

CIRCULAR DATED 15 JANUARY 2024

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

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in the capital of Marco Polo Marine Ltd. (the “**Company**”) held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the enclosed Notice of EGM (as defined below) and the enclosed Proxy Form (as defined below) to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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MARCO POLO MARINE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200610073Z)

CIRCULAR TO SHAREHOLDERS

in relation to the proposed:

- (1) **ADOPTION OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024);**
- (2) **ADOPTION OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024);**
- (3) **GRANT OF OPTIONS AT A DISCOUNT UNDER THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024);**
- (4) **PARTICIPATION OF MR. SEAN LEE YUN FENG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024);**
- (5) **PARTICIPATION OF MR. SEAN LEE YUN FENG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024);**

- (6) PARTICIPATION OF MS. LIE LY, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024);
- (7) PARTICIPATION OF MS. LIE LY, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024);
- (8) PARTICIPATION OF MR. TEO JUNXIANG, DARREN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024);
- (9) PARTICIPATION OF MR. TEO JUNXIANG, DARREN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024);
- (10) GRANT OF OPTIONS TO MR. SEAN LEE YUN FENG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024) PURSUANT TO WHICH MR. SEAN LEE YUN FENG MAY BE AWARDED UP TO 5,500,000 SHARES REPRESENTING APPROXIMATELY 0.15% OF THE TOTAL NUMBER OF ISSUED SHARES;
- (11) GRANT OF OPTIONS TO MS. LIE LY, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024) PURSUANT TO WHICH MS. LIE LY MAY BE AWARDED UP TO 5,500,000 SHARES REPRESENTING APPROXIMATELY 0.15% OF THE TOTAL NUMBER OF ISSUED SHARES; AND
- (12) ADOPTION OF THE SHARE BUYBACK MANDATE.

Important Dates and Times:

Last date and time for lodgment of Proxy Form : 27 January 2024 at 11.30 a.m.

Date and time of Extraordinary General Meeting : 30 January 2024 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day)

Place of Extraordinary General Meeting : 1 Tai Seng Avenue, Blk F #02-26/28, Tai Seng Exchange, Singapore 536464

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DEFINITIONS

The following definitions apply throughout in this Circular except where the context otherwise requires:

- “AGM”** : An annual general meeting of the Company.
- “Approval In-Principle”** : The approval in-principle of the SGX-ST for the listing and quotation of the New Shares that may be allotted and issued from time to time upon the Vesting of the Awards granted pursuant to the MPM PSS and/or the exercise of the Options granted pursuant to the MPM ESOS.
- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Associated Company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company or its Subsidiaries.
- “Auditors”** : The auditors of the Company for the time being.
- “Average Closing Price”** : The average of the closing market prices of the Shares traded on the SGX-ST over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Acquisition by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition, 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 Acquisition is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition.

DEFINITIONS

“Award”	:	A contingent award of Shares granted to a Participant under the MPM PSS.
“Award Letter”	:	A letter in such form as the Committee shall approve, confirming an Award granted to a Participant by the Committee under the MPM PSS.
“Board”	:	The board of Directors of the Company for the time being.
“CDP”	:	The Central Depository (Pte) Limited.
“Circular”	:	This circular to Shareholders dated 15 January 2024.
“Committee”	:	A committee comprising Directors of the Company as may be duly authorised and appointed by the Board to administer the MPM PSS and the MPM ESOS, the initial members of such committee being the members of the Remuneration Committee of the Company (namely, Mr. Lee Kiam Hwee Kelvin, Mr. Tan Hai Peng Micheal and Mr. Teo Junxiang, Darren).
“Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time.
“Company” or “MPM”	:	Marco Polo Marine Ltd.
“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time.
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company.
“CPF”	:	The Central Provident Fund.
“Date of Grant”	:	The date on which an Award or an Option is granted to a Participant pursuant to the MPM PSS or the MPM ESOS (as the case may be).
“day of the making of the offer”	:	The day on which the Company announces its intention to make an offer for the purchase of Shares from the Shareholders,

DEFINITIONS

- 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 Acquisition.
- “Director(s)”** : The director(s) of the Company for the time being.
- “EGM”** : The extraordinary general meeting of the Company to be convened and held at 1 Tai Seng Avenue, Blk F #02-26/28, Tai Seng Exchange, Singapore 536464 on 30 January 2024 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM of the Company to be held at 10.30 a.m. on the same day) for the purposes of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM.
- “EPS”** : Earnings per Share.
- “Exercise Price”** : The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with the MPM ESOS Rules.
- “FY”** : The financial year ended or ending 30 September, as the case may be.
- “Group”** : The Company, its Subsidiaries and Group Associated Companies, provided that for the purposes of Section 12 of this Circular, **“Group”** means the Company and its Subsidiaries.
- “Group Associated Company”** : An Associated Company which the Company has control over.
- “Group Employee”** : Any confirmed employee of the Group (including any Group Executive Director) selected by the Committee to participate in the MPM PSS and/or the MPM ESOS (as the case may be).
- “Group Executive Director”** : A director of the Company and/or any of its Subsidiaries and/or any Group Associated Company, as the case may be, who performs an executive function.
- “Group Non-Executive Director”** : A director of the Company and/or any of its Subsidiaries and/or any Group Associated Company, as the case may be, other than a Group Executive Director.
- “Independent Directors”** : An independent Group Non-Executive Director.
- “Latest Practicable Date”** : 8 January 2024, being the latest practicable date prior to the printing of this Circular.

DEFINITIONS

- “Listing Manual”** : The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
- “Market Acquisitions”** : On-market purchases transacted through the SGX-ST's trading system or on another stock exchange on which the issuer's equity securities are listed.
- “Market Day”** : A day on which the SGX-ST is open for trading in securities.
- “Market Price”** : The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the five (5) consecutive Market Days immediately preceding the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.
- “Maximum Percentage”** : The total number of Shares that may be purchased or acquired which shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the EGM at which the Share Buyback Mandate is approved, unless: (i) the Company has, at any time during the relevant period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (ii) the court has, at any time during the relevant period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be.
- “Maximum Price”** : In the case of a Market Acquisition, 105% of the Average Closing Price, and in the case of an Off-Market Acquisition pursuant to an equal access scheme, 120% of the Average Closing Price, in either case, excluding related expenses of the purchase or acquisition.
- “MPM ESOS”** : The proposed employee share option scheme of the Company to be known as the “Marco Polo Marine Ltd. Employee Share Option Scheme (2024)”, as may be amended, modified or supplemented from time to time.
- “MPM ESOS Rules”** : The rules of the MPM ESOS as set out in **Appendix B** of this Circular, as may be amended, modified or supplemented from

DEFINITIONS

- time to time, and any reference to a particular MPM ESOS Rule shall be construed accordingly.
- “MPM ESOS (2012)”** : The Marco Polo Marine Ltd. Employee Share Option Scheme which was adopted by the Company at the extraordinary general meeting held on 9 July 2012 and which expired on 8 July 2022.
- “MPM PSS”** : The proposed performance share scheme of the Company to be known as the “Marco Polo Marine Ltd. Performance Share Scheme (2024)”, as may be amended, modified or supplemented from time to time.
- “MPM PSS Rules”** : The rules of the MPM PSS as set out in **Appendix A** of this Circular, as may be amended, modified or supplemented from time to time, and any reference to a particular MPM PSS Rule shall be construed accordingly.
- “MPM PSS (2012)”** : The Marco Polo Marine Ltd. Performance Share Scheme which was adopted by the Company at the extraordinary general meeting held on 9 July 2012 and which expired on 8 July 2022.
- “New Shares”** : The new Shares which may be allotted and issued from time to time upon the Vesting of the Awards granted pursuant to the MPM PSS and/or the exercise of the Options granted pursuant to the MPM ESOS.
- “Notice of EGM”** : The notice of EGM as set out on pages N-1 to N-10 of this Circular.
- “NTA”** : Net tangible assets.
- “Off-Market Acquisitions”** : Off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act.
- “Option”** : The right to subscribe for Shares granted to a Participant pursuant to the MPM ESOS.
- “Option Period”** : The period for the exercise of an Option as set out in the MPM ESOS Rules.
- “Participant”** : A person who is selected by the Committee to participate in the MPM PSS and/or the MPM ESOS (as the case may be) in accordance with the provisions hereof.
- “Performance Period”** : The performance period during which the Performance Targets shall be satisfied.

DEFINITIONS

“Performance Targets”	:	The performance targets prescribed by the Committee to be fulfilled by a Participant for any particular period under the MPM PSS.
“Proposals”	:	Has the meaning ascribed to it in Section 1.1 of this Circular.
“Proxy Form”	:	The proxy form in respect of the EGM, as set out in this Circular.
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.
“Registrar”	:	The Registrar of Companies.
“SFRS(I) 2”	:	Singapore Financial Reporting Standards (International) 2.
“Securities Account”	:	The securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent.
“SFA”	:	The Securities and Futures Act of Singapore 2001, as may be amended, modified or supplemented from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with the Shares.
“Share(s)”	:	Ordinary share(s) in the capital of the Company.
“Share Buyback Mandate”	:	A general mandate given by the Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual.
“Share Buyback”	:	Buyback of Shares by the Company pursuant to the Share Buyback Mandate.
“Subsidiaries”	:	Companies which are for the time being subsidiaries of the Company as defined under Section 5 of the Companies Act and “Subsidiary” shall be construed accordingly.
“subsidiary holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

DEFINITIONS

“Substantial Shareholder”	:	A Shareholder who has an interest in not less than 5% of the issued Shares.
“Take-Over Code”	:	The Singapore Code on Take-Overs and Mergers, as amended or modified from time to time.
“treasury shares”	:	Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances where Section 76H of the Companies Act applies and which have since purchase been continuously held by the Company.
“Vesting”	:	In relation to Shares which are the subject of an Award which has been released to the relevant Participant, the absolute entitlement to all or some of the Shares which are the subject of that Award and “Vest” and “Vested” shall be construed accordingly.
“Vesting Date”	:	In relation to Shares which are the subject of an Award which has been released to the relevant Participant, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares will Vest.
“Vesting Period”	:	In relation to an Award, the period(s) during which an Award may vest, the duration of which is to be determined by the Committee.
“S\$” or “\$” and “Cents”	:	Singapore dollar and cents respectively.
“%” or “per cent.”	:	Per centum or percentage.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

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

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

Any reference to a time of day shall be a reference to Singapore time unless otherwise provided.

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 Circular may not be an arithmetic aggregation of the figures that precede them.

DEFINITIONS

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

Morgan Lewis Stamford LLC is the legal adviser to the Company in respect of this Circular.

LETTER TO SHAREHOLDERS

MARCO POLO MARINE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200610073Z)

Directors

Tan Hai Peng Micheal (Non-Executive Chairman and Independent Director)
Sean Lee Yun Feng (Executive Director and Chief Executive Officer)
Lie Ly (Executive Director and Chief Financial Officer)
Lee Kiam Hwee Kelvin (Independent Director)
Leong Kah Wah (Independent Director)
Teo Junxiang, Darren (Non-Executive Director)
Jeffrey Hing Yih Peir (Non-Executive Director)

Registered Office:

66 Kallang Pudding Road
#05-01
Singapore 349324

15 January 2024

To: The Shareholders of the Company

Dear Sir/Madam

- (1) **THE PROPOSED ADOPTION OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024);**
- (2) **THE PROPOSED ADOPTION OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024);**
- (3) **THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024);**
- (4) **THE PROPOSED PARTICIPATION OF MR. SEAN LEE YUN FENG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024);**
- (5) **THE PROPOSED PARTICIPATION OF MR. SEAN LEE YUN FENG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024);**
- (6) **THE PROPOSED PARTICIPATION OF MS. LIE LY, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024);**
- (7) **THE PROPOSED PARTICIPATION OF MS. LIE LY, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024);**
- (8) **THE PROPOSED PARTICIPATION OF MR. TEO JUNXIANG, DARREN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024);**
- (9) **THE PROPOSED PARTICIPATION OF MR. TEO JUNXIANG, DARREN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024);**

LETTER TO SHAREHOLDERS

- (10) THE PROPOSED GRANT OF OPTIONS TO MR. SEAN LEE YUN FENG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024) PURSUANT TO WHICH MR. SEAN LEE YUN FENG MAY BE AWARDED UP TO 5,500,000 SHARES REPRESENTING APPROXIMATELY 0.15% OF THE TOTAL NUMBER OF ISSUED SHARES;
- (11) THE PROPOSED GRANT OF OPTIONS TO MS. LIE LY, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024) PURSUANT TO WHICH MS. LIE LY MAY BE AWARDED UP TO 5,500,000 SHARES REPRESENTING APPROXIMATELY 0.15% OF THE TOTAL NUMBER OF ISSUED SHARES; AND
- (12) THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE.

1. INTRODUCTION

1.1 EGM

The Board is proposing to convene an EGM to seek the Shareholders' approval in respect of the following matters (collectively, the "Proposals"):

- (a) the proposed adoption of the Marco Polo Marine Ltd. Performance Share Scheme (2024) (the "MPM PSS") (**Resolution 1**);
- (b) the proposed adoption of the Marco Polo Marine Ltd. Employee Share Option Scheme (2024) (the "MPM ESOS") (**Resolution 2**);
- (c) the proposed grant of Options at a discount under the MPM ESOS (**Resolution 3**);
- (d) the proposed participation of Mr. Sean Lee Yun Feng, an Associate of a Controlling Shareholder, in the MPM PSS (**Resolution 4**);
- (e) the proposed participation of Mr. Sean Lee Yun Feng, an Associate of a Controlling Shareholder, in the MPM ESOS (**Resolution 5**);
- (f) the proposed participation of Ms. Lie Ly, an Associate of a Controlling Shareholder, in the MPM PSS (**Resolution 6**);
- (g) the proposed participation of Ms. Lie Ly, an Associate of a Controlling Shareholder, in the MPM ESOS (**Resolution 7**);
- (h) the proposed participation of Mr. Teo Junxiang, Darren, an Associate of a Controlling Shareholder, in the MPM PSS (**Resolution 8**);
- (i) the proposed participation of Mr. Teo Junxiang, Darren, an Associate of a Controlling Shareholder, in the MPM ESOS (**Resolution 9**);
- (j) the proposed grant of Options to Mr. Sean Lee Yun Feng, an Associate of a Controlling Shareholder, under the MPM ESOS pursuant to which Mr. Sean Lee Yun Feng may be awarded up to 5,500,000 Shares representing approximately 0.15% of the total number of issued Shares (**Resolution 10**);
- (k) the proposed grant of Options to Ms. Lie Ly, an Associate of a Controlling Shareholder, under the MPM ESOS pursuant to which Ms. Lie Ly may be awarded up to 5,500,000

LETTER TO SHAREHOLDERS

Shares representing approximately 0.15% of the total number of issued Shares (**Resolution 11**); and

- (l) the proposed adoption of the Share Buyback Mandate (**Resolution 12**).

Resolutions 4, 6 and 8 shall be conditional upon the passing of Resolution 1. In the event that Resolution 1 is not carried, Resolutions 4, 6 and 8 will also not be carried.

Resolutions 3, 5, 7 and 9 shall be conditional upon the passing of Resolution 2. In the event that Resolution 2 is not carried, Resolutions 3, 5, 7 and 9 will also not be carried.

Resolution 10 shall be conditional upon the passing of Resolutions 2 and 5. In the event that either of Resolution 2 or Resolution 5 is not carried, Resolution 10 shall also not be carried.

Resolution 11 shall be conditional upon the passing of Resolutions 2 and 7. In the event that either of Resolution 2 or Resolution 7 is not carried, Resolution 11 shall also not be carried.

