an initial duration of up to a maximum of ten (10) years, and was extended at the Company's annual general meeting held on 28 April 2021 for a further period of ten (10) years from (and including) 29 April 2021 up to (and including) 28 April 2031.

The detailed rules ("**Rules**") of the Option Scheme were set out in the Company's addendum dated 6 April 2021 ("**2021 Addendum**").

3.2 **Summary of the Option Scheme**

(a) **Defined Terms as used in the Option Scheme**

Pursuant to the Rules:

"**Associate**" means (a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means

(i) his Immediate Family;

(ii) the trustee of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and

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

"**Committee**" means the Remuneration Committee of the Company from time to time;

"**Controlling Shareholder**" means a person who (a) holds directly or indirectly 15% or more of the total voting rights in the Company (unless the SGX-ST determines otherwise); or (b) a person who in fact exercises control over the Company, as defined under the Listing Manual;

"**Date of Grant**" means in relation to an Option, the date on which the option is granted to a Participant pursuant to the Rules;

"**Director**" means a person holding office as a director for the time being of the Company;

"**Executive Director**" means a Director of the Company who performs an executive function within the Company;

"**Executive Employee**" means a confirmed employee of a Group Company fulfilling an executive role (including any Executive Director) selected by the Committee to participate in the Option Scheme, in accordance with Rule 4;

"**Exercise Period**" means the period during which an Option is exercisable in accordance with the Rules;

"**Exercise Price**" means the price at which an Option Holder shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9, as adjusted in accordance with Rule 10;

"**Group**" means the Company and its Subsidiaries;

"**Group Company**" means a company within the Group;

"**Group Executive Director**" means a Director of a Group Company who performs an executive function;

"**Group Non-Executive Director**" means a Director of a Group Company who does not perform an executive function, including an independent director;

"**Immediate Family**" means a person's spouse, child, adopted child, step-child, sibling and parent, or such other definition as the SGX-ST may from time to time require;

"**Listing Manual**" means the Listing Manual of the SGX-ST, as amended or modified from time to time;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Market Price**" means the average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares of the Company were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices;

"**New Shares**" means the new Shares which may be allotted and issued from time to time pursuant to the exercise of the Option(s);

"**Option**" means the right to subscribe for Shares granted or to be granted to an Executive Employee or Group Non-Executive Director pursuant to the Option Scheme and for the time being subsisting;

"**Option Holder**" means the holder of an Option;

"**Participant**" means any Executive Employee or Group Non-Executive Director of a Group Company selected by the Committee to participate in the Option Scheme in accordance with Rule 4;

"**Record Date**" means the date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions;

"**Subsidiary**" means a company which is for the time being a subsidiary of the Company as defined by Section 5 of the Companies Act; and

"**Treasury Shares**" has the meaning ascribed to it in Section 4 of the Companies Act.

(b) **Eligibility**

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

(i) confirmed Executive Employees (including Group Executive Directors);

(ii) employees who qualify under sub-paragraph (a)(i) above and are seconded to a Subsidiary; and

(iii) Group Non-Executive Directors (including Independent Directors),

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 composition(s) with their respective creditors.

(c) **Entitlements**

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Participant for subscription in accordance with the Option Scheme shall be determined at the discretion of the Committee who shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the Participant to the Group as well as the limit imposed by Rule 6. In respect of Options to be granted to Controlling Shareholders and their Associates and the terms and conditions attached to such Options, all members of the Board who are not Controlling Shareholders or Associates of Controlling Shareholders (and not just members of the Committee) will be involved in deliberation.

(d) **Size of the Option Scheme**

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

(i) the aggregate number of new Shares issued and issuable in respect of all other share-based incentive schemes of the Company (if any); and

(ii) the number of Treasury Shares delivered in respect of the options granted under all other share-based incentive schemes of the Company (if any),

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

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

(e) **Date of Grant**

The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Participants as it may select in its absolute discretion at any time during the period when the Option Scheme is in force, subject to certain exceptions.

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

(f) **Acceptance of Offer**

An Option offered to a Participant pursuant to Rule 7 may only be accepted by the Participant within 30 days after the relevant Date of Grant and not later than 5.00 p.m. on the (30th) day from such Date of Grant (a) by completing, signing and returning to the Company the acceptance form in or substantially in the form set out in Appendix A2 of the Rules, subject to such modification as the Committee may from time to time determine, accompanied by payment of S$1.00 as consideration or such other amount and such other documentation as the Committee may require and (b) if, at the date on which the Company receives from the Participant the acceptance form in respect of the Option as aforesaid, he remains eligible to participate in the Option Scheme in accordance with the Rules.