1.2 Purpose of this Circular

The purpose of this Circular is to provide the Shareholders with information relating to, and to seek their approval for, the Proposals to be tabled as ordinary resolutions at the EGM to be held at 1 Tai Seng Avenue, Blk F #02-26/28, Tai Seng Exchange, Singapore 536464 on 30 January 2024 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM of the Company to be held at 10.30 a.m. on the same day). The Notice of EGM is set out on pages N-1 to N-10 of this Circular.

1.3 Approval In-Principle

The SGX-ST has, on 12 January 2024, granted the Approval In-Principle for the listing and quotation of the New Shares that may be allotted and issued from time to time upon the Vesting of the Awards granted pursuant to the MPM PSS and/or the exercise of the Options granted pursuant to the MPM ESOS, subject to: (a) independent Shareholders' approval being obtained for the MPM PSS and the MPM ESOS; and (b) the Company's compliance with the SGX-ST's listing requirements and guidelines. The Approval In-Principle granted by the SGX-ST is not to be taken as an indication of the merits of the MPM PSS, the MPM ESOS, the New Shares and/or the Group.

2. THE PROPOSED ADOPTION OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

2.1 Existing MPM PSS (2012)

The Company previously had in place an employee share award scheme known as the "Marco Polo Marine Ltd. Performance Share Scheme" (the "**MPM PSS (2012)**"). The MPM PSS (2012) was adopted by the Shareholders on 9 July 2012. The duration of the MPM PSS (2012) is ten (10) years commencing from the date of adoption by the Company in general meeting. Accordingly, the MPM PSS (2012) expired on 8 July 2022. Since its commencement and up to its expiry, no awards were granted under the MPM PSS (2012).

2.2 Rationale for the MPM PSS

LETTER TO SHAREHOLDERS

The MPM PSS, which will be known as the “Marco Polo Marine Ltd. Performance Share Scheme (2024)”, is intended to replace the MPM PSS (2012). The MPM PSS, if approved and adopted by the Shareholders at the EGM, will take effect from the date of its adoption at the EGM.

The objective of the MPM PSS is to increase the Group’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate key staff. The MPM PSS contemplates the award of fully paid Shares when and after:

- (a) pre-determined measurable Performance Targets are accomplished; and/or
- (b) due recognition is given to any good work performance; and/or
- (c) significant contribution is made to the Group.

Awards granted under the MPM PSS are based on specific and pre-determined measurable targets which are not time-related, generally known as performance-based targets. Such Performance Targets are intended to focus on corporate objectives covering, for example: (i) market competitiveness; (ii) quality of returns; (iii) business growth; (iv) productivity growth; and (v) contribution(s) made to any company within the Group.

2.3 MPM PSS Rules

A summary of the MPM PSS Rules is set out below. The full set of the MPM PSS Rules is set out in **Appendix A** of this Circular.

2.3.1 Eligibility of Participants

The Group Employees (including the Group Executive Directors) and the Group Non-Executive Directors (including the Independent Directors) shall be eligible to participate in the MPM PSS, provided that, as of the Date of Grant, such persons have attained the age of 21 years, are not undischarged bankrupts, have not entered into composition with their creditors, and have contributed or will contribute to the success and development of the Group; and in the case of Group Employees, must hold such position as may be designated by the Committee. For the avoidance of doubt, the Group Employees (including the Group Executive Directors) and the Group Non-Executive Directors of the Group Associated Companies (i.e., Associated Companies which the Company has control over) will be eligible to participate in the MPM PSS. It is noted that as at the Latest Practicable Date, the Company does not have any Group Associated Companies.

Persons who are Controlling Shareholders or their Associates, and who satisfy the criteria set out above, shall not participate in the MPM PSS unless, *inter alia*, the participation of each of them, and the actual number and terms of Awards to be granted to each of them, have been approved by the independent Shareholders at a general meeting to be convened by the Company in separate resolutions for each person, and further provided that each of such Controlling Shareholders and/or their Associates shall abstain from voting on the resolution in relation to his participation in the MPM PSS and the grant of Awards to him.

For the purposes of determining eligibility to participate in the MPM PSS, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be an employee of the Group.

LETTER TO SHAREHOLDERS

There shall be no restriction on the eligibility of any Participant to participate in any other share-based incentive schemes or share plans implemented or to be implemented by the Company or any other company within the Group. For the avoidance of doubt, the Company has the flexibility to grant Awards under the MPM PSS as well as Options under the MPM ESOS to the same Participant simultaneously.

It is noted that the directors and employees of the Company's parent company, if any, and of such parent company's subsidiaries, if any, are not eligible to participate in the MPM PSS.

2.3.2 Limitation on Size of the MPM PSS

The aggregate number of Shares which may be delivered pursuant to the Vesting of Awards granted under the MPM PSS on any date, when added to the aggregate number of Shares issued and/or issuable in respect of:

- (a) all Awards granted thereunder;
- (b) all Options granted under the MPM ESOS; and
- (c) all other Shares issued and/or issuable under any other share-based incentive schemes or share plans of the Company,

shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

The aggregate number of Shares which may be offered by way of grant of Awards under the MPM PSS to Controlling Shareholders and/or their Associates shall not exceed 25% of the total number of Shares available under the MPM PSS, and the aggregate number of Shares which may be offered by way of grant of Awards under the MPM PSS to each Controlling Shareholder or his Associate shall not exceed 10% of the total number of Shares available under the MPM PSS.

Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the MPM PSS.

The size of the MPM PSS is intended to support the long-term use of share options as part of the Group's overall compensation strategy. The Directors believe that the size of the MPM PSS is reasonable, taking into account the nature of the business in the industry, the contributions of the Participants, and the share capital of the Company. The Directors believe that the size of the MPM PSS will give the Company sufficient flexibility to decide on the number of Awards to be awarded under the MPM PSS. However, it does not indicate that the Committee will grant Awards under the MPM PSS up to the abovementioned prescribed limits. The Committee will exercise its discretion in deciding the number and size of Awards to be granted to each Participant under the MPM PSS.

2.3.3 Duration of the MPM PSS

The MPM PSS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing from the date of its adoption by the Shareholders at the EGM, provided always that subject to compliance with any applicable laws and regulations in Singapore, the MPM PSS may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

LETTER TO SHAREHOLDERS

The MPM PSS may be terminated at any time at the discretion of the Committee or by an ordinary resolution of the Company in general meeting subject to all other relevant approvals which may be required and if the MPM PSS is so terminated, no further Awards shall be offered by the Company thereunder.

Notwithstanding the expiry, discontinuance or termination of the MPM PSS, any Awards made to the Participants prior to such expiry, discontinuance or termination will continue to remain valid, whether or not such Awards have been released (whether fully or partially).

2.3.4 Date of Grant

The Committee may grant Awards at any time in the course of a financial year during the period in which the MPM PSS is in force, except that no Award shall be granted during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements.

In addition, in the event that an announcement by the Company on any matter of an exceptional nature involving unpublished material price sensitive information is imminent, offers to grant Awards may only be made on or after the second (2nd) Market Day from the date on which the aforesaid announcement is made.

2.3.5 Grant of Awards

An Award under the MPM PSS represents the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, upon the Participant: (a) achieving prescribed Performance Targets; (b) achieving service conditions or otherwise having performed well; and/or (c) having made a significant contribution to the Group.

The selection of the Participants and the number of Shares which are the subject of each Award to be granted to a Participant under the MPM PSS shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as the Participant's rank, scope of responsibilities, job performance, years of service, potential for future development, contribution to the success of the Group and, where applicable, the extent of effort and resourcefulness with which the Performance Target(s) may be achieved within the Performance Period. The Committee shall take into account various factors when determining the method to arrive at the exact number of Shares comprised in an Award. Such factors include, but are not limited to, the current price of the Shares, the total issued share capital of the Company and the predetermined dollar amount which the Committee decides that a Participant deserves for meeting the Performance Targets and/or service conditions (as the case may be).

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

- (a) the Participant;
- (a) the date on which the Award is to be granted;
- (b) the number of Shares which are the subject of the Award;
- (c) the prescribed service conditions and/or Performance Targets (including the Performance Periods during which the prescribed Performance Targets are to be satisfied) and/or any other basis on which the Award is to be granted;
- (d) the prescribed Vesting Periods (if any);

LETTER TO SHAREHOLDERS

- (e) the extent to which Shares which are the subject of that Award shall be Vested at the end of each prescribed Vesting Period or on the prescribed Performance Targets and/or service conditions, if any, being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be; and
- (f) any other condition which the Committee may determine at its absolute discretion in relation to that Award.

As soon as reasonably practicable after an Award is finalised by the Committee, the Committee shall send an Award Letter to the Participant confirming the said Award.

Awards are personal to the Participant to whom they are given and shall not be sold, mortgaged, transferred (other than to a Participant's duly appointed legal personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed or encumbered of, in whole or in part, unless with the prior approval of the Committee.

No minimum Vesting Periods are prescribed under the MPM PSS and the length of Vesting Period in respect of each Award will be determined on a case-by-case basis. The Committee may also make an Award at any time where, in its opinion, a Participant's performance and/or contribution justified such an Award.

2.3.6 Events Prior to the Release of Awards

An Award shall, to the extent not yet released, immediately lapse and become null and void in the following circumstances and the Participant shall have no claim whatsoever against the Group, its directors and/or employees, in the following situations:

- (a) the decision of the Committee, in its absolute discretion, to revoke or annul such Award;
- (b) the Participant, being a Group Employee, ceasing for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) to be in the employment of the Group or in the case of a Participant who is a Group Non-Executive Director, ceasing to be a Group Non-Executive Director for any reason whatsoever;
- (c) the bankruptcy of a Participant or the occurrence of any other event which would result in his being deprived of the legal or beneficial ownership of such Award;
- (d) the misconduct of a Participant or a breach of term by him of his employment contract as determined by the Committee in its absolute discretion;
- (e) the breach of any of the terms of the Award by the Participant; and/or
- (f) a winding-up of the Company, subject to Rule 10.2, Rule 10.3 and Rule 10.4 of the MPM PSS Rules.

If a Participant ceases to be employed by the Group or ceases to be a Group Non-Executive Director due to certain specified reasons (for example, ill health, injury or disability (in each case, as certified by a medical practitioner approved by the Committee), or redundancy or retirement or death), the Committee may, in its absolute discretion, determine whether an Award held by such Participant, to the extent not yet released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Group, its directors and/or employees. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide either to release some or all of the Shares which are the subject of

LETTER TO SHAREHOLDERS

the Award or to preserve all or part of any Award until the end of the relevant Vesting Period. In exercising its absolute discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Targets and/or service condition(s) have been satisfied.

2.3.7 Vesting and Release of Awards

The Committee shall have the discretion to determine whether Performance Targets and/or service conditions (as the case may be) have been met (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to the Group justifies the Vesting of an Award. In making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events.

Subject to the prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants upon Vesting of their Awards by way of an issue of New Shares to Participants and/or subject to applicable laws, the transfer of existing Shares held as treasury shares (whether purchased or acquired pursuant to a share purchase mandate, where applicable, to be held as treasury shares, or existing Shares acquired previously and held as treasury shares) to the Participant. This is intended to give the Company flexibility in satisfying the Awards, in particular, in the event that the Company holds treasury shares pursuant to share buybacks that may be conducted by the Company.

In determining whether to issue New Shares or to purchase (where applicable) and transfer existing Shares for delivery to Participants upon the Vesting of their Awards, the Company will take into account factors such as, but not limited to the number of Shares to be delivered, the prevailing Market Price of the Shares and the financial effect on the Company of either issuing New Shares or purchasing (where applicable) and transferring existing Shares.

New Shares issued and allotted, and existing Shares held in treasury procured by the Company for transfer, upon the release of an Award, shall be subject to all the provisions of the Constitution and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the date of issue of the New Shares or the date of transfer of the treasury shares pursuant to the Vesting of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue including rights which arise from a liquidation of the Company.

New Shares which are allotted, and/or treasury shares which are transferred, on the Vesting of an Award to a Participant, may be subject to such moratorium as may be imposed by the Committee.

Additionally, the Committee may determine in its discretion to release an Award, wholly or partly, in the form of cash instead of Shares which would otherwise have been released to the Participant on the relevant Vesting Date, in which event the Company shall pay to the Participant as soon as practicable but not later than eight (8) Market Days after such Vesting Date, in lieu of all or part of such Shares, the Market Price of the Shares as at the Vesting Date. In determining whether to release an Award, wholly or partly, in the form of cash rather than Shares, the Company will take into account factors such as (but not limited to) the cost to the Company of releasing an Award, wholly or partly, in the form of cash rather than Shares. In considering the cost factor, the Company will take into account relevant factors such as taxation issues arising from the issue of New Shares, delivering existing Shares and the payment of

LETTER TO SHAREHOLDERS

cash, the availability of cash for payment and the cost of funding the cash payment, if necessary. At present, it is not specifically contemplated that the Awards will be released in the form of cash.

2.3.8 Variation of Capital

If (i) a variation in the issued ordinary share capital of the Company (whether by way of a bonus issue, rights issue, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, or if (ii) the Company shall make a declaration of a special dividend (whether in cash or in specie), then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached thereto;
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the MPM PSS; and/or
- (c) the maximum number of new Shares which may be issued pursuant to Awards granted under the MPM PSS,

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

Notwithstanding the above, no such adjustment shall be made: (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless, except in relation to a bonus issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable. For the avoidance of doubt, any adjustment shall be made in a manner that the Committee considers as equitable taking into account the interest of the Company and the Shareholders as a whole.

The following events (whether singly or in combination) shall not normally be regarded as a circumstance requiring adjustment:

- (1) the issue of securities as consideration for an acquisition;
- (2) the issue of securities pursuant to a private placement of securities;
- (3) the issue of securities pursuant to any joint venture and/or debt conversion;
- (4) the increase in the number of issued Shares as a consequence of the exercise of any options or conversion of any loan stock or any other securities convertibles into Shares or subscription rights of any warrants issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the Vesting of Awards granted pursuant to the MPM PSS);
- (5) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to employees pursuant to a share option scheme or share plan approved by the Shareholders in general meeting, including the MPM PSS and the MPM ESOS;
- (6) the issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; or

LETTER TO SHAREHOLDERS

- (7) the reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force.

Upon any adjustment required to be made, the Company shall notify the Participant (or his duly appointed personal representative where applicable) in writing and deliver to him (or his duly appointed personal representative where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

2.3.9 Modifications to the MPM PSS

The MPM PSS may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (a) no modification or alteration shall alter adversely the rights attaching to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who would be allotted, issued or transferred no less than 75% of the Shares which would be allotted, issued or transferred if the affected Awards were released upon the expiry of all the Vesting Periods applicable to those Awards;
- (a) any modification or alteration which would be to the advantage of Participants under the MPM PSS shall be subject to the prior approval of the Shareholders in general meeting; and
- (b) no modification or alteration shall be made without the prior approval of the SGX-ST, or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities, in each case, as may be necessary.

For the purposes of the above, the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Awards shall be final and conclusive.

2.3.10 Administration of the MPM PSS

The MPM PSS shall be administered by a Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him. The Committee shall, subject to applicable laws and regulations, the rules under the Listing Manual and the Constitution, have the power, from time to time, to make or vary such rules (not being inconsistent with the MPM PSS and not having the effect of altering or modifying any terms of the MPM PSS) for the implementation and administration of the MPM PSS as it thinks fit.

2.4 **Financial Effects of the MPM PSS**

2.4.1 Share Capital

The MPM PSS will result in an increase in the number of issued Shares of the Company (excluding treasury shares) to the extent that New Shares are allotted and issued upon the Vesting of the Awards. This number of New Shares issued will in turn depend on, inter alia, the number of New Shares comprised in the Awards granted, the number of Awards that are Vested and the prevailing market price of the Shares on the SGX-ST.

LETTER TO SHAREHOLDERS

If treasury shares are delivered to the Participants upon the Vesting of Awards instead of issuing New Shares, if the Awards are wholly released in the form of cash rather than Shares, or if the relevant Awards are not Vested, there would be no impact on the number of issued Shares of the Company (excluding treasury shares).

2.4.2 NTA

As explained in Section 3.4.4 of this Circular below, the MPM PSS will result in a charge to the profit and loss statement of the Company equal to the market value at which the existing Shares are purchased or the market value on the date at which New Shares are Vested under the Awards. If New Shares are issued to Participants pursuant to the Vesting of the Awards, there will be no effect on the NTA. If existing Shares are purchased for delivery to Participants or Awards are wholly released in the form of cash rather than Shares, the NTA of the Group and the Company would decrease by the cost of the Shares purchased or the cash payment respectively.

However, it should be noted that the delivery of Shares or the cash payment in lieu of delivery of Shares to Participants is contingent upon the Participants meeting the Performance Targets and/or service conditions (as the case may be).

2.4.3 EPS

The MPM PSS will result in a charge to earnings of the Company equivalent to the market value at which the existing Shares are purchased or the market value on the date at which New Shares are issued under the Awards.

Although the MPM PSS will have a dilutive impact (to the extent that New Shares are issued pursuant to the MPM PSS) on the EPS of the Company, it should again be noted that the delivery of Shares or the cash payment in lieu of delivery of Shares to Participants is contingent upon the Participants meeting the Performance Targets and/or service conditions (as the case may be).

2.4.4 Potential Costs of Awards

The MPM PSS is considered a share-based payment that falls under the scope of SFRS(I) 2. Participants will receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the consolidated income statement over the Vesting Period of an Award. The total amount of charge to be recognised over the Vesting Period is determined by reference to the fair value of each Award granted on the Date of Grant and the number of Shares Vested at the Vesting Date, with a corresponding credit to reserve account. Before the end of the Vesting Period, at each accounting year end, the estimate of the number of Awards that are expected to Vest by the Vesting Date is revised, and the impact of the revised estimate is recognised in the consolidated income statement with a corresponding adjustment to the reserve account over the remaining Vesting Period. After the Vesting Date, no adjustment to the charge to the consolidated income statement is made.

The amount charged to the income statement also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the

LETTER TO SHAREHOLDERS

Award granted at the Date of Grant, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met. However, if the performance target is not a market condition, the fair value per share of the Awards granted at the Date of Grant is used to compute the amount charged to the income statement at each financial year ended, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to Vest.

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

3. THE PROPOSED ADOPTION OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

3.1 Existing MPM ESOS (2012)

The Company previously had in place an employee share option scheme known as the “Marco Polo Marine Ltd. Employee Share Option Scheme” (the “**MPM ESOS (2012)**”). The MPM ESOS (2012) was adopted by the Shareholders on 9 July 2012. The duration of the MPM ESOS (2012) is ten (10) years commencing from the date of adoption by the Company in general meeting. Accordingly, the MPM ESOS (2012) expired on 8 July 2022. The table below sets out the details of the awards granted under the MPM ESOS (2012) since its commencement up to its expiry.

Total number of Shares reserved and allotted	:	Nil
Number of participants	:	2013: 37 2015: 43
Any material conditions to which the options are subject	:	Options granted under the MPM ESOS (2012) were subject to the rules thereof, in particular, those relating to exercise periods. All options granted under the MPM ESOS (2012) were not exercised and have since lapsed and become null and void.
In respect of options granted to participants who are Directors or Controlling Shareholders and their Associates	:	
Dates options were granted	:	24 April 2013 and 28 April 2015
Number of Shares offered under the options	:	24 April 2013: 4,910,000 options exercisable into 4,910,000 Shares

LETTER TO SHAREHOLDERS

		28 April 2015: 5,930,000 options exercisable into 5,930,000 Shares
Number of Shares allotted upon exercise of options	:	Nil

3.2 Rationale for the MPM ESOS

The MPM ESOS, which will be known as the “Marco Polo Marine Ltd. Employee Share Option Scheme (2024)”, is intended to replace the MPM ESOS (2012). The MPM ESOS, if approved and adopted by the Shareholders at the EGM, will take effect from the date of its adoption at the EGM.

The MPM ESOS will provide an opportunity for Participants who have contributed significantly to the growth and performance of the Group including Group Employees (including Group Executive Directors) who satisfy the eligibility criteria to participate in the equity of the Company.

The MPM ESOS is primarily a share incentive scheme. It recognises the fact that the services of such Participants are important to the success and continued well-being of the Group. Implementation of the MPM ESOS will enable the Company to give recognition to the contributions made by such Participants. At the same time, it will give such Participants an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:

- (a) to motivate each Participant to optimise performance standards, efficiency and productivity, and to maintain a high level of contribution to the Group;
- (b) to reward and retain key employees and directors whose contributions are important to the long-term prospects and profitability of the Group;
- (c) to foster an ownership culture within the Company which promotes greater commitment and instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of the Company;
- (d) to attract potential employees with the relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of the Participants with the interests of the Shareholders.

3.3 MPM ESOS Rules

A summary of the MPM ESOS Rules is set out below. The full set of the MPM ESOS Rules is set out in **Appendix B** of this Circular.

3.3.1 Eligibility of Participants

The Group Employees (including the Group Executive Directors) and the Group Non-Executive Directors (including the Independent Directors) shall be eligible to participate in the MPM ESOS, provided that, as of the Date of Grant, such persons have attained the age of 21 years, are not undischarged bankrupts, have not entered into composition with their creditors, and have contributed or will contribute to the success and development of the Group; and in the case of Group Employees, must hold such position as may be designated by the Committee.

LETTER TO SHAREHOLDERS

For the avoidance of doubt, the Group Employees (including the Group Executive Directors) and the Group Non-Executive Directors of the Group Associated Companies (i.e., Associated Companies which the Company has control over) will be eligible to participate in the MPM ESOS. It is noted that as at the Latest Practicable Date, the Company does not have any Group Associated Companies.

Persons who are Controlling Shareholders or their Associates, and who satisfy the criteria set out above, shall not participate in the MPM ESOS unless, *inter alia*, the participation of each of them, and the actual number and terms of Options to be granted to each of them, have been approved by the independent Shareholders at a general meeting to be convened by the Company in separate resolutions for each person, and further provided that each of such Controlling Shareholders and/or their Associates shall abstain from voting on the resolution in relation to his participation in the MPM ESOS and the grant of Options to him.

For the purposes of determining eligibility to participate in the MPM ESOS, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be an employee of the Group.

There shall be no restriction on the eligibility of any Participant to participate in any other share-based incentive schemes or share plans implemented or to be implemented by the Company or any other company within the Group. For the avoidance of doubt, the Company has the flexibility to grant Awards under the MPM PSS as well as Options under the MPM ESOS to the same Participant simultaneously.

It is noted that the directors and employees of the Company's parent company, if any, and of such parent company's subsidiaries, if any, are not eligible to participate in the MPM ESOS.

3.3.2 Limitation on Size of the MPM ESOS

The aggregate number of Shares which may be delivered pursuant to the grant of Options on any date under the MPM ESOS, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Options granted thereunder;
- (b) all Awards granted under the MPM PSS; and
- (c) all other Shares issued and/or issuable under any other share-based incentive schemes or share plans of the Company,

shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

The aggregate number of Shares which may be offered by way of grant of Options under the MPM ESOS to Controlling Shareholders and/or their Associates shall not exceed 25% of the total number of Shares available under the MPM ESOS, and the aggregate number of Shares which may be offered by way of grant of Options under the MPM ESOS to each Controlling Shareholder or his Associate shall not exceed 10% of the total number of Shares available under the MPM ESOS.

Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options granted by the Committee under the MPM ESOS.

LETTER TO SHAREHOLDERS

The size of the MPM ESOS is intended to support the long-term use of share options as part of the Group's overall compensation strategy. The Directors believe that the size of the MPM ESOS is reasonable, taking into account the nature of the business in the industry, the contributions of the Participants, and the share capital of the Company. The Directors believe that the size of the MPM ESOS will give the Company sufficient flexibility to decide on the number of Options to be awarded under the MPM ESOS. However, it does not indicate that the Committee will grant Options under the MPM ESOS up to the abovementioned prescribed limits. The Committee will exercise its discretion in deciding the number and size of Options to be granted to each Participant under the MPM ESOS.

3.3.3 Duration of the MPM ESOS

The MPM ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing from the date of its adoption by the Shareholders at the EGM, provided always that subject to compliance with any applicable laws and regulations in Singapore, the MPM ESOS may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

The MPM ESOS may be terminated at any time at the discretion of the Committee or by an ordinary resolution of the Company in general meeting subject to all other relevant approvals which may be required and if the MPM ESOS is so terminated, no further Options shall be offered by the Company thereunder.

Notwithstanding the expiry, discontinuance or termination of the MPM ESOS, any Options made to the Participants prior to such expiry, discontinuance or termination will continue to remain valid, whether or not such Options have been exercised (whether fully or partially)

3.3.4 Date of Grant

The Committee may offer to grant Options to such Participants as it may select in its absolute discretion at any time in the course of a financial year during the period in which the MPM ESOS is in force, except that no offer to grant an Option shall be made during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements

In addition, in the event that an announcement by the Company on any matter of an exceptional nature involving unpublished material price sensitive information is imminent, offers to grant Options may only be made on or after the second (2nd) Market Day from the date on which the aforesaid announcement is made.

3.3.5 Grant of Options

The selection of the Participants and the number of Shares in respect of which Options may be offered to a Participant for subscription in accordance with the MPM ESOS shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as, *inter alia*, the Participant's rank, scope of responsibilities, job performance, years of service and potential for future development and contribution to the success of the Group. An Option offered to a Participant may only be accepted in the manner set out in the MPM ESOS Rules, accompanied by payment of S\$1.00 as consideration and if, at the date on which the Company receives from the Participant the prescribed acceptance form in respect of the Option, the Participant remains eligible to participate in the MPM ESOS in accordance with the MPM ESOS

LETTER TO SHAREHOLDERS

Rules. The Participant may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Participant shall accept the offer in multiples of 1,000 Shares.

3.3.6 Exercise Price

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

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that:
 - (1) the maximum discount which may be given in respect of any Option shall not exceed 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
 - (2) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the MPM ESOS at a discount not exceeding the maximum discount as aforesaid.

In making any determination on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, in its absolute discretion, deem appropriate, including but not limited to: (a) the performance of the Company, its Subsidiaries and/or Group Associated Companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth; (b) the years of service and individual performance of the eligible Participant; (b) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and (d) the prevailing market and economic conditions.

3.3.7 Exercise Period

Options shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Participant as follows:

- (a) in the case of Options granted with the Exercise Price set at the Market Price, at any time by a Participant after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee; and
- (b) in the case of Options granted with the Exercise Price set at a discount to the Market Price at any time by a Participant after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee,

LETTER TO SHAREHOLDERS

failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Group, its directors and/or employees.

3.3.8 Rights to Exercise Option

In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the MPM ESOS until such time as it shall lapse in accordance with MPM ESOS. All Options that are unexercised at the end of the Option Period shall immediately lapse and become null and void and the Participant shall have no claim against the Group, its directors and/or employees.

Unless the Committee otherwise determines in its absolute discretion, an Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Group, its directors and/or employees in the following situations:

- (a) the Participant, being a Group Employee, ceasing for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) to be in the employment of the Group or in the case of a Participant who is a Group Non-Executive Director, ceasing to be a Group Non-Executive Director for any reason whatsoever;
- (b) the bankruptcy of a Participant or the occurrence of any other event which would result in his being deprived of the legal or beneficial ownership of such Option;
- (c) the misconduct of a Participant or a breach of term by him of his employment contract as determined by the Committee in its absolute discretion;
- (d) the breach of any of the terms of the Option by the Participant; and/or
- (e) a winding-up of the Company, subject to Rule 14.2, Rule 14.3 and Rule 14.4 of the MPM ESOS Rules.

if a Participant ceases to be employed by the Group or ceases to be a Group Non-Executive Director due to certain specified reasons (for example, ill health, injury or disability (in each case, as certified by a medical practitioner approved by the Committee), or redundancy or retirement or death), the Committee may, in its absolute discretion, permit such Participant to exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

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

3.3.9 Exercise of Options

An Option may be exercised, in whole or in part (in multiples of 1,000 Shares), by a Participant giving notice in writing to the Company in the form prescribed in the MPM ESOS Rules, accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require.

Subject to the prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants upon exercise of their Options by way of an issue

LETTER TO SHAREHOLDERS

of New Shares to Participants and/or subject to applicable laws, the transfer of existing Shares held as treasury shares (whether purchased or acquired pursuant to a share purchase mandate, where applicable, to be held as treasury shares, or existing Shares acquired previously and held as treasury shares) to the Participant. This is intended to give the Company flexibility in satisfying the Options, in particular, in the event that the Company holds treasury shares pursuant to share buybacks that may be conducted by the Company.

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

New Shares issued and allotted, and existing Shares held in treasury procured by the Company for transfer, upon the exercise of an Option, shall be subject to all the provisions of the Constitution and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the date such Option is exercised, and shall in all other respects rank *pari passu* with other existing Shares then in issue including rights which arise from a liquidation of the Company.

Shares which are allotted or transferred upon the exercise of an Option shall not, within a period of two (2) years from the date on which the Option was exercised, be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, or in any way whatsoever, without the Committee's prior written approval.

Options are personal to the Participants to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, or in any way whatsoever, without the Committee's prior written approval; but may be exercised by the Participant's duly appointed legal personal representative as provided in Rule 10.5 in the event of the death of such Participant.

3.3.10 Variation of Capital

If (i) a variation in the issued ordinary share capital of the Company (whether by way of a bonus issue, rights issue, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, or if (ii) the Company shall make a declaration of a special dividend (whether in cash or *in specie*), then:

- (a) the Exercise Price for the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto;
- (b) the class and/or number of Shares in respect of which additional Options may be granted under the MPM ESOS; and/or
- (c) the maximum number of new Shares which may be issued pursuant to Options granted under the MPM ESOS,

may be adjusted in such a 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.

LETTER TO SHAREHOLDERS

Notwithstanding the above, no such adjustment shall be made: (x) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (y) unless, except in relation to a bonus issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable. For the avoidance of doubt, any adjustment shall be made in a manner that the Committee considers as equitable taking into account the interest of the Company and the Shareholders as a whole.

The following events (whether singly or in combination) shall not normally be regarded as a circumstance requiring adjustment:

- (1) the issue of securities as consideration for an acquisition;
- (2) the issue of securities pursuant to a private placement of securities;
- (3) the issue of securities pursuant to any joint venture and/or debt conversion;
- (4) the increase in the number of issued Shares as a consequence of the exercise of any options or conversion of any loan stock or any other securities convertibles into Shares or subscription rights of any warrants issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the exercise of Options granted pursuant to the MPM ESOS);
- (5) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to employees pursuant to a share option scheme or share plan approved by the Shareholders in general meeting, including the MPM PSS and the MPM ESOS;
- (6) the issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; or
- (7) the reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force.

Upon any adjustment required to be made, the Company shall notify the Participant (or his duly appointed personal representative where applicable) in writing and deliver to him (or his duly appointed personal representative where applicable) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

3.3.11 Modifications to the MPM ESOS

The MPM ESOS may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (a) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participant who, if they exercised their Options in full, would thereby become entitled to not less than 75% of the total number of Shares which would be allotted or transferred upon exercise in full of all outstanding Options;

LETTER TO SHAREHOLDERS

- (b) any modification or alteration which would be to the advantage of Participants under the MPM ESOS shall be subject to the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST, or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities, in each case, as may be necessary.

For the purposes of the above, the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Options shall be final and conclusive.

3.3.12 Administration of the MPM ESOS

The MPM ESOS shall be administered by a Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him. The Committee shall, subject to applicable laws and regulations, the rules under the Listing Manual and the Constitution, have the power, from time to time, to make or vary such rules (not being inconsistent with the MPM ESOS and not having the effect of altering or modifying any terms of the MPM ESOS) for the implementation and administration of the MPM ESOS as it thinks fit.