(g) **Exercise Price**

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

(i) a price equal to the Market Price; or

(ii) a price which is set at a discount to the Market Price, provided that:

(a) the maximum discount shall not exceed 20.0 per cent (20%) of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and

(b) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Option Scheme at a discount not exceeding the maximum discount as aforesaid.

In the event that SGX-ST prescribes or permits a higher percentage of discount, the Company will seek Shareholders' approval for the increase in discount at a general meeting.

(h) **Alteration of Capital**

Subject to the other provisions of Rule 10, if a variation in the share capital of the Company (whether by way of a bonus issue or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:

(i) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or

(ii) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or

(iii) the class and/or number of Shares in respect of which additional Option(s) may be granted to Option Holders,

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

(i) **Exercise Period**

Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by an Option Holder after the first anniversary of the Date of Grant of that Option, provided always that the Options (other than Options granted to Group Non-Executive Directors) shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors before the fifth (5th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and an Option Holder shall have no claim against the Company.

Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by an Option Holder after the second anniversary from the Date of Grant of that Option, provided always that the Options (other than Options granted to Group Non-Executive Directors) shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and an Option Holder shall have no claim against the Company.

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

(i) subject to Rules 11.3, 11.4, 11.5 and 11.6 of the Option Scheme, upon the Option Holder ceasing to be an employee or a Director of the Company or any of the companies with the Group (as the case may be) for any reason whatsoever;

(ii) upon the bankruptcy of the Option Holder or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or

(iii) in the event of misconduct on the part of the Option Holder, as determined by the Committee in its absolute discretion.

If an Option Holder ceases to be employed by a Group Company or a Group Non-Executive Director ceases to be a Director of a Group Company by reason of his ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee, redundancy, retirement at or after a normal retirement age or retirement before that age with the consent of the Committee, or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee exercise any unexercised Options within the relevant Exercise Period and upon the expiry of such period, the Options remaining unexercised shall immediately lapse and become null and void.

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

(j) **Modifications to the Option Scheme**

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

(i) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Option Holders who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters of all the Shares which would fall to be allotted or transferred upon exercise in full of all outstanding Options;

(ii) any modification or alteration which would be to the advantage of Option Holder under the Option Scheme shall be subject to the prior approval of the Company's Shareholders in general meeting; and

(iii) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted and listed, and such other regulatory authorities as may be necessary.

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

(k) **Duration of the Option Scheme**

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

(l) **Administration of the Option Scheme**

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

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

(m) **Voting, dividends and other right**

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

(n) **Shareholders' approval**

The participation of each Controlling Shareholder and each of his Associates must be specifically approved by independent Shareholders in separate resolutions for each such person. Each grant of Options (including the actual number and the terms of the Options to be granted) to a Controlling Shareholder or his Associates must be specifically approved by independent Shareholders in separate resolutions for each such grant of Options.

3.3 **Participation by Mr Tay Teng Guan Arthur, a Controlling Shareholder, and Mr Tay Teng Hock, an Associate of a Controlling Shareholder, in the Option Scheme**

The participation of Mr Tay Teng Guan Arthur as a Controlling Shareholder of the Company, and Mr Tay Teng Hock as an Associate of a Controlling Shareholder of the Company, in the Option Scheme, was approved by Shareholders at the extraordinary general meeting and the annual general meeting of the Company held on 29 April 2011 and 28 April 2021 respectively.

Mr Tay Teng Guan Arthur is considered a Controlling Shareholder of the Company. He holds approximately 50.62% in the total issued shares of SUTL Global Pte. Ltd. SUTL Global Pte. Ltd. is a Controlling Shareholder of the Company as it is directly interested in an aggregate of 47,389,942 Shares, representing approximately 55.07% of the total number of Shares issued by the Company. As at the Latest Practicable Date, Mr Tay Teng Guan Arthur has a direct interest in 125,000 Shares of the Company and a deemed interest in 47,389,942 Shares, representing in aggregate approximately 55.22% of the Company's total number of issued Shares. Mr Tay Teng Guan Arthur holds Options in respect of 863,000 Shares.