3.4 **Financial Effects of the MPM ESOS**

3.4.1 Share Capital

The MPM ESOS will result in an increase in the number of issued Shares of the Company (excluding treasury shares) 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 New Shares comprised in the Options granted, the number of Options that are exercised and the Exercise Price.

If Treasury Shares are delivered to the Participants upon the exercise of the Options instead of issuing New Shares, or if the relevant Options are not exercised, there would be no impact on the number of issued Shares of the Company (excluding treasury shares).

3.4.2 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 Company's consolidated NTA per Share, but dilutive otherwise.

3.4.3 EPS

The MPM ESOS 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.

Outstanding Options that have not been exercised are dilutive to the calculation of diluted EPS when the exercise price is less than the average market price of ordinary Shares during the period.

3.4.4 Potential Costs of Awards

LETTER TO SHAREHOLDERS

The MPM ESOS is considered a share-based payment that falls under the scope of SFRS(I) 2. All Options granted under the MPM ESOS would have a fair value. In the event that such Options are granted with Exercise Prices below the fair value of the Options, there will be a cost to the Company. The 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 NTA as described above, the cost to the Company of granting Options under the MPM ESOS 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 MPM ESOS will have an impact on the Company's reported profit under SFRS(I) 2 as share-based payment requires the recognition of an expense in respect of Options granted under the MPM ESOS. 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. At each reporting date, the Company is to revise its estimates of the number of shares under Options that are expected to become exercisable on the vesting date and recognise the impact of the revision of estimates in the profit and loss statement of the Company, with a corresponding adjustment to the share option reserve over the remaining vesting period. After the vesting date, no adjustment to the charge to the consolidated income statement is made.

It should be noted that the financial effect discussed in sub-paragraph (a) above would materialise only upon the exercise of the relevant Options. The cost of granting Options discussed in sub-paragraph (b) above would be recognised in the financial statements even if the Options are not exercised.

Measured against the cost of granting the Options as described above is the desirable effect of the MPM ESOS in attracting, recruiting, retaining and motivating Participants which could in the long term yield greater returns for the Company and Shareholders.

4. DIFFERENCES BETWEEN THE MPM PSS AND THE MPM ESOS AND THE RATIONALE FOR IMPLEMENTING THEM SIMULTANEOUSLY

The MPM PSS and the MPM ESOS will form an integral and important component of the Company's incentive compensation plan. They are designed to act as complementary schemes with similar objectives, to complement each other in the Group's efforts to reward, retain and motivate Participants to achieve better performance. The aim of implementing more than one incentive plan is to increase the Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees and directors whose services are vital to the growth and performance of the Group, and achieve increased performance by providing the Group with a more comprehensive set of remuneration tools.

While the MPM PSS targets the key staff of the Group, the MPM ESOS is available to eligible staff of the Group at all levels.

Specifically, the MPM ESOS seeks to recognise the efforts and contributions of Participants who have contributed to the well-being and prosperity of the Group. The recognition accorded will help retain these essential Participants to ensure the continued success of the Group. The

LETTER TO SHAREHOLDERS

Group is constantly sourcing for new talents as against its competitors, some of which are large and established organisations offering extremely attractive benefits including share options. Accordingly, the implementation of the MPM ESOS would narrow the gap between what the Group and these prestigious competitors can offer, thereby making career prospects with the Group more attractive.

Unlike Options granted under the MPM ESOS, the MPM PSS contemplates the award of fully-paid Shares (or their equivalent cash value or a combination thereof) to Participants according to the extent to which they complete certain performance targets based on specific medium to long-term performance targets. Accordingly, the MPM PSS contemplates the award of fully paid Shares when and after: (a) pre-determined measurable Performance Targets are accomplished; (b) due recognition is given to any good work performance; and/or (c) significant contribution is made to the Group.

For the avoidance of doubt, the Company has the flexibility to grant Awards under the MPM PSS as well as Options under the MPM ESOS to the same Participant simultaneously. It should be further noted that the Awards that may be made under the MPM PSS as well as the Options that may be granted under the MPM ESOS are in addition to the customary discretionary cash bonuses that may be paid to or declared in favour of Participants who are employees of the Group as provided for under their respective terms of employment.

It is further noted that the Committee has considered the options available to the Company to incentivise and reward its Directors, employees and relevant stakeholders for their respective contributions, including the payment of cash incentives such as discretionary bonuses and performance-based payments, before determining that the MPM PSS and the MPM ESOS are better suited for the Group's current circumstances and in the interest of the Company and the Shareholders as a whole after taking into consideration the following: (i) the MPM PSS and the MPM ESOS, being equity-based incentives, would better align the interests of the Participants and those of the Company and the Shareholders as a whole; (ii) the use of equities and equity-linked securities enables the Group to better manage its cash flow; and (iii) the strengthening of the balance sheet of the Company whilst achieving the objective of incentivising and rewarding the Participants for their respective contributions to the Group as well as for the medium to longer term goal of retaining their commitment and services to the Group.

5. THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE MPM ESOS

In accordance with Rule 845(5) of the Listing Manual and the MPM ESOS Rules, the offer to grant Options under the MPM ESOS at a discount not exceeding the maximum discount of 20% of the Market Price is subject to the approval of the Shareholders at a general meeting in a separate resolution. For the avoidance of doubt, such prior approval shall be required to be obtained only once, and once obtained, shall, unless revoked, authorise the making of offers and grants of Options under the MPM ESOS at such discount for the duration of the MPM ESOS.

Under the MPM ESOS, the Exercise Price of Options granted shall be determined by the Committee at its absolute discretion. The Committee has the discretion to grant Options with an Exercise Price set at a discount to the Market Price on a case-by-case basis. In determining whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as it may in its absolute discretion deem appropriate, including but not limited to: (a) the performance of the Company, its Subsidiaries and/or Group Associated Companies, as the case may be; (b) the years of service and individual performance of the eligible Participant; (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and (d) the prevailing market conditions. In the

LETTER TO SHAREHOLDERS

event that Options are granted at a discount, the discount shall not exceed 20% of the Market Price.

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

The discretion to grant Options at a discount to the Market Price of the Shares will provide the Company with a means to maintain the competitiveness of its compensation strategy. Therefore, the Company may utilise Options as an additional method for compensating employees and directors other than through salary, salary increments and cash bonuses. This will also enable the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for Shareholders.

The ability to offer Options at a discount to the Market Price of the Shares also allows the Company to grant Options on a more realistic and economically feasible basis to the Participants, especially in circumstances where the market price is unusually high due to buoyant market activity or inflated share price, thus ensuring that the Company maintains the competitiveness of its compensation strategy.

Further, because Options granted at a discount under the MPM ESOS are subject to a longer minimum exercise period (two (2) years) than those granted at the Market Price (one (1) year), holders of such Options are encouraged to have a long-term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

The Company believes that the proposed maximum 20% discount to Market Price for Options would be sufficient to allow for flexibility in the MPM ESOS while minimising the potential dilutive effect to the Shareholders arising from the MPM ESOS.

6. THE PROPOSED PARTICIPATION BY CERTAIN GROUPS OF ELIGIBLE PERSONS IN EACH OF THE MPM PSS AND THE MPM ESOS

6.1 Rationale for the Participation by the Controlling Shareholders and their Associates in the MPM PSS and the MPM ESOS

It is the intention of the Company that all employees of the Group, including those who are Controlling Shareholders and their Associates, should be remunerated for their contribution to the Group on the same basis with no differentiation between employees who are Controlling Shareholders or their Associates, and employees who are not. The extension of the MPM PSS and the MPM ESOS to allow the Controlling Shareholders and their Associates to participate in the MPM PSS and the MPM ESOS will ensure that they are equally entitled, with the other Group Employees who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. The Company is of the view that the Controlling Shareholders and their Associates should not be unduly discriminated against by virtue only of their shareholdings in the Company. The Company is also of the view that the extension of the MPM PSS and the MPM ESOS to the Controlling Shareholders and their Associates will enhance their long-term commitment to the Group as it will ensure that they will continue to

LETTER TO SHAREHOLDERS

have a stake in the Company even if they decrease their shareholdings in the Company in the future.

The Directors (except for those who are Controlling Shareholders or their Associates, being Mr. Sean Lee Yun Feng, Ms. Lie Ly and Mr. Teo Junxiang, Darren, who abstained from participating in the deliberations and determination) are of the view that the participation in the MPM PSS and the MPM ESOS by the Controlling Shareholders and their Associates: (a) will act as an additional incentive for the Controlling Shareholders and their Associates who are Group Employees to improve their performance, as the value of the Awards/Options will be best realised when the results of their performance correlate directly with a higher value of the Shares; and (b) is in the best interests of the Company as such Controlling Shareholders and their Associates are able to help to set the vision and direction of the Group, define objectives and roles of management and thus, stand in a unique position to contribute to the growth and prosperity of the Group.

As a safeguard against abuse, all members of the Board (and not just members of the Committee) who are neither Controlling Shareholders nor their Associates will be involved in deliberations in respect of Options and/or Awards to be granted to or held by the Controlling Shareholders and their Associates and the terms and conditions, including the Performance Targets and Vesting Periods attached to such Options and/or Awards. Furthermore, the participation of each of them, and the actual number and terms of Options and/or Awards to be granted to each of them, must have been approved by the independent Shareholders at a general meeting to be convened by the Company in separate resolutions for each person, and further provided that each of such Controlling Shareholders and/or their Associates shall abstain from voting on the resolution in relation to his participation in the MPM PSS and the MPM ESOS and the grant of Awards and/or Options to him.

6.2 Rationale for the Participation by the Group Non-Executive Directors in the MPM PSS and the MPM ESOS

The Group Non-Executive Directors come from different professions and various backgrounds and contribute much experience, knowledge and expertise towards the corporate governance and business management, as well as invaluable guidance in relation to the strategic planning and development of the Group, thus providing the Group with holistic solutions when evaluating and considering business issues and opportunities.

While not specifically involved in the day-to-day running and management of the Group, the Group Non-Executive Directors are frequently consulted on matters in relation to various aspects relating to the business of the Group and in return, they are entitled to receive nominal director's fees for their contributions and services. However, it may not always be possible to quantify the contributions and services rendered by them in monetary terms due to the nature and scope of their responsibilities. In view of this, it is desirable that the Group Non-Executive Directors be allowed to participate in the MPM PSS and the MPM ESOS to give recognition to their services and contributions and to further align their interests with that of the Group. The extension of the MPM PSS and the MPM ESOS to the Group Non-Executive Directors will also enable the Group to continue to attract capable individuals to sit on the Board as Group Non-Executive Directors.

It is noted that Independent Directors are also eligible to participate in the MPM PSS and the MPM ESOS. Before granting any Awards or Options to an Independent Director, the Committee will take into careful consideration relevant factors such as his contributions to the growth of the Group, his attendance and participation in meetings of the Company and the years of service of such person. Although some of these Independent Directors may sit on the

LETTER TO SHAREHOLDERS

Committee, a member of the Committee shall not be involved in the deliberations of the Committee in respect of any grant of Awards or Options to him.

In order to minimise potential conflicts of interest and not to compromise the independence of the Independent Directors, it is the intention of the Company and the Committee that any grant of Awards or Options to any Independent Director be measured and balanced against considerations if such Awards or Options could compromise his independence, interfere or be reasonably perceived to interfere with the exercise of his independent business judgement. Taking the foregoing and the following reasons into consideration, the Company is of the view that permitting the Independent Directors to participate in the MPM PSS and the MPM ESOS will not compromise their objectivity and independence as:

- (a) the purpose of the MPM PSS and the MPM ESOS is to function as a tool to reward, retain and motivate the Participants whose services and contributions are vital to the well-being and success of the Group;
- (b) the Independent Directors would primarily continue to be remunerated for their services by way of directors' fees payable in cash;
- (c) an Independent Director who is a member of the Committee shall not be involved in the deliberations of the Committee in respect of any grant of Awards or Options to him; and
- (d) there is no intention to award Awards or Options under the MPM PSS and the MPM ESOS respectively so as to result in any Independent Director holding 5% or more of the total number of issued Shares.

The right of the Group Non-Executive Directors (including the Independent Directors) to participate in the MPM PSS and the MPM ESOS is in addition to (and not in lieu of) the customary fees payable to them in their capacity as Directors.

6.3 **Rationale for the Participation by the Directors and Employees of the Group Associated Companies in the MPM PSS and the MPM ESOS**

The Company is of the view that the MPM PSS and the MPM ESOS should cater not only to executive directors and employees of the Company and its Subsidiaries, but also to those of the Group Associated Companies. The Company acknowledges that it is crucial to the stability and growth of the Group that the Company recognises the services, knowledge, expertise, assistance and support provided to the Company by the executive directors and employees of the Group Associated Companies, and that the Group continues to receive their support and contributions in the development and implementation of business strategies, investments and projects in which the Company and/or the Group has interests in.

The extension of the MPM PSS and the MPM ESOS to executive directors and employees of the Group Associated Companies gives such persons an opportunity to share in the success and achievements of the Group and the performance of the Company through participation in the equity of the Company and provides another means of rewarding such persons apart from the usual cash remuneration. It is envisaged that by doing so, the Company will also strengthen its working relationship with such executive directors and employees of the Group Associated Companies by inculcating in them a stronger identification with the Group, and will serve to attract, retain and incentivise such directors and employees of the Group Associated Companies to higher standards of performance which will in turn improve the long-term prosperity of the Group.

LETTER TO SHAREHOLDERS

In deciding whether or not to grant Options and/or Awards to such persons, the Committee will consider the same criteria as that for other Participants.

As at the Latest Practicable Date, the Company does not have any Group Associated Companies.

6.4 **Rationale for the Participation of Mr. Sean Lee Yun Feng, an Associate of a Controlling Shareholder, in the MPM PSS and the MPM ESOS**

Mr. Sean Lee Yun Feng, the Chief Executive Officer of the Group since July 2006, is the son of Mr. Lee Wan Tang and the brother of Ms. Lie Ly. Mr. Sean Lee Yun Feng holds (directly and indirectly) 4.57% of the total voting rights in the Company. Mr. Lee Wan Tang holds (directly and indirectly) 13.81% of the total voting rights in the Company, while Ms Lie Ly holds (directly and indirectly) 4.29% of the total voting rights in the Company. Accordingly, Mr. Lee Wan Tang and his family in aggregate hold (directly and indirectly) 22.67% of the voting rights in the Company, and also have control over the Company.

Mr. Sean Lee Yun Feng has been responsible for the overall management and day-to-day operations of the Group as well as the formulation of the business directions, strategies and policies of the Group. He was instrumental in initiating and penetrating new markets for both the shipping and shipyard operations of the Group. On the operational front, he introduced a slew of strategic operational measures which greatly improved the efficiency of the Group's fleet of vessels. He has also spearheaded the shipyard operations since it commenced operations in December 2005 and started the Group's offshore ship chartering operations in 2011. The leadership of Mr. Sean Lee will be critical as the Group embarks on its next phase of growth. For these reasons, the Directors (except for those who are Associates of Mr. Lee Wan Tang and his family, being Mr. Sean Lee Yun Feng and Ms. Lie Ly, who abstained from participating in the deliberations and determination) consider his experience in and contribution towards the growth of the Group to be invaluable.

The Directors (except for those who are Associates of Mr. Lee Wan Tang and his family, being Mr. Sean Lee Yun Feng and Ms. Lie Ly, who abstained from participating in the deliberations and determination) are of the view that the extension of the MPM PSS and the MPM ESOS to Mr. Sean Lee Yun Feng is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company and the Group.

Pursuant to Rule 859 of the Listing Manual, the Company shall procure that Mr. Sean Lee Yun Feng and his Associates shall abstain from voting on any resolution relating to the MPM PSS and the MPM ESOS at the EGM.