Mr Tay Teng Hock is a sibling of Mr Tay Teng Guan Arthur, and is therefore considered to be an Associate of Mr Tay Teng Guan Arthur. As at the Latest Practicable Date, Mr Tay Teng Hock has a direct interest in 50,000 Shares of the Company and no deemed interest in Shares of the Company, representing in aggregate approximately 0.06% of the Company's total number of issued Shares. Mr Tay Teng Hock holds Options in respect of 350,000 Shares.

The following grants of Options to Mr Tay Teng Guan Arthur and Mr Tay Teng Hock have been approved previously:

(i) at the Twenty-Fifth Annual General Meeting of the Company held on 25 April 2019, the grant of Options in respect of 250,000 Shares to Mr Tay Teng Guan Arthur and the grant of Options in respect of 100,000 Shares to Mr Tay Teng Hock were approved. As announced by the Company on 5 July 2019, these Options were granted to Mr Tay Teng Guan Arthur and Mr Tay Teng Hock on 5 July 2019. As at the Latest Practicable Date, the Options in respect of all the Shares comprised in these Options to each of Mr Tay Teng Guan Arthur and Mr Tay Teng Hock have vested, and none of these Options have lapsed.

(ii) at the Twenty-Sixth Annual General Meeting of the Company held by way of electronic means on 23 June 2020, the grant of Options in respect of 250,000 Shares to Mr Tay Teng Guan Arthur and the grant of Options in respect of 100,000 Shares to Mr Tay Teng Hock were approved. As announced by the Company on 3 July 2020, these Options were granted to Mr Tay Teng Guan Arthur and Mr Tay Teng Hock on 3 July 2020. As at the Latest Practicable Date, the Options in respect of all the Shares comprised in these Options to each of Mr Tay Teng Guan Arthur and Mr Tay Teng Hock have vested, and none of these Options have lapsed.

(iii) at the Twenty-Seventh Annual General Meeting of the Company held by way of electronic means on 28 April 2021, the grant of Options in respect of 250,000 Shares to Mr Tay Teng Guan Arthur and the grant of Options in respect of 100,000 Shares to Mr Tay Teng Hock were approved. As announced by the Company on 24 May 2021, these Options were granted to Mr Tay Teng Guan Arthur and Mr Tay Teng Hock on 24 May 2021. As at the Latest Practicable Date, the Options in respect of 50 per cent. of the Shares comprised in these Options to each of Mr Tay Teng Guan Arthur and Mr Tay Teng Hock have vested, and none of these Options have lapsed.

(iv) at the Twenty-Eighth Annual General Meeting of the Company held by way of electronic means on 27 April 2022, the grant of Options in respect of 238,000 Shares to Mr Tay Teng Guan Arthur and the grant of Options in respect of 100,000 Shares to Mr Tay Teng Hock were approved. As announced by the Company on 19 May 2022, these Options were granted to Mr Tay Teng Guan Arthur and Mr Tay Teng Hock on 19 May 2022. None of these Options have vested or lapsed as at the Latest Practicable Date.

As at the Latest Practicable Date, save as aforementioned, there are no Controlling Shareholders or Associates of Controlling Shareholders who are eligible to participate in the Option Scheme.

(a) Rationale for Participation of Controlling Shareholders and their Associates in the Option Scheme

As stated in the 2022 Addendum, the key objective of the Option Scheme is to motivate key Executive Employees and Group Non-Executive Directors to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company. The Company believes that the Option Scheme may be effective in motivating Executive Employees and Group Non-Executive Directors to put in their best efforts whilst at the same time allowing the Company to offer attractive incentives and remuneration packages.

To this end, Executive Employees and Group Non-Executive Directors who are Controlling Shareholders and their Associates shall be treated equally as these 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, the Company's view is that all deserving and eligible Executive Employees and Group Non-Executive Directors should be similarly entitled to take part and benefit from the Company's fair and equitable system of remuneration.

Although the Controlling Shareholders and their Associates may already have shareholding interests in the Company, the extension of the Option Scheme to include them ensures that they are similarly entitled, with the other eligible Executive Employees and Group Non-Executive Directors 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 the Company should have a fair and equitable system to reward the eligible Executive Employees and Group Non-Executive Directors 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.

The terms of the Option Scheme do not differentiate between the Controlling Shareholders and their Associates from other Executive Employees and Group Non-Executive Directors in determining the eligibility of such persons to be granted Options. They should not unduly favour Controlling Shareholders and their Associates. Likewise, Controlling Shareholders and their Associates should not be excluded from participating in the Option Scheme solely for the reason that they are Controlling Shareholders or Associates of Controlling Shareholders. In addition, to deny participation by the Controlling Shareholders and their Associates may serve to de-motivate them and undermine the objectives of the Option Scheme.

(b) Safeguards

As a safeguard against abuse, all members of the Board who are not Controlling Shareholders or Associates of Controlling Shareholders (and not just members of the Committee) will be involved in deliberations in respect of Options to be granted to Controlling Shareholders and their Associates and the terms and conditions attached to such Option(s). The limits on the aggregate number of Shares comprised in Options that may be granted to Controlling Shareholders and/or their Associates are set out in Sections 3.2(d) and 3.4 of this Addendum.

Specific approval of the independent Shareholders is required for the grant of Option(s) to Controlling Shareholders and their Associates as well as the actual number of and terms of such Options. In seeking such independent Shareholders' approval, clear justification as to their participation, the number of Options and the terms of Options to be granted to the Controlling Shareholders and their Associates will need to be provided.

The Company is of the view that there are sufficient safeguards against abuse resulting from the participation of Controlling Shareholders and their Associates in the Option Scheme.

3.4 **Limits on grant of Option(s) to Controlling Shareholders and their Associates**

Details on the limits on the size of the Option Scheme and the limits on the aggregate number of Shares over which the Committee may offer to grant Options to the Controlling Shareholders and their Associates under the Option Scheme are set out at Sections 3.2(d) above.

As at the Latest Practicable Date, the total number of issued Shares (excluding any Shares held as Treasury Shares or which comprise subsidiary holdings) is 86,050,902 Shares. As at the Latest Practicable Date, the Company had 1,022,200 Treasury Shares.

As at the Latest Practicable Date, the aggregate number of Shares over which the Committee may offer to grant Option(s) under the Option Scheme and all other share-based incentive schemes of the Company shall not exceed 12,907,635 Shares, which represent 15% of the total number of issued Shares of the Company (excluding Treasury Shares and subsidiary holdings).

As at the Latest Practicable Date, the aggregate number of Shares issued or issuable under all share-based incentive schemes of the Company, including Options which have been granted under the Option Scheme, is 7,257,600 Shares.

As at the Latest Practicable Date, there are 5,650,035 Shares remaining for which new Options may be granted under the Option Scheme. The aggregate number of Shares issued or issuable for which Options may be granted under the Option Scheme is 9,928,035 Shares.

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

Accordingly, the number of Shares available to Controlling Shareholders and their Associates under the Option Scheme must not exceed 2,482,008 Shares, which represent 25% of the shares available for which Options may be granted under the Option Scheme. The number of shares available to each Controlling Shareholder or his Associate under the Option Scheme must not exceed 992,803 Shares, which represent 10% of the shares available for which Options may be granted under the Option Scheme.

3.5 **The Proposed Grant of Options to Mr Tay Teng Hock, an Associate of a Controlling Shareholder**

It is proposed that Shareholders' approval be sought at the Twenty-Ninth AGM for Options to be granted to Mr Tay Teng Hock under the Option Scheme in respect of 100,000 Shares.

(a) Rationale for the grant of Options to Mr Tay Teng Hock under the Option Scheme

As a Non-Executive Director, although Mr Tay Teng Hock is not involved in the day-to-day running of the Group, he shares his experience and insights and advises on the business of the Group.

The grant of the Options to Mr Tay Teng Hock would serve as an apt means of recognising and acknowledging his contributions to the Group. As the Option Scheme serves to recognise past contributions as well as to encourage future contributions, the Directors consider it is important that Mr Tay Teng Hock be allowed to participate in the Option Scheme by the grant of Options to subscribe for 100,000 Shares at the Market Price. The Remuneration Committee had also considered the number of Shares comprised in the Options which are proposed to be granted to Mr Tay Teng Hock in light of the Options to be granted to the other Directors, and noted that the number of Shares comprised in the Options proposed to be granted to Mr Tay Teng Hock is in line with the number of Shares comprised in the Options to be granted to the other Non-Executive Director and is appropriate in light of the respective contributions of the Directors.