It is noted that any Awards granted under the MPM PSS and/or Options granted under the MPM ESOS will form part of the remuneration payable to Mr. Sean Lee Yun Feng in his capacity as a Group Executive Director and the Chief Executive Officer of the Group.

6.5 **Rationale for the Participation of Ms. Lie Ly, an Associate of a Controlling Shareholder, in the MPM PSS and the MPM ESOS**

Ms. Lie Ly, an Executive Director of the Group since July 2007, is a daughter of Mr. Lee Wan Tang and the sister of Mr. Sean Lee Yun Feng. Ms. Lie Ly holds (directly and indirectly) 4.29% of the total voting rights in the Company. Mr. Lee Wan Tang holds (directly and indirectly) 13.18% of the total voting rights in the Company, while Mr. Sean Lee Yun Feng holds (directly and indirectly) 4.57% of the total voting rights in the Company. Accordingly, Mr. Lee Wan Tang

LETTER TO SHAREHOLDERS

and his family in aggregate hold (directly and indirectly) 22.67% of the voting rights in the Company, and also have control over the Company. Lie Ly

Ms. Lie Ly has been responsible for the overall management of treasury, human resource and administration matters of the Group. With a Masters Degree (Accounting) from Curtin University (Western Australia) and being a qualified Chartered Public Accountant (CPA) Australia, Ms. Lie Ly also assists in the financial aspects and functions of the Group for specific projects and assignments.

Ms. Lie Ly has played a major role in restructuring and enhancing the Group's treasury and human resource operations. As head of the treasury division, she has diligently managed the cashflow, financing and foreign exchange operations of the Group to ensure that the working capital and capital expansion needs of the Group are adequately addressed, whilst keeping a close watch on the Group's gearing and adherence to financial covenants committed to financial institutions. As head of the human resource division, she has spearheaded and successfully initiated and managed the Group's human resource projects. Her contribution to the human resources division has resulted in increased efficiency and output for the Group. For these reasons, the Directors (except for those who are Associates of Mr. Lee Wan Tang and his family, being Mr. Sean Lee Yun Feng and Ms. Lie Ly, who abstained from participating in the deliberations and determination) consider her experience in and contribution towards the growth of the Group to be substantial.

The Directors (except for those who are Associates of Mr. Lee Wan Tang and his family, being Mr. Sean Lee Yun Feng and Ms. Lie Ly, who abstained from participating in the deliberations and determination) are of the view that the extension of the MPM PSS and the MPM ESOS to Ms. Lie Ly is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company and the Group.

Pursuant to Rule 859 of the Listing Manual, the Company shall procure that Ms. Lie Ly and her Associates shall abstain from voting on any resolution relating to the MPM PSS and the MPM ESOS at the EGM.

It is noted that any Awards granted under the MPM PSS and/or Options granted under the MPM ESOS will form part of the remuneration payable to Ms. Lie Ly in her capacity as a Group Executive Director and an employee of the Company.

6.6 **Rationale for the Participation of Mr. Teo Junxiang, Darren, an Associate of a Controlling Shareholder, in the MPM PSS and the MPM ESOS**

Mr. Teo Junxiang, Darren, a Non-Executive Director of the Group since March 2018, is also the Managing Partner of Apricot Capital Pte Ltd, a private investment company with business interests in real estate, offshore marine, education and consumer lifestyle businesses and which holds 16.3% of the total voting rights in the Company. His responsibilities include evaluating investment opportunities, executing strategic deals and managing its investment portfolio. Prior to his appointment at Apricot Capital Pte Ltd, he started his career in Super Group Ltd in 2007 and has held various positions in the company. Mr. Teo Junxiang, Darren graduated with Bachelor of Social Sciences in Economics from National University of Singapore in 2006. As a Non-Executive Director of the Group, Mr. Teo Junxiang, Darren contributes much experience, knowledge and expertise towards the corporate governance and business management, as well as invaluable guidance in relation to the strategic planning and

LETTER TO SHAREHOLDERS

development of the Group, thus providing the Group with holistic solutions when evaluating and considering business issues and opportunities. For these reasons, the Directors (except for those who are Associates of Apricot Capital Pte Ltd, being Mr. Mr. Teo Junxiang, Darren, who abstained from participating in the deliberations and determination) consider his experience in and contribution towards the growth of the Group to be invaluable.

The Directors (except for those who are Associates of Apricot Capital Pte Ltd, being Mr. Mr. Teo Junxiang, Darren, who abstained from participating in the deliberations and determination) are of the view that the extension of the MPM PSS and the MPM ESOS to Mr. Teo Junxiang, Darren is consistent with the Company's objectives of giving recognition to the services and contributions of the Group Non-Executive Directors and further aligning their interests with that of the Group.

Pursuant to Rule 859 of the Listing Manual, the Company shall procure that Mr. Teo Junxiang, Darren and his Associates shall abstain from voting on any resolution relating to the MPM PSS and the MPM ESOS at the EGM.

7. THE PROPOSED GRANT OF OPTIONS TO MR. SEAN LEE YUN FENG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MPM ESOS

7.1 Proposed Grant of Options to Mr. Sean Lee Yun Feng

For the reasons set out above in Section 7 of this Circular, subject to Shareholders' approval being received at the EGM for the proposed adoption of the MPM ESOS and the proposed participation of Mr. Sean Lee Yun Feng in the MPM ESOS, it is proposed that approval be given to the Committee to grant an Options under the MPM ESOS to him on the following terms:

(a)	Proposed Date of Grant	:	No later than three (3) months after Shareholders' approval is obtained
(b)	Proposed Number of Shares comprised in the Proposed Options	:	Up to 5,500,000 Shares (representing approximately 0.15% of the total number of issued Shares as at Latest Practicable Date)
(c)	Exercise Price per Share	:	To be fixed by the Committee in accordance with Rule 8 of the MPM ESOS Rules provided that the maximum discount which may be given shall not exceed 10% of the Market Price
(d)	Exercise Period	:	In accordance with Rule 10.1 of the MPM ESOS Rules: (a) in the case of Options granted with the Exercise Price set at the Market Price, at any time by a Participant after the first (1 st) anniversary of the Date of Grant of that Option, provided always that Options granted to Group Employees shall be exercised before the tenth (10 th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth (5 th) anniversary of the relevant Date of Grant, or such earlier

LETTER TO SHAREHOLDERS

		<p>date as may be determined by the Committee; and</p> <p>(b) in the case of Options granted with the Exercise Price set at a discount to the Market Price at any time by a Participant after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee,</p> <p>failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Group, its directors and/or employees.</p>
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7.2 Rationale for Grant of Options to Mr. Sean Lee Yun Feng

In recognition of Mr. Sean Lee Yun Feng's performance and contribution to the Group and to motivate him to maintain a high level of contribution to the Group and achieve sustainable growth for the Company, the Company is proposing to grant the Options on the terms set out above to Mr. Sean Lee Yun Feng.

The Committee and the Board (excluding Mr. Sean Lee Yun Feng and Ms. Lie Ly) are of the view that the proposed grant of Options to Mr. Sean Lee Yun Feng is fair given the contribution he has made and will continue to make to the Company by bringing fresh perspective and new insights to the Board. The grant of the Options on the terms as set out above (including its size) is consistent with the purposes of the MPM ESOS and will comply with the MPM ESOS Rules and Rule 845 of the Listing Manual. The proposed grant of the Option to Mr. Sean Lee Yun Feng constitutes part of the Company's overall plan for the remuneration of all Participants under the framework for allocation of Options under the MPM ESOS.

It is noted that any Awards granted under the MPM PSS and/or Options granted under the MPM ESOS will form part of the remuneration payable to Mr. Sean Lee Yun Feng in his capacity as a Group Executive Director and the Chief Executive Officer of the Group.

8. THE PROPOSED GRANT OF OPTIONS TO MS. LIE LY, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MPM ESOS

8.1 Proposed Grant of Options to Ms. Lie Ly

For the reasons set out above in Section 7 of this Circular, subject to Shareholders' approval being received at the EGM for the proposed adoption of the MPM ESOS and the proposed

LETTER TO SHAREHOLDERS

participation of Ms. Lie Ly in the MPM ESOS, it is proposed that approval be given to the Committee to grant an Options under the MPM ESOS to her on the following terms:

(a)	Proposed Date of Grant	:	No later than three (3) months after Shareholders' approval is obtained
(b)	Number of Shares comprised in the Proposed Options	:	Up to 5,500,000 Shares (representing approximately 0.15% of the total number of issued Shares as at Latest Practicable Date)
(c)	Exercise Price per Share	:	To be fixed by the Committee in accordance with Rule 8 of the MPM ESOS Rules provided that the maximum discount which may be given shall not exceed 10% of the Market Price
(d)	Exercise Period	:	<p>In accordance with Rule 10.1 of the MPM ESOS Rules:</p> <p>(c) in the case of Options granted with the Exercise Price set at the Market Price, at any time by a Participant after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee; and</p> <p>(d) in the case of Options granted with the Exercise Price set at a discount to the Market Price at any time by a Participant after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee,</p> <p>failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Group, its directors and/or employees.</p>

LETTER TO SHAREHOLDERS

8.2 Rationale for Grant of Options to Ms. Lie Ly

In recognition of Ms. Lie Ly's performance and contribution to the Group and to motivate her to maintain a high level of contribution to the Group and achieve sustainable growth for the Company, the Company is proposing to grant the Options on the terms set out above to Ms. Lie Ly.

The Committee and the Board (excluding Mr. Sean Lee Yun Feng and Ms. Lie Ly) are of the view that the proposed grant of Options to Ms. Lie Ly is fair given the contribution she has made and will continue to make to the Company by bringing fresh perspective and new insights to the Board. The grant of the Options on the terms as set out above (including its size) is consistent with the purposes of the MPM ESOS and will comply with the MPM ESOS Rules and Rule 845 of the Listing Manual. The proposed grant of the Option to Ms. Lie Ly constitutes part of the Company's overall plan for the remuneration of all Participants under the framework for allocation of Options under the MPM ESOS.

It is noted that any Awards granted under the MPM PSS and/or Options granted under the MPM ESOS will form part of the remuneration payable to Ms. Lie Ly in her capacity as a Group Executive Director and an employee of the Company.

9. ROLE AND COMPOSITION OF THE COMMITTEE

The Company will set up the Committee comprising selected Directors of the Company (being such Directors who are more familiar with both the performance of the Group and the Group Employees) to administer the MPM PSS and the MPM ESOS.

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

10. DISCLOSURES IN ANNUAL REPORT

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the MPM PSS and/or the MPM ESOS continues in operation:

- (a) the names of the members of the Committee administering the MPM PSS and the MPM ESOS;
- (b) in relation to the MPM PSS:
 - (i) the information required in the table below for the following Participants of the MPM PSS:
 - (1) Directors of the Company;
 - (2) Controlling Shareholders and their Associates; and
 - (3) Participants (other than those specified in sub-paragraphs (1) and (2) above) who are entitled to receive 5% or more of the total number of Shares available under the MPM PSS (as the case may be); and

LETTER TO SHAREHOLDERS

Name of Participant	Awards granted during financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of scheme to end of financial year under review	Aggregate number of Shares comprised in Awards which have been released since commencement of scheme to end of financial year under review	Aggregate number of Shares comprised in Awards which have not been released as at end of financial year under review

- (ii) such other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein; and

- (c) in relation to the MPM ESOS:

- (i) the information required in the table below for the following Participants of the MPM ESOS:

- (1) Directors of the Company;
- (2) Controlling Shareholders and their Associates; and
- (3) Participants (other than those specified in sub-paragraphs (1) and (2) above) who are entitled to receive 5% or more of the total number of Shares available under the MPM ESOS;

Name of Participant	Options granted during financial year under review (including terms)	Aggregate options granted since commencement of scheme to end of financial year under review	Aggregate options exercised since commencement of scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review

- (ii) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and

- (iii) such other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

11. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

LETTER TO SHAREHOLDERS

11.1 Rationale for the Proposed Adoption of the Share Buyback Mandate

The rationale for the adoption of the Share Buyback Mandate is to allow the Company to undertake a purchase or acquisition of its Shares is as follows:

- (a) the Share Buyback Mandate provides the Company with greater flexibility in managing its capital, share capital structure and maximising returns to the Shareholders. Undertaking the Share Buyback at the appropriate price level is one of the ways through which the return on equity (and, depending on market conditions, the EPS and the NTA per Share) of the Company may be enhanced;
- (b) the Share Buyback is an expedient, effective and cost efficient way to facilitate the return of surplus funds which are in excess of the Company's financial needs, to the Shareholders;
- (c) the adoption of the Share Buyback Mandate provides the Directors with the flexibility to undertake the Share Buyback at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force; and
- (d) Shares purchased or acquired under the Share Buyback Mandate may be held as treasury shares and used for prescribed purposes, such as selling the treasury shares for cash. The transfer of treasury shares in lieu of issuing new Shares pursuant to any share scheme or as consideration for acquisitions would also mitigate the dilution impact for existing Shareholders.

The Share Buyback will only be undertaken if it can benefit the Company and the Shareholders. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to the Maximum Percentage (namely, 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the AGM at which the Share Buyback Mandate is approved but subject to the exceptions listed and more particularly described in Section 11.3.1 of this Circular), the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the Maximum Percentage. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the listing status of the Shares on the SGX-ST, the liquidity, capital adequacy, orderly trading and financial condition of the Company or the Group as a whole.

It should be noted that there is no assurance that the proposed adoption of the Share Buyback Mandate or the purchase or acquisition of Shares under the Share Buyback Mandate will achieve the desired effect, nor is there assurance that such effect (if achieved) can be sustained over the long term.

11.2 Mandate

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Listing Manual and such other laws and regulations as may for the time being, be applicable. Paragraph 53(2) of the Constitution expressly permits the Company to purchase or otherwise acquire Shares issued by it on such terms as the Company may think fit and in the manner prescribed by applicable laws and the Listing Manual. It is also a requirement under the Companies Act and Rule 881 of the Listing Manual that a company which wishes to purchase or otherwise acquire its own shares should obtain the prior specific approval at a general meeting of its shareholders.

LETTER TO SHAREHOLDERS

The Company is accordingly proposing to seek the approval of Shareholders to authorise the Directors to buy back issued and fully paid Shares in the capital of the Company in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual. If approved, the Share Buyback Mandate will take effect from the passing of the relevant resolution until the earliest of: (a) the date on which the next AGM is held or is required by law or the Constitution to be held, whichever is earlier; (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by Shareholders in a general meeting.

11.3 Terms of the Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the Share Buyback Mandate, for which the approval is sought, are summarised below.

11.3.1 Maximum Number of Shares

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

Pursuant to Rule 882 of the Listing Manual and Section 76B of the Companies Act, the total number of Shares that may be purchased or acquired shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the AGM at which the Share Buyback Mandate is approved, unless: (a) the Company has, at any time during the relevant period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (b) the court has, at any time during the relevant period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be (the “**Maximum Percentage**”). Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, based on the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company of 3,753,649,080 Shares as at the Latest Practicable Date, and assuming that prior to the EGM:

- (a) no further Shares are issued; and
- (b) the Company does not reduce its share capital,

not more than 375,364,908 Shares (representing the Maximum Percentage as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

As at the Latest Practicable Date, the Company holds 4,201,400 Shares as treasury shares. None of its subsidiaries hold any Shares.

11.3.2 Duration of Authority

Purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the EGM at which the Share Buyback Mandate is renewed up to the earliest of:

LETTER TO SHAREHOLDERS

- (a) the date on which the next AGM of the Company is held or required by law or the Constitution to be held, whichever is earlier;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting.

The Share Buyback Mandate may be renewed at each AGM or other general meeting of the Company. When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchase or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

11.3.3 Manner of Purchases or Acquisition of Shares

Pursuant to Rule 882 of the Listing Manual, purchases or acquisitions of Shares by the Company may only be made by way of:

- (a) on-market purchases transacted through the SGX-ST's trading system or on another stock exchange on which the issuer's equity securities are listed ("**Market Acquisitions**"); and/or
- (b) off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Acquisitions**").

The Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Constitution, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Under Section 76C(6) of the Companies Act, an equal access scheme must satisfy all the following conditions:

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

LETTER TO SHAREHOLDERS

a whole number of Shares.

In addition, Rule 885 of the Listing Manual provides that, in making Off-Market Acquisitions, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buyback;
- (iv) the consequences, if any, of the Share Buyback by the Company that will arise under the Take-Over Code or other applicable take-over rules;
- (v) whether the Share Buyback, if made, could affect the listing of the Shares on the SGX-ST;
- (vi) details of any Share Buyback made by the Company in the previous 12 months (whether Market Acquisitions or Off-Market Acquisitions in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

11.3.4 Maximum Purchase Price

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

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

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

The Listing Manual restricts a listed company from purchasing Shares by way of Market Acquisitions at a price per Share which is more than 5% above the Average Closing Price.

The Company has set a cap of 20% above the Average Closing Price as the maximum price for a Share to be purchased or acquired by way of Off-Market Acquisitions.

11.4 **Status of Purchased Shares under the Share Buyback Mandate**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with

LETTER TO SHAREHOLDERS

Section 76H of the Companies Act. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. The total number of issued Shares will be diminished by the number of Shares purchased or acquired out of the capital of the Company which are not held as treasury shares and the amount of the share capital of the Company shall be reduced accordingly.

All Shares purchased or acquired by the Company (unless held as treasury shares by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

11.5 Treasury Shares

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

11.5.1 Maximum Holdings

As the Company only has shares of one class, the number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. To the extent that the Company has treasury shares that are in excess of 10% of the total number of issued Shares, the Company is required to dispose of or cancel such excess treasury shares within six months or such longer time period as may be permitted under the Companies Act.

11.5.2 Voting and Other Rights

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

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

11.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of

LETTER TO SHAREHOLDERS

shares in or assets of another company or assets of a person;

- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Pursuant to 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 on the SGX-ST 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.

11.6 Source of Funds for Share Buyback

The Company may purchase or acquire its own Shares out of capital as well as from its profits, in accordance with the Constitution and applicable laws. It may use internal resources or external borrowings, or a combination of both, to finance its purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The Company does not intend to purchase or acquire any Shares for a consideration other than cash.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Company would be materially adversely affected. 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 Company, and the prevailing market conditions.

11.7 Financial Effects of the Share Buyback Mandate

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases of Shares that may be made pursuant to the Share Buyback Mandate as the resultant effect would depend on, inter alia, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Company would like to note that there had not been any purchase or acquisition of Shares by the Company in the 12 months immediately prior to the date of this Circular.

LETTER TO SHAREHOLDERS

Purely for illustrative purposes only, and based on the assumptions set out below:

- (a) based on 3,753,649,080 Shares in issue as at the Latest Practicable Date (excluding the 4,201,400 Shares held by the Company as treasury shares and subsidiary holdings) and assuming no further Shares are issued on or prior to the AGM, not more than 375,364,908 Shares (representing the Maximum Percentage as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate;
- (b) in the case of Market Acquisitions by the Company and assuming that the Company purchases or acquires 375,364,908 Shares at the Maximum Price of S\$0.0525 for one Share (being the price equivalent to 105% of the Average Closing Price, the maximum amount of funds required for the purchase or acquisition of 375,364,908 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S\$19,706,658;
- (c) in the case of Off-Market Acquisitions by the Company and assuming that the Company purchases or acquires 375,364,908 Shares at the Maximum Price of S\$0.06 for one Share (being the price equivalent to 120% of the Average Closing Price, the maximum amount of funds required for the purchase or acquisition of 375,364,908 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S\$22,521,894;
- (d) the consideration for the purchase or acquisition of Shares is financed entirely by internal resources of the Company;
- (e) the purchase or acquisition of Shares took place at the beginning of FY2023 on 1 October 2022; and
- (f) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the financial effects of the:

- (i) Market Acquisition of 375,364,908 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares;
- (ii) Market Acquisition of 375,364,908 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled;
- (iii) Off-Market Acquisition of 375,364,908 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares; and
- (iv) Off-Market Acquisition of 375,364,908 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled,

on the audited financial statements of the Group and the Company for FY2023 are set out in the following pages.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases

LETTER TO SHAREHOLDERS

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

11.7.1 Market Acquisitions made entirely out of capital and held as treasury shares

	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
As at 30 September 2023				
Share capital (S\$'000)	163,838	163,838	163,838	163,838
Shares held in treasury (S\$'000)	(1,203)	(20,910)	(1,203)	(20,910)
Shareholders' equity (S\$'000)	183,888	164,181	176,594	156,887
NTA (S\$'000)	183,888	165,181	176,594	156,887
Current assets (S\$'000)	119,547	99,840	162,194	142,487
Current liabilities (S\$'000)	(35,998)	(35,998)	(405)	(405)
Working capital (S\$'000)	83,549	63,842	161,789	142,082
Total borrowings (S\$'000)	2,256	2,256	-	-
Cash and bank balances	63,100	43,393	25,177	5,471
Net profit / (loss) attributable to Shareholders	21,421	21,421	(4,041)	(4,041)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Number of treasury shares ('000)	4,201	379,566	4,201	379,566
Weighted average number of shares ('000)	3,675,722	3,300,357	3,675,722	3,300,357
<u>Financial Ratios</u>				
NTA per share (cents) ⁽²⁾	4.90	4.86	4.70	4.64
Basic EPS ⁽³⁾ (cents)	0.58	0.65	(0.11)	(0.12)
Gearing ⁽⁴⁾ (%)	1.23	1.37	Not applicable	Not applicable
Current ratio ⁽⁵⁾ (times)	3.32	2.77	400.48	351.82

Notes:

- (1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2023.
- (3) EPS has been computed based on FY2023 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (4) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (5) Current ratio represents the ratio of current assets to current liabilities.

LETTER TO SHAREHOLDERS

11.7.2 Market Acquisitions made entirely out of capital and cancelled

	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
As at 30 September 2023				
Share capital (S\$'000)	163,838	163,838	163,838	163,838
Shares held in treasury (S\$'000)	(1,203)	(1,203)	(1,203)	(1,203)
Shareholders' equity (S\$'000)	183,888	164,181	176,594	156,887
NTA (S\$'000)	183,888	164,181	176,594	156,887
Current assets (S\$'000)	119,547	99,840	162,194	142,487
Current liabilities (S\$'000)	(35,998)	(35,998)	(405)	(405)
Working capital (S\$'000)	83,549	63,842	161,789	142,082
Total borrowings (S\$'000)	2,256	2,256	-	-
Cash and bank balances	63,100	43,393	25,177	5,471
Net profit / (loss) attributable to Shareholders	21,421	21,421	(4,041)	(4,041)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Number of treasury shares ('000)	4,201	4,201	4,201	4,201
Weighted average number of shares ('000)	3,675,722	3,300,357	3,675,722	3,300,357
<u>Financial Ratios</u>				
NTA per share (cents) ⁽¹⁾				
Basic EPS ⁽²⁾ (cents)	4.90	4.86	4.70	4.64
Gearing ⁽³⁾ (%)	0.58	0.65	(0.11)	(0.12)
Current ratio ⁽⁴⁾ (times)	1.23	1.37	Not applicable	Not applicable
	3.32	2.77	400.48	351.82

Notes:

- (1) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2023.
- (2) EPS has been computed based on FY2023 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (3) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (4) Current ratio represents the ratio of current assets to current liabilities.

LETTER TO SHAREHOLDERS

11.7.3 Off-Market Acquisitions made entirely out of capital and held as treasury shares

	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
As at 30 September 2023				
Share capital (S\$'000)	163,838	163,838	163,838	163,838
Shares held in treasury (S\$'000)	(1,203)	(23,725)	(1,203)	(23,725)
Shareholders' equity (S\$'000)	183,888	161,366	176,594	154,072
NTA (S\$'000)	183,888	161,366	176,594	154,072
Current assets (S\$'000)	119,547	97,025	162,194	139,672
Current liabilities (S\$'000)	(35,998)	(35,998)	(405)	(405)
Working capital (S\$'000)	83,549	61,027	161,789	139,267
Total borrowings (S\$'000)	2,256	2,256	-	-
Cash and bank balances	63,100	40,578	25,177	2,655
Net profit / (loss) attributable to Shareholders	21,421	21,421	(4,041)	(4,041)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Number of treasury shares ('000)	4,201	379,566	4,201	379,566
Weighted average number of shares ('000)	3,675,722	3,300,357	3,675,722	3,300,357
Financial Ratios				
NTA per share (cents) ⁽²⁾				
Basic EPS ⁽³⁾ (cents)	4.90	4.78	4.70	4.56
Gearing ⁽⁴⁾ (%)	0.58	0.65	(0.11)	(0.12)
Current ratio ⁽⁵⁾ (times)	1.23	1.40	Not applicable	Not applicable
	3.32	2.70	400.48	344.87

Notes:

- (1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2023.
- (3) EPS has been computed based on FY2023 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (4) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (5) Current ratio represents the ratio of current assets to current liabilities.

LETTER TO SHAREHOLDERS

11.7.4 Off-Market Acquisitions made entirely out of capital and cancelled

As at 31 December 2022	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Share capital (S\$'000)	163,838	163,838	163,838	163,838
Shares held in treasury (S\$'000)	(1,203)	(1,203)	(1,203)	(1,203)
Shareholders' equity (S\$'000)	183,888	164,616	176,594	154,072
NTA (S\$'000)	183,888	164,616	176,594	154,072
Current assets (S\$'000)	119,547	97,126	162,194	139,672
Current liabilities (S\$'000)	(35,998)	(31,680)	(405)	(405)
Working capital (S\$'000)	83,549	65,446	161,789	139,267
Total borrowings (S\$'000)	2,256	2,256	-	-
Cash and bank balances	63,100	40,578	25,177	2,655
Net profit / (loss) attributable to Shareholders	21,421	21,421	(4,041)	(4,041)
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	3,753,649	3,378,284	3,753,649	3,378,284
Number of treasury shares ('000)	4,201	4,201	4,201	4,201
Weighted average number of shares (('000)	3,675,722	3,300,357	3,675,722	3,300,357
<u>Financial Ratios</u>				
NTA per share (cents) ⁽¹⁾				
Basic EPS ⁽²⁾ (cents)	4.90	4.78	4.70	4.56
Gearing ⁽³⁾ (%)	0.58	0.65	(0.11)	(0.12)
Current ratio ⁽⁴⁾ (times)	1.23	1.40	Not applicable	Not applicable
	3.32	2.70	400.48	344.87

Notes:

- (1) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 30 September 2023.
- (2) EPS has been computed based on FY2023 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.
- (3) Gearing has been computed based on total borrowings divided by Shareholders' equity.
- (4) Current ratio represents the ratio of current assets to current liabilities.

LETTER TO SHAREHOLDERS

The financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase up to the Maximum Percentage, the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the Maximum Percentage. In addition, the Company may cancel all or part of the Shares repurchased or holds all or part of the Shares repurchased in treasury.

11.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a Share Buyback by the Company or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

11.9 Listing Manual

11.9.1 Free Float

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 51.3% of the total number of issued Shares are held in the hands of public shareholders. Assuming that the Company repurchased the Maximum Percentage as at the Latest Practicable Date from members of the public by way of a Market Acquisition, the percentage of the resultant total number of issued Shares held by the public would be approximately 46.0%.

The Directors will ensure that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will not have any effect on the listing status of the Shares on the SGX-ST, or on the orderly trading of the Shares. Before undertaking any such purchase or acquisition, the Directors shall at all times take due cognisance of:

- (a) the then shareholding spread of the Company in respect of the number of Shares held by Substantial Shareholders and by non-Substantial Shareholders; and
- (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Shares purchase.

11.9.2 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Directors shall lodge a copy of such resolution with the Registrar. The Directors shall notify the Registrar within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition including the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other information as required by the Companies Act.

Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST:

LETTER TO SHAREHOLDERS

- (a) in the case of a Market Acquisition, by 9.00 am on the Market Day following the day on which it purchased shares; and
- (b) in the case of an Off-Market Acquisition under an equal access scheme, by 9.00 am on the second Market Day after the close of acceptances of the offer.

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

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) 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
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

11.10 Dealing in Shares

While the Listing Manual does 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, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive or trade-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive or trade-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities and under Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares during the period commencing one month before the announcement of the Company’s half year and full year financial statements.

11.11 Take-Over Obligations

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

LETTER TO SHAREHOLDERS

11.11.1 Obligation to make a Take-Over Offer

When the Company buys back its shares, any resulting increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him will be treated as an acquisition for the purpose of Rule 14 of the Take-Over Code. Consequently, a Shareholder or group or Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14.

11.11.2 Persons Acting in Concert

Under the Take-Over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), 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:

- (a) A company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the aforesaid companies, and any company whose associated companies include any of the aforesaid companies, 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, 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;
- (b) 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);
- (c) A company with any of its pension funds and employee share schemes;
- (d) A person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) A financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) Partners; and
- (h) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to his 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

LETTER TO SHAREHOLDERS

business) to any of the above for the purchase of voting rights.

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

11.11.3 Effect of Rule 14 and Appendix 2 of the Take-Over Code

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

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

11.12 **Application of the Take-Over Code**

Based on substantial shareholding notifications received by the Company under Part 7 of the Securities and Futures Act as at the Latest Practicable Date, there are no persons who may incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate.

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-Over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.

12. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

The interests of Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders, respectively, were as follows:

Direct interest		Deemed interest	
Number of Shares (‘000)	% ⁽¹⁾	Number of Shares (‘000)	% ⁽¹⁾

LETTER TO SHAREHOLDERS

Directors

Mr. Sean Lee Yun Feng ⁽²⁾	10,596,900	0.28	161,134,286 ⁽²⁾	4.29 ⁽²⁾
Ms. Lie Ly ⁽³⁾	-	-	161,134,285 ⁽³⁾	4.29 ⁽³⁾
Mr. Tan Hai Peng Micheal ⁽⁴⁾	17,640,000	0.47	40,535,715 ⁽⁴⁾	1.08 ⁽⁴⁾
Mr. Teo Junxiang, Darren ⁽⁵⁾	6,500,000	0.17	607,142,857 ⁽⁵⁾	16.17 ⁽⁵⁾
Mr. Jeffrey Hing Yih Peir ⁽⁶⁾	-	-	60,714,284 ⁽⁶⁾	1.62 ⁽⁶⁾
Mr. Kelvin Lee Kiam Hwee ⁽⁷⁾	-	-	50,000 ⁽⁷⁾	0.001 ⁽⁷⁾

Substantial Shareholder (other than Directors)

Lee Wan Tang ⁽⁸⁾	26,395,160	0.70	492,139,867 ⁽⁸⁾	13.11 ⁽⁸⁾
Nautical International Holdings Ltd ⁽⁹⁾	142,386,712	3.79	340,153,155 ⁽⁹⁾	9.06 ⁽⁹⁾
Apricot Capital Pte Ltd ("ACPL")	607,142,857	16.17	-	-
Penguin International Limited	303,571,428	8.09	-	-
Teo Kee Bock ⁽¹⁰⁾	4,414,900	0.12	607,142,857 ⁽¹⁰⁾	16.17 ⁽¹⁰⁾

Notes:

- (1) Percentages are based on the issued capital of the Company of 3,753,649,080 (excluding treasury shares) as at the Latest Practicable Date.
- (2) Sean Lee Yun Feng is deemed interested in: (a) 420,000 Shares in relation to employee share options granted to him under the MPM ESOS (2012); and (b) 160,714,286 Shares which are held in a nominee account.
- (3) Lie Ly is deemed interested in: (a) 420,000 Shares in relation to employee share options granted to him under the MPM ESOS (2012); and (b) 160,714,285 Shares which are held in a nominee account.
- (4) Tan Hai Peng Micheal is deemed interested in 40,535,715 Shares held through Ho Lee Group Pte Ltd.
- (5) Teo Junxiang, Darren owns 20% equity interest in Apricot Capital (Cayman) Ltd ("ACCL") and is therefore deemed to be interested in the Shares of the Company held by ACCL through ACPL.
- (6) Jeffrey Hing Yih Peir is deemed interested in 60,714,284 Shares in the Company which are held by Penguin International Limited as a nominee for him.
- (7) Kelvin Lee Kiam Hwee is deemed interested in 50,000 Shares in relation to employee share options granted to him under the MPM ESOS (2012).
- (8) Lee Wan Tang is deemed interested in: (a) the 482,539,867 Shares in which Nautical International Holdings Ltd has a deemed interest in as Lee Wan Tang holds 660,003 ordinary shares in Nautical International Holdings Ltd; and (b) 9,600,000 Shares of the Company held in nominee accounts.
- (9) Nautical International Holdings Ltd has deemed interest in the Company as a result of 340,153,155 Shares held in nominee accounts.
- (10) Teo Kee Bock holds 20% equity interest in Apricot Capital (Cayman) Ltd ("ACCL") and is therefore deemed to be interested in the Shares of the Company held by ACCL through ACPL.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the share capital of the Company or any of its subsidiaries or the Proposals (other than through their respective shareholdings in the Company, if any).