(b) Terms of grant of Options to Mr Tay Teng Hock

The main terms of the proposed grant of the Options to Mr Tay Teng Hock are as follows:

(a) Date of Grant: Any time within one (1) month from the date of the Twenty-Ninth AGM.

(b) Number of Shares: 100,000 Shares (comprising approximately 0.12% of the total number of issued Shares (excluding any Shares held as Treasury Shares or which comprise subsidiary holdings) and approximately 1.01% of the aggregate number of Shares available under the Option Scheme);

(c) Exercise Price per Share: Market Price (To give an indication, the Market Price of the Shares on the Latest Practicable Date is S$0.545);

(d) Vesting Period: Fifty per cent. (50%) of the Shares comprised in the Options will vest on the first anniversary of the Date of Grant, and the balance of the Shares comprised in the Options will vest on the second anniversary of the Date of Grant; and

(e) Exercise Period: The Options in respect of: (i) Fifty per cent. (50%) of the Shares comprised in the Options will be exercisable after the first anniversary of the Date of Grant; and (ii) the balance of the Shares comprised in the Options will be exercisable after the second anniversary of the Date of Grant, provided always that the Options shall be exercised before the fifth (5^{th}) anniversary of the Date of Grant.

(c) Limits on grant of Option(s) to Associate(s) of Controlling Shareholder(s)

The details of the Options granted to Mr Tay Teng Guan Arthur and Mr Tay Teng Hock in 2019, 2020, 2021 and 2022 are set out in Section 3.3 above. Details on the limits on grants of Option(s) to Controlling Shareholders and their Associates are set out in Section 3.4 above.

Assuming that the proposed grant of Options under the Option Scheme to Mr Tay Teng Hock in respect of 100,000 Shares is approved, the aggregate number of Options amounting to 500,000 Shares granted to Mr Tay Teng Hock would represent approximately 5.03 % of the aggregate number of Shares available under the Option Scheme as at the Latest Practicable Date, which is within the 10% limit prescribed for each Controlling Shareholder or each of his Associates.

Assuming that the proposed grant of Options to Mr Tay Teng Hock in respect of 100,000 Shares is approved, an aggregate number of Options in respect of 1,488,000 Shares would have been granted to Mr Tay Teng Guan Arthur and Mr Tay Teng Hock. These 1,488,000 Shares would represent an aggregate of approximately 15.0% of the aggregate number of Shares available under the Option Scheme as at the Latest Practicable Date, which is within the 25% limit prescribed for the Controlling Shareholders and their Associates in aggregate.

The grant of the Options to Mr Tay Teng Hock is therefore within the limits of the Option Scheme and in compliance with Rules 845(2) and 845(3) of the Listing Manual.

3.6 Take-over Code Implications

As at the Latest Practicable Date, Mr Tay Teng Guan Arthur has a direct interest in 125,000 Shares of the Company and has a deemed interest in 47,389,942 Shares, representing in aggregate approximately 55.22% of the Company's total number of issued Shares. Mr Tay Teng Guan Arthur holds Options in respect of 863,000 Shares. The details of Mr Tay Teng Guan Arthur's deemed interest in the Shares of the Company and the Options held by him are set out in Section 3.3 above.

As at the Latest Practicable Date, Mr Tay Teng Hock has a direct interest in 50,000 Shares of the Company and no deemed interest in Shares of the Company. Mr Tay Teng Hock holds Options in respect of 350,000 Shares. The details of Mr Tay Teng Hock's interest in the Shares of the Company and the Options held by him are set out in Section 3.3 above.

Assuming that: (1) the aggregate number of Options in respect of 1,388,000 Shares which were granted to Mr Tay Teng Guan Arthur and Mr Tay Teng Hock in 2019, 2020, 2021 and 2022 are exercised in full by both Mr Tay Teng Guan Arthur and Mr Tay Teng Hock; (2) the proposed grant of Options in respect of 100,000 Shares be exercised in full by Mr Tay Teng Hock subsequent thereto; (3) there are no other changes to Mr Tay Teng Hock's shareholding interests; and (4) Treasury Shares are transferred upon the exercise of all these Options, Mr Tay Teng Hock's direct interest in Shares of the Company will increase from 50,000 Shares to 500,000 Shares, representing an increase from 0.06% to 0.58% of the total number of issued Shares of the Company, and he will remain as having no deemed interest in the Shares of the Company.

Please also refer to Section 2.5 above for the shareholding interests of Mr Tay Teng Guan Arthur and Mr Tay Teng Hock as at the Latest Practicable Date. At the Latest Practicable Date, as Mr Tay Teng Guan Arthur and Mr Tay Teng Hock (together with persons acting in concert with them) have aggregate voting rights of the Company of more than 50%, the increase in their shareholdings and voting rights arising from: (i) the exercise of the aggregate number of Options in respect of 350,000 Shares granted to them on 5 July 2019, 350,000 Shares granted to them on 3 July 2020, 350,000 Shares granted to them on 24 May 2021, 338,000 Shares granted to them on 19 May 2022, and (ii) the exercise of the Options in respect of 100,000 Shares granted to Mr Tay Teng Hock will not result in them and persons acting in concert with them being obligated to make a mandatory offer under Rule 14 of the Take-over Code.

4. FINANCIAL EFFECTS OF THE OPTION SCHEME

Details of the costs to the Company of granting Options under the Option Scheme and the allotment and issue of the New Shares would be as follows:

4.1 Share Capital

The Option Scheme will result in an increase in the number of issued Shares of the Company to the extent that New Shares are allotted and issued upon the exercise of the Options. This number of New Shares issued will in turn depend on, *inter alia*, the number of Shares comprised in the Options granted, the number of Options that are vested, the prevailing Market Price of the Shares on the SGX-ST, and whether the Company chooses to deliver Treasury Shares to holders of Options in lieu of New Shares. As such, there would be no impact on the number of issued Shares of the Company if the relevant Options are not exercised or if Treasury Shares are delivered to Option Holders in lieu of New Shares.

4.2 Earnings Per Share ("EPS")

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

However, the impact arising from the Option Scheme on the Company's consolidated EPS is not expected to be material in any given financial year.

4.3 **Net tangible assets of the Group ("NTA")**

The issue of New Shares upon the exercise of the Options will increase the Company's consolidated NTA by the aggregate Exercise Price of the New Shares issued. On a per Share basis, the effect on the NTA of the Company is accretive if the Exercise Price is above the NTA per Share but dilutive otherwise.

4.4 **Potential Cost of Options**

Any Options granted under the Option Scheme would have a fair value. In the event that such Options are granted at prices below the fair value of the Options, there will be a cost to the Company. The amounts of such costs may be more significant in the case of Options granted with Exercise Prices set at a discount to the Market Price of the Shares. In addition to the impact on the Company's consolidated EPS and consolidated NTA as described above, the cost to the Company of granting Options under the Scheme would be as follows:–

(a) the exercise of an Option at the Exercise Price would translate into a reduction of the proceeds from the exercise of such Option, as compared to the proceeds that the Company would have received from such exercise had the exercise been made at the prevailing market price of the Shares. Such reduction of the exercise proceeds would represent the monetary cost to the Company; and

(b) the grant of Options under the Option Scheme will have an impact on the Company's reported profit under Financial Reporting Standard as share-based payment requires the recognition of an expense in respect of Options granted under the Scheme. The expense will be based on the fair value of the Options at the Date of Grant (as determined by an option pricing model) and will be recognised over the vesting period.

It should be noted that the financial effects discussed in Section 4.4(a) above will materialise only upon the exercise of the relevant Options. The cost of granting Options discussed in Section 4.4(b) above will be recognised in the financial statements even if the Options are not exercised.

5. APPROVALS AND RESOLUTIONS

Shareholders' approval for the proposed renewal of the Share Purchase Mandate and the proposed grant of Options to Mr Tay Teng Hock, an Associate of a Controlling Shareholder are sought at the Twenty-Ninth AGM, and the Resolutions relating to these matters are contained in the Notice of the Twenty-Ninth AGM as Resolutions 9, and 10 respectively.

6. DIRECTORS' RECOMMENDATION[2]

6.1 Having considered the rationale for and benefits of the proposed renewal of the Share Purchase Mandate, the Directors are of the opinion that the renewal is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 9 in the Notice of the Twenty-Ninth AGM.