13. DIRECTORS' RECOMMENDATION

- 13.1 All of the Directors are eligible to participate in, and are therefore interested in, the MPM PSS and MPM ESOS. Accordingly, the Directors have abstained from making any recommendation to the Shareholders in respect of the MPM PSS and MPM ESOS.

LETTER TO SHAREHOLDERS

- 13.2 Having fully considered, *inter alia*, the scope, rationale and the benefits of the Share Buyback Mandate, the Directors, having carefully considered the terms and rationale of the Share Buyback Mandate, are of the view that the Share Buyback Mandate is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate at the forthcoming EGM.

14. ABSTENTION FROM VOTING

All Shareholders who are eligible to participate in the MPM PSS and/or the MPM ESOS must abstain from voting on the resolutions relating thereto as may be required by the SGX-ST, including in relation to the implementation of the MPM PSS and/or the MPM ESOS, the discount quantum of the Options and participation by and grant to Controlling Shareholders and/or their Associates (where applicable), and shall also not accept any appointment as proxy for any Shareholder to vote in respect of each such resolution unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of each such resolution. Therefore, the Company will be obtaining independent Shareholders' approval for the resolutions. In the event any votes are cast by a Shareholder who is eligible to participate in the MPM PSS and/or the MPM ESOS in respect of any resolution(s) proposed to be passed in connection with the MPM PSS and/or the MPM ESOS, such votes cast shall be disregarded by the Company.

In compliance with Rule 704(16)(b) of the Listing Manual, the Company will in the announcement of the EGM results indicate the details of parties who are required to abstain from voting on any resolution(s), including the number of shares held and the individual resolution(s) on which such parties are required to abstain from voting as well as a confirmation that such Shareholders have indeed abstained from voting on such resolution(s).

15. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-10 of this Circular, will be held on 30 January 2024 at 1 Tai Seng Avenue, Blk F #02-26/28, Tai Seng Exchange, Singapore 536464 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM of the Company to be held at 10.30 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modification the ordinary resolutions set out in the Notice of EGM.

16. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf, should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach at the registered office of the Company at 66 Kallang Pudding Road, #05-01, Singapore 349324 not less than 72 hours before the time fixed for the EGM. Appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless Shares are entered against his name on the Depository Register at least 72 hours before the time fixed for the EGM.

17. DIRECTORS' RESPONSIBILITY STATEMENT

LETTER TO SHAREHOLDERS

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

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

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by Shareholders at the registered office of the Company at 66 Kallang Pudding Road, #05-01, Singapore 349324 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the annual report of the Company for FY2023;
- (b) the Constitution;
- (c) the MPM PSS Rules; and
- (d) the MPM ESOS Rules.

Yours faithfully,

For and on behalf of the Board of Directors of
MARCO POLO MARINE LTD.

Sean Lee Yun Feng
Chief Executive Officer

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

1. NAME OF THE SCHEME

This share scheme shall be called the “Marco Polo Marine Ltd. Performance Share Scheme (2024)”.

2. DEFINITIONS

2.1 Unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Adoption Date” : The date on which the MPM PSS is adopted by the Company in general meeting.

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

(i) his immediate family;

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

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

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

“Associated Company” : A company in which at least 20% but not more than 50% of its shares are held by the Company or its Subsidiaries.

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

“Award” : A contingent award of Shares granted under the MPM PSS.

“Award Letter” : A letter in such form as the Committee shall approve, confirming an Award granted to a Participant by the Committee.

“Board” : The board of Directors of the Company for the time being.

“CDP” : The Central Depository (Pte) Limited.

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

“Committee”	:	A committee comprising Directors of the Company as may be duly authorised and appointed by the Board to administer the MPM PSS.
“Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time.
“Company” or “MPM”	:	Marco Polo Marine Ltd.
“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time.
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company.
“CPF”	:	The Central Provident Fund.
“Date of Grant”	:	The date on which an Award is granted to a Participant pursuant to the Rules.
“Director(s)”	:	The director(s) of the Company for the time being.
“Group”	:	The Company, its Subsidiaries and Group Associated Companies.
“Group Associated Company”	:	An Associated Company which the Company has control over.
“Group Employee”	:	Any confirmed employee of the Group (including any Group Executive Director) selected by the Committee to participate in the MPM PSS in accordance with the Rules.
“Group Executive Director”	:	A director of the Company and/or any of its Subsidiaries and/or any Group Associated Company, as the case may be, who performs an executive function.

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

“Group Non-Executive Director”	:	A director of the Company and/or any of its Subsidiaries and/or any Group Associated Company, as the case may be, other than a Group Executive Director.
“Listing Manual”	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Market Price”	:	The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the five (5) consecutive Market Days immediately preceding the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.
“MPM ESOS”	:	The Marco Polo Marine Ltd. Employee Share Option Scheme (2024), as may be amended, modified or supplemented from time to time.
“MPM PSS”	:	The Marco Polo Marine Ltd. Performance Share Scheme (2024), as may be amended, modified or supplemented from time to time.
“New Shares”	:	The new Shares which may be issued from time to time pursuant to the Vesting of Awards granted under the MPM PSS.
“Option”	:	The right to subscribe for Shares granted pursuant to the MPM ESOS.
“Participant”	:	A person who is selected by the Committee to participate in the MPM PSS in accordance with the provisions hereof.
“Performance Period”	:	The performance period during which the Performance Targets shall be satisfied.
“Performance Targets”	:	The performance targets prescribed by the Committee to be fulfilled by a Participant for any particular period under the MPM PSS.
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

“Rules”	:	The rules of the MPM PSS, as may be amended, modified or supplemented from time to time.
“Securities Account”	:	The securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent.
“SFA”	:	The Securities and Futures Act of Singapore 2001, as may be amended, modified or supplemented from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with the Shares.
“Share(s)”	:	Ordinary share(s) in the capital of the Company.
“Subsidiaries”	:	Companies which are for the time being subsidiaries of the Company as defined under Section 5 of the Companies Act and “Subsidiary” shall be construed accordingly.
“subsidiary holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than 5% of the issued Shares.
“treasury shares”	:	Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances where Section 76H of the Companies Act applies and which have since purchase been continuously held by the Company.
“Vesting”	:	In relation to Shares which are the subject of an Award which has been released to the relevant Participant, the absolute entitlement to all or some of the Shares which are the subject of that Award and “Vest” and “Vested” shall be construed accordingly.
“Vesting Date”	:	In relation to Shares which are the subject of an Award which has been released in accordance with Rule 11, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares will Vest pursuant to Rule 11.
“Vesting Period”	:	The period(s) during which an Award may Vest, if any, to be determined by the Committee.

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

“S\$” or “\$” and “Cents” : Singapore dollar and cents respectively.

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

2.2 The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

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

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

2.5 Any reference to a time of day shall be a reference to Singapore time unless otherwise provided.

3. OBJECTIVES OF THE MPM PSS

3.1 The objective of the MPM PSS is to increase the Group’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate key staff.

3.2 The MPM PSS contemplates the award of fully paid Shares when and after:

- (a) pre-determined measurable Performance Targets are accomplished;
- (b) due recognition is given to any good work performance; and/or
- (c) significant contribution is made to the Group.

3.3 No minimum Vesting Periods are prescribed under the MPM PSS and the length of Vesting Period in respect of each Award will be determined on a case-by-case basis. The Committee may also make an Award at any time where, in its opinion, a Participant’s performance and/or contribution justified such an Award.

4. ELIGIBILITY OF PARTICIPANTS

4.1 Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the MPM PSS:

- (a) Group Employees (including Group Executive Directors); and
- (b) Group Non-Executive Directors,

provided that, as of the Date of Grant, such persons have attained the age of 21 years, are not undischarged bankrupts, have not entered into composition with their creditors, and in the opinion

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

of the Committee, have contributed or will contribute to the success and development of the Group; and in the case of Group Employees, must hold such position as may be designated by the Committee from time to time, and whose eligibility have been confirmed by the Committee as at each proposed Date of Grant as determined by the Committee.

4.2 Persons who are Controlling Shareholders or their Associates, and who satisfy the criteria set out in Rule 4.1 above shall not participate in the MPM PSS, unless:

- (a) written justification has been provided to the Shareholders for their participation at the introduction of the MPM PSS or prior to the first grant of Awards to them;
- (b) the participation of each of them, and the actual number and terms of Awards to be granted to each of them, have been approved by the independent Shareholders at a general meeting to be convened by the Company in separate resolutions for each person, and further provided that each of such Controlling Shareholders and/or their Associates shall abstain from voting on the resolution in relation to his participation in the MPM PSS and the grant of Awards to him; and
- (c) all conditions for their participation in the MPM PSS as may be required by the Listing Manual and any other regulations or requirements of the SGX-ST from time to time are satisfied.

4.3 For the purposes of determining eligibility to participate in the MPM PSS, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be an employee of the Group.

4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share-based incentive schemes or share plans implemented or to be implemented by the Company or any other company within the Group. For the avoidance of doubt, the Company has the flexibility to grant Awards under the MPM PSS as well as Options under the MPM ESOS to the same Participant simultaneously.

4.5 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the MPM PSS may be amended from time to time at the absolute discretion of the Committee.

5. LIMITATIONS ON SIZE OF THE MPM PSS

5.1 The aggregate number of Shares which may be delivered pursuant to the Vesting of Awards granted under the MPM PSS when added to the aggregate number of Shares issued and/or issuable in respect of:

- (a) all Awards granted thereunder;
- (b) all Options granted under the MPM ESOS; and
- (c) all other Shares issued and/or issuable under any other share-based incentive schemes or share plans of the Company,

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

- 5.2** The aggregate number of Shares which may be offered by way of grant of Awards under the MPM PSS to Controlling Shareholders and/or their Associates shall not exceed 25% of the total number of Shares available under the MPM PSS, and the aggregate number of Shares which may be offered by way of grant of Awards under the MPM PSS to each Controlling Shareholder or his Associate shall not exceed 10% of the total number of Shares available under the MPM PSS.
- 5.3** Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the MPM PSS.

6. DATE OF GRANT

- 6.1** The Committee may, save as provided in Rule 4 and Rule 5 above, grant Awards at any time in the course of a financial year during the period in which the MPM PSS is in force, except that no Award shall be granted during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements.
- 6.2** In addition, in the event that an announcement by the Company on any matter of an exceptional nature involving unpublished material price sensitive information is imminent, offers to grant Awards may only be made on or after the second (2nd) Market Day from the date on which the aforesaid announcement is made.

7. GRANT OF AWARDS

- 7.1** Subject to Rule 4 and Rule 5 above, the selection of the Participants and the number of Shares which are the subject of each Award to be granted to a Participant under the MPM PSS shall be determined at the absolute discretion of the Committee, which shall take into consideration, where applicable, factors such as the Participant's rank, scope of responsibilities, job performance, years of service, potential for future development, contribution to the success of the Group and, where applicable, the extent of effort and resourcefulness with which the Performance Target(s) may be achieved within the Performance Period.
- 7.2** The Committee shall, in its absolute discretion, determine in relation to an Award:
- (a) the Participant;
 - (b) the date on which the Award is to be granted;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the prescribed service conditions and/or Performance Targets (including the Performance Periods during which the prescribed Performance Targets are to be satisfied) and/or any other basis on which the Award is to be granted;
 - (e) the prescribed Vesting Periods (if any);

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

- (f) the extent to which Shares which are the subject of that Award shall be Vested at the end of each prescribed Vesting Period or on the prescribed Performance Targets and/or service conditions, if any, being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be; and
 - (g) any other condition which the Committee may determine at its absolute discretion in relation to that Award.
- 7.3** The Committee shall take into account various factors when determining the method to arrive at the exact number of Shares comprised in an Award. Such factors include, but are not limited to, the current price of the Shares, the total issued share capital of the Company and the predetermined dollar amount which the Committee decides that a Participant deserves for meeting the Performance Targets and/or service conditions (as the case may be). For example, Shares may be awarded based on predetermined dollar amounts such that the quantum of Shares comprised in Awards is dependent on the closing price of Shares transacted on the Market Day the Award is Vested. Alternatively, the Committee may decide absolute numbers of Shares to be awarded to Participants irrespective of the price of the Shares. The Committee shall monitor the grant of Awards carefully to ensure that the size of the MPM PSS will comply with the relevant rules of the Listing Manual.
- 7.4** An Award under the MPM PSS represents the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, upon the Participant:
- (a) achieving prescribed Performance Targets;
 - (b) achieving service conditions or otherwise having performed well; and/or
 - (c) having made a significant contribution to the Group.
- 7.5** As soon as reasonably practicable after an Award is finalised by the Committee, the Committee shall send an Award Letter to the Participant confirming the said Award. The Award Letter shall specify, *inter alia*, the following:
- (a) the date on which the Award is granted;
 - (b) the number of Shares which are the subject of the Award;
 - (c) the Performance Targets for the Participant, the Performance Period during which the Performance Targets shall be met, and the extent to which Shares which are the subject of that Award shall be released on the Performance Targets being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the period during which the Performance Targets are to be met;
 - (d) the date by which the Award shall be Vested; and
 - (e) any other condition which the Committee may determine in relation to that Award.
- 7.6** Awards are personal to the Participant to whom they are given and shall not be sold, mortgaged, transferred (other than to a Participant's duly appointed legal personal representative on the death

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

of that Participant), charged, assigned, pledged or otherwise disposed or encumbered of, in whole or in part, unless with the prior approval of the Committee.

8. PERFORMANCE TARGETS

8.1 Awards granted under the MPM PSS are based on specific and pre-determined measurable targets which are not time-related, generally known as performance-based targets. Such Performance Targets are intended to focus on corporate objectives covering, for example:

- (a) market competitiveness;
- (b) quality of returns;
- (c) business growth;
- (d) productivity growth; and
- (e) contribution(s) made to any company within the Group.

8.2 The Performance Targets are stretched targets aimed at sustaining long-term growth. Examples of Performance Targets to be set include targets based on criteria such as:

- (a) total shareholders' return;
- (b) economic value added;
- (c) market share; and
- (d) market ranking or return on sales.