6.2 The Directors are all eligible to participate in, and are therefore interested in the Option Scheme. They have, accordingly, abstained from making any recommendations in favour of Resolution 10 in relation to the proposed grant of Options to Mr Tay Teng Hock, an Associate of a Controlling Shareholder. Save for the Chairman, each Director shall also decline to accept appointment as proxy for Shareholders to vote in respect of Resolution 10. For the Twenty-Ninth AGM, the Chairman will accept appointment as proxy for Shareholders to vote in respect of Resolution 10, provided that the Shareholder concerned has given specific instructions in the relevant proxy form as to voting, or abstentions from voting, in respect of such Resolutions.

2 Please note that a member must appoint the Chairman of the meeting as his/its proxy to vote on his/its behalf at the Twenty-Ninth AGM if such member wishes to exercise his/its voting rights at the Twenty-Ninth AGM.

7. ABSTENTION FROM VOTING[3]

Shareholders who are eligible to participate in the Option Scheme shall abstain from voting at the Twenty-Ninth AGM in respect of Resolution 10 relating to the Option Scheme set out in the Notice of Twenty-Ninth AGM. Save for the Chairman, they shall also decline to accept appointment as proxy for Shareholders to vote on Resolution 10 set out in the Notice of Twenty-Ninth AGM. For the Twenty-Ninth AGM, the Chairman will accept appointment as proxy for Shareholders to vote in respect of Resolution 10 relating to the Option Scheme set out in the Notice of Twenty-Ninth AGM, provided that the Shareholder concerned has given specific instructions in the relevant proxy form as to voting, or abstentions from voting, in respect of such Resolutions.

The Controlling Shareholder, Mr Tay Teng Guan Arthur, and his Associate, Mr Tay Teng Hock, and their associates (including SUTL Global Pte. Ltd.), will abstain from voting at the Twenty-Ninth AGM in respect of Resolution 10 relating to the proposed grant of Options to Mr Tay Teng Hock.

The Directors are all eligible to participate in, and are therefore interested in the Option Scheme. As such, the Directors shall also abstain from voting at the Twenty-Ninth AGM in respect of Resolution 10 relating to the proposed grant of Options to Mr Tay Teng Hock.

The Company will disregard any votes cast by the abovementioned Shareholders and Directors in respect of Resolution 10 relating to the proposed grant of Options to Mr Tay Teng Hock.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate and the proposed grant of Options to Mr Tay Teng Hock and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum 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 Addendum in its proper form and context.

9. DOCUMENTS FOR INSPECTION

Subject to the prevailing laws and guidelines relating to safe distancing measures, the Constitution of the Company and the 2023 Addendum may be inspected at the registered office at #05-00 SUTL House, 100J Pasir Panjang Road, Singapore 118525 during normal business hours from the date of this Addendum to the date of the Twenty-Ninth AGM.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to investors_relations@sutl.com to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

Yours faithfully,
for and on behalf of the Board of Directors of
SUTL ENTERPRISE LIMITED

Tay Teng Guan Arthur
Executive Director

3 Please note that a member must appoint the Chairman of the meeting as his/its proxy to vote on his/its behalf at the Twenty-Ninth AGM if such member wishes to exercise his/its voting rights at the Twenty-Ninth AGM.

APPENDIX A

GUIDELINES ON SHARE PURCHASES

1. SHAREHOLDERS' APPROVAL

1.1 Purchases of Shares by the Company must be approved in advance by the Shareholders in a general meeting of the Company, by way of a general mandate.

1.2 The Share Purchase Mandate authorising the purchase of Shares by the Company will expire at the earliest of:

(a) the date on which the next annual general meeting ("**AGM**") of the Company is or is required by law to be held, whichever is the earlier;

(b) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent authorised under the Share Purchase Mandate; or

(c) the effective date on which the authority conferred in the Share Purchase Mandate is varied (as to the duration of the Share Purchase Mandate) or revoked by the Shareholders in general meeting.

1.3 The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed at each AGM or other general meeting of the Company. The Directors may delegate all or part of such authority (including the determination of the purchase price to be paid per Share) upon such terms and conditions as they may at their absolute discretion think fit, but at all times in accordance with the Constitution of the Company.