8.3 The Committee may amend or waive the Performance Period, the Performance Target(s), the service condition(s), and/or the extent to which Shares which are the subject of that Award shall be released on the Performance Targets and/or service conditions (as the case may be) being satisfied in respect of any Award if anything happens which causes the Committee to conclude that:

- (a) a changed Performance Target(s) or service condition(s), and/or the extent to which Shares which are the subject of that Award shall be released on the Performance Targets or service condition(s) being satisfied in respect of any Award would be a fairer measure of performance, and would be no less difficult to satisfy; or
- (b) the Performance Target(s) or service condition(s) and/or the extent to which Shares which are the subject of that Award shall be released on the Performance Targets or service condition(s) being satisfied in respect of any Award should be waived.

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

9. EVENTS PRIOR TO THE RELEASE OF AWARDS

9.1 An Award shall, to the extent not yet released, immediately lapse and become null and void in the following circumstances and the Participant shall have no claim whatsoever against the Group, its directors and/or employees, in the following situations:

- (a) the decision of the Committee, in its absolute discretion, to revoke or annul such Award;
- (b) the Participant, being a Group Employee, ceasing for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) to be in the employment of the Group or in the case of a Participant who is a Group Non-Executive Director, ceasing to be a Group Non-Executive Director for any reason whatsoever;
- (c) the bankruptcy of a Participant or the occurrence of any other event which would result in his being deprived of the legal or beneficial ownership of such Award;
- (d) the misconduct of a Participant or a breach of term by him of his employment contract as determined by the Committee in its absolute discretion;
- (e) the breach of any of the terms of the Award by the Participant; and/or
- (f) a winding-up of the Company, subject to Rule 10.2, Rule 10.3 and Rule 10.4 below.

For the purposes of Rule 9.1(b) above, a Participant shall be deemed to have ceased to be so employed or be a director as of the date the notice of termination of employment or directorship (as the case may be) is tendered by or is given to him, unless such notice shall be withdrawn by (in the case where the notice is tendered by the Participant) him with the consent of the relevant company by whom he is employed or (in the case where the notice is given to him), by the relevant company by whom he is employed, prior to the effective date on which termination takes effect. For the avoidance of doubt, no Award shall lapse pursuant to Rule 9.1(b) above in the event of any transfer of employment of a Participant within the Group or upon the cessation of employment of a Group Executive Director who continues to serve as a Group Non-Executive Director.

9.2 Notwithstanding Rule 9.1(b) above, if a Participant ceases to be employed by the Group or ceases to be a Group Non-Executive Director due to certain specified reasons (for example, ill health, injury or disability (in each case, as certified by a medical practitioner approved by the Committee), or redundancy or retirement or death), the Committee may, in its absolute discretion, determine whether an Award held by such Participant, to the extent not yet released, shall lapse or that all or any part of such Award shall be preserved. If the Committee determines that an Award shall lapse, then such Award shall lapse without any claim whatsoever against the Group, its directors and/or employees. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide either to release some or all of the Shares which are the subject of the Award or to preserve all or part of any Award until the end of the relevant Vesting Period. In exercising its absolute discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Targets and/or service condition(s) have been satisfied.

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

9.3 If a Participant has fulfilled his Performance Targets and/or service condition(s) but dies before the Shares which are the subject of an Award are released, such Shares shall in such circumstances be given to the duly appointed legal personal representative of the Participant.

10. TAKE-OVER AND WINDING UP OF THE COMPANY

10.1 Notwithstanding Rule 9 above but subject to Rule 10.5 below, in the event of a take-over offer being made for the Company, a Participant shall (notwithstanding that the Vesting Period for the Award has not expired) be entitled to the Shares under the Awards if he has met the Performance Targets and/or service conditions (as the case may be) within the period commencing on the date on which such offer for a take-over of the Company is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6)-month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the last date on which the Performance Targets and/or service conditions (as the case may be) are to be met); or
- (b) the date of expiry of the period for which the Performance Targets and/or service conditions (as the case may be) are to be met,

provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participant shall be obliged to fulfil such Performance Targets and/or service conditions (as the case may be) until the expiry of such specified date or the expiry date of the Performance Targets and/or service conditions (as the case may be) relating thereto, whichever is earlier, before an Award can be Vested. For the avoidance of doubt, the provisions under this Rule 10.1 shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared conditional.

10.2 Subject to Rule 10.5 below, if under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant who has fulfilled his Performance Targets and/or service conditions (as the case may be) shall be entitled to any Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.

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

10.4 Subject to Rule 10.5 below, in the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Awards shall so Vest in the Participant for so long as, in the absolute determination by the Committee, the Participant has met the Performance Targets and/or

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

service conditions (as the case may be) prior to the date on which the members' voluntary winding-up is deemed to have commenced or is effective in law.

10.5 If in connection with the making of a general offer referred to in Rule 10.1 above or the scheme referred to in Rule 10.2 above or the winding-up referred to in Rule 10.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no release of Shares under the Award shall be made in such circumstances.

11. RELEASE OF AWARDS

11.1 As soon as reasonably practicable after the end of each Performance Period (where applicable), the Committee shall review the Performance Targets specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have been satisfied (whether fully or partially) and the number of Shares to be released.

11.2 The Committee shall have the discretion to determine whether Performance Targets and/or service conditions (as the case may be) have been met (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to the Group justifies the Vesting of an Award. In making any such determination, the Committee shall have the right to make reference to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events.

11.3 Awards may only be Vested and consequently any Shares comprised in such Awards shall only be delivered upon the Committee being satisfied that the Participant has achieved the Performance Targets and/or service conditions (as the case may be) as may be determined by the Committee.

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

- (a) an issue of New Shares to Participants; and/or
- (b) subject to applicable laws, the transfer of existing Shares held as treasury shares (whether purchased or acquired pursuant to a share purchase mandate, where applicable, to be held as treasury shares, or existing Shares acquired previously and held as treasury shares) to the Participant.

11.5 In determining whether to issue New Shares or to purchase (where applicable) and transfer existing Shares for delivery to Participants upon the Vesting of their Awards, the Company will take into account factors such as, but not limited to:

- (a) the number of Shares to be delivered;
- (b) the prevailing Market Price of the Shares; and
- (c) the financial effect on the Company of either issuing New Shares or purchasing (where applicable) and transferring existing Shares.

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

- 11.6** The Committee will procure, upon approval of the Board, the allotment or transfer to each Participant of the number of Shares which are to be released to that Participant pursuant to an Award under Rule 7 above. Any proposed issue of New Shares will be subject to there being in force at the relevant time the requisite Shareholders' approval under the Companies Act for the issue of Shares. Any allotment of New Shares pursuant to an Award will take into account the rounding of odd lots.
- 11.7** Where New Shares are to be allotted or any Shares are to be transferred to a Participant pursuant to the release of any Award, the Vesting Date will be a Market Day falling as soon as practicable after the review of the Committee referred to in Rule 11.1 above. On the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- 11.8** Where New Shares are to be allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, where necessary, apply to the SGX-ST for the permission to deal in and for quotation of such Shares on the Mainboard of the SGX-ST.
- 11.9** Shares which are allotted or transferred on the release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of either:
- (a) the Securities Account of that Participant maintained with CDP;
 - (b) the securities sub-account of that Participant maintained with a Depository Agent; or
 - (c) the CPF investment account maintained with a CPF agent bank,
- in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.
- 11.10** New Shares issued and allotted, and existing Shares held in treasury procured by the Company for transfer, upon the release of an Award, shall be subject to all the provisions of the Constitution and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the date of issue of the New Shares or the date of transfer of the treasury shares pursuant to the Vesting of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue including rights which arise from a liquidation of the Company.
- 11.11** Notwithstanding any other rule to the contrary, and notwithstanding references to subscription, issue and allotment of Shares, the Company reserves to itself the right to deliver treasury shares in lieu of New Shares upon the release of Awards.
- 11.12** Shares which are allotted, and/or treasury shares which are transferred, on the Vesting of an Award to a Participant, may be subject to such moratorium as may be imposed by the Committee.
- 11.13** Notwithstanding any other rule to the contrary, the Committee may determine in its discretion to release an Award, wholly or partly, in the form of cash instead of Shares which would otherwise have been released to the Participant on the relevant Vesting Date, in which event the Company

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

shall pay to the Participant as soon as practicable but not later than eight (8) Market Days after such Vesting Date, in lieu of all or part of such Shares, the Market Price of the Shares as at the Vesting Date. In determining whether to release an Award, wholly or partly, in the form of cash rather than Shares, the Company will take into account factors such as (but not limited to) the cost to the Company of releasing an Award, wholly or partly, in the form of cash rather than Shares. In considering the cost factor, the Company will take into account relevant factors such as taxation issues arising from the issue of New Shares, delivering existing Shares and the payment of cash, the availability of cash for payment and the cost of funding the cash payment, if necessary.

11.14 Subject to:

(a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and

(b) compliance with the Rules, the Companies Act, the Listing Manual and the Constitution,

the Company shall, as soon as practicable after the Vesting of an Award but in any event within ten (10) Market Days (or such other period as may be permitted by the Listing Manual of the SGX-ST) after the Vesting Date, allot or transfer the Shares in respect of which such Award has been Vested and within five (5) Market Days from the date of such allotment or transfer, despatch the relevant share certificate(s) to the Participant or, if the Shares are listed and quoted on the SGX-ST, to CDP for the credit of the Securities Account or securities sub-account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

12. VARIATION OF CAPITAL

12.1 If (i) a variation in the issued ordinary share capital of the Company (whether by way of a bonus issue, rights issue, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, or if (ii) the Company shall make a declaration of a special dividend (whether in cash or *in specie*), then:

(a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached thereto;

(b) the class and/or number of Shares in respect of which future Awards may be granted under the MPM PSS; and/or

(c) the maximum number of new Shares which may be issued pursuant to Awards granted under the MPM PSS,

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

12.2 Notwithstanding Rule 12.1 above, no such adjustment shall be made:

(a) if as a result, the Participant receives a benefit that a Shareholder does not receive;

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

- (b) unless the Committee, after considering all relevant circumstances, considers it equitable to do so; and
 - (c) unless, except in relation to a bonus issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.
- 12.3** The following events (whether singly or in combination) shall not normally be regarded as a circumstance requiring adjustment:
- (a) the issue of securities as consideration for an acquisition;
 - (b) the issue of securities pursuant to a private placement of securities;
 - (c) the issue of securities pursuant to any joint venture and/or debt conversion;
 - (d) the increase in the number of issued Shares as a consequence of the exercise of any options or conversion of any loan stock or any other securities convertibles into Shares or subscription rights of any warrants issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the Vesting of Awards granted pursuant to the MPM PSS);
 - (e) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to employees pursuant to a share option scheme or share plan approved by the Shareholders in general meeting, including the MPM PSS and the MPM ESOS;
 - (f) the issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; or
 - (g) the reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force.
- 12.4** Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representative where applicable) in writing and deliver to him (or his duly appointed personal representative where applicable), in the manner set out in Rule 14 below, a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.
- 13. ADMINISTRATION OF THE MPM PSS**
- 13.1** The MPM PSS shall be administered by a Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

- 13.2** The Committee shall have the power, from time to time, to make or vary such rules (not being inconsistent with the MPM PSS) for the implementation and administration of the MPM PSS as it thinks fit.
- 13.3** Any decision of the Committee made pursuant to any provision of the MPM PSS (other than a matter to be certified by the Auditors) shall be final and binding (including any decisions pertaining to the number of Shares to be Vested or to disputes and uncertainty as to the interpretation of the MPM PSS or any rule, regulation, or procedure thereunder or as to any rights under the MPM PSS).
- 13.4** Where Awards are proposed to be granted to or held by Group Executive Directors, Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) who are not Group Executive Directors, Controlling Shareholders or Associates of Controlling Shareholders, will be involved in deliberation on the same.
- 13.5** Neither the MPM PSS nor the grant of Awards under the MPM PSS shall impose on the Company or the Committee any liability whatsoever in connection with:
- (a) the lapsing of any Awards pursuant to any provision of the MPM PSS;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the MPM PSS; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the MPM PSS.
- 14. NOTICES**
- 14.1** Any notice required to be given by a Participant to the Company shall be sent or delivered to the registered office of the Company or such other address (including electronic mail address) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 14.2** Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known home address, electronic mail address or facsimile number of the Participant.
- 14.3** Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the Participant's home address in accordance with Rule 14.2 above or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.
- 14.4** The Company's records of the communications between the Company and each Participant, and its records of any transactions maintained by any relevant person authorised by the Company relating to or connected with the MPM PSS, whether stored in electronic or printed form, shall be

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

binding and conclusive on the relevant Participant and shall be conclusive evidence of such communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his rights (if any) to so object.

15. DISCLOSURE IN ANNUAL REPORT

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

- (a) the names of the members of the Committee administering the MPM PSS;
- (b) the information required in the table below for the following Participants of the MPM PSS:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those specified in Rule 15(b)(i) and Rule 15(b)(ii) above) who are entitled to receive 5% or more of the total number of Shares available under the MPM PSS; and

Name of Participant	Awards granted during financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of scheme to end of financial year under review	Aggregate number of Shares comprised in Awards which have been released since commencement of scheme to end of financial year under review	Aggregate number of Shares comprised in Awards which have not been released as at end of financial year under review

- (c) such other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

16. MODIFICATIONS AND ALTERATIONS OF THE MPM PSS

16.1 The MPM PSS may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:

- (a) no modification or alteration shall alter adversely the rights attaching to any Award granted prior to such modification or alteration except with the consent in writing of such number of

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

Participants who would be allotted, issued or transferred no less than 75% of the Shares which would be allotted, issued or transferred if the affected Awards were released upon the expiry of all the Vesting Periods applicable to those Awards;

- (b) any modification or alteration which would be to the advantage of Participants under the MPM PSS shall be subject to the prior approval of the Shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST, or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities, in each case, as may be necessary.

For the purposes of Rule 16.1(a) above, the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Awards shall be final and conclusive.

- 16.2** Notwithstanding anything to the contrary contained in Rule 16.1 above, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST (if necessary)) amend or alter the MPM PSS in any way to the extent necessary to cause the MPM PSS to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 16.3** Written notice of any modification or alteration made in accordance with this Rule 16 shall be given to all Participants in accordance with Rule 14 above.

17. TERMS OF EMPLOYMENT UNAFFECTED

- 17.1** The MPM PSS or any Award granted thereunder shall not form part of any contract of employment between the Company, any Subsidiary and/or any Group Associated Company, and any Participant, and the rights and obligations of any individual under the terms of office or employment with such company within the Group shall not be affected by his participation in the MPM PSS or any right which he may have to participate in it or any Award which he may hold, and the MPM PSS or any Award granted thereunder shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 17.2** The MPM PSS shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company, any Subsidiary and/or any Group Associated Company directly or indirectly or give rise to any cause of action at law or in equity against any such company, its directors or employees.

18. DURATION OF THE MPM PSS

- 18.1** The MPM PSS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing from the Adoption Date, provided always that subject to compliance with any applicable laws and regulations in Singapore, the MPM PSS may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

18.2 The MPM PSS may be terminated at any time at the discretion of the Committee or by an ordinary resolution of the Company in general meeting subject to all other relevant approvals which may be required and if the MPM PSS is so terminated, no further Awards shall be offered by the Company thereunder.

18.3 Notwithstanding the expiry, discontinuance or termination of the MPM PSS, any Awards made to the Participants prior to such expiry, discontinuance or termination will continue to remain valid, whether or not such Awards have been released (whether fully or partially) or not.

19. TAXES

All taxes (including income tax) arising from the grant and/or disposal of Shares pursuant to the Awards granted to any Participant under the MPM PSS shall be borne by that Participant, unless otherwise determined by the Committee.

20. COSTS AND EXPENSES

20.1 Each Participant shall be responsible for all fees of CDP (if any) relating to or in connection with the allotment or transfer of any Shares pursuant to the Vesting of Awards in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.

20.2 Save for the taxes referred to in Rule 19 above and such other costs and expenses expressly provided in the MPM PSS to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the MPM PSS including but not limited to the fees, costs and expenses relating to the allotment, issue, transfer and/or delivery of Shares pursuant to the release of any Awards