1.4 The number of Shares which can be purchased pursuant to the proposed Share Purchase Mandate is such number of Shares which represents up to a maximum of ten (10) per cent. of the total number of issued Shares (excluding any Shares held as treasury shares or which comprise subsidiary holdings) as at the date on which the resolution authorising the same is passed, unless the Company has effected a reduction of the share capital of the Company in which event the number of issued ordinary shares of the Company shall be taken to be the number of the issued ordinary shares of the Company as altered (excluding any Shares held as treasury shares or which comprise subsidiary holdings).

1.5 Purchases of Shares can be effected by the Company only in either one of the following two ways or both:-

(a) by way of Market Purchases. Market Purchases means purchases of Shares transacted through the SGX-ST trading system; or

(b) by way of Off-Market Purchases. The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Constitution of the Company and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an Off-Market Purchase scheme or schemes. The Off-Market Purchase scheme must, however, satisfy all the following conditions:

(i) the offers for the purchase or acquisition of Shares under the scheme shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offer made to them; and

(iii) the terms of all the offers are the same (except that there shall be disregarded differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements and different amounts remaining unpaid, and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares).

2. FUNDING OF SHARE PURCHASES

2.1 In purchasing Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore.

2.2 The Company may not purchase its Shares for a consideration other than cash or, in the case of Market Purchases, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

2.3 The Company may purchase or acquire its Shares out of the Company's capital or distributable profits so long as the Company is solvent. For this purpose, pursuant to the Companies Act, a company is solvent if at the date of payment the following conditions are satisfied:

(a) there is no ground on which the company could be found to be unable to pay its debts;

(b) if —

(i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

(ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

(c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

2.4 The Directors shall not exercise the Share Purchase Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Group or the gearing levels which are from time to time, in the opinion of the Directors, appropriate for the Group.

3. TRADING RESTRICTIONS

3.1 The Company will not effect a Share purchase such that the continuing shareholding spread requirement prescribed by the Listing Manual of the SGX-ST which are in force at the time of the intended Share purchase cannot be maintained after the purchase.

3.2 The Directors will use their best efforts to ensure that any Share purchases will not affect the listing of the Shares on the SGX-ST.

4. OFF-MARKET PURCHASE SCHEME

For purchases of Shares to be made by way of an Off-Market Purchase scheme, the Company shall issue an offer document to all Shareholders. The offer document shall contain at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed Share purchase;

(d) the consequences, if any, of the Share purchase by the Company that will arise under the Singapore Code on Take-overs and Mergers or any other applicable take-over rules;

(e) whether the Share purchase, if made, will have any effect on the listing of the Shares on the SGX-ST;

(f) details of any Share purchases made by the Company in the previous twelve (12) months whether Market Purchases or Off-Market Purchase schemes, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases; and

(g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

5. PRICE RESTRICTIONS

The purchase price (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed the Maximum Price.

6. STATUS OF PURCHASED SHARES

6.1 All Shares which are purchased or acquired by the Company shall be held by the Company as treasury shares which may be used for the purpose stated in the Companies Act, unless the Company elects that such Shares shall be cancelled immediately on the purchase or acquisition.

6.2 Any Shares purchased or acquired by the Company and cancelled will be automatically delisted by the SGX-ST.

6.3 Certificates in respect of purchased or acquired Shares that are cancelled by the Company will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any purchase or acquisition of such Shares.

7. REPORTING REQUIREMENTS

7.1 Within thirty (30) days of the passing of a Shareholders' resolution to approve purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority.

7.2 The Company shall notify the Accounting and Corporate Regulatory Authority within thirty (30) days of a purchase of Shares. Such notification shall include details of the date of the purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before the purchase of Shares, the Company's issued share capital after the purchase of Shares, the amount of consideration paid by the Company for the purchase of Shares, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required in the prescribed form.

7.3 The Company shall notify the SGX-ST of Market Purchases of Shares not later than 9.00 a.m. on the market day following the day on which the Market Purchases were effected, and shall notify the SGX-ST of Off-Market Purchases not later than 9.00 a.m. on the second market day after the close of acceptances of the offer for Off-Market Purchases. The notification of such purchases of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

7.4 The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the aforesaid notifications to the SGX-ST.

7.5 When seeking the approval of Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases of Shares made by the Company during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

8. SUSPENSION OF PURCHASES

8.1 Share purchases are prohibited after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced.

8.2 In particular, the Company may not purchase its Shares on the SGX-ST during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or one (1) month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements), and ending on the date of announcement of the relevant results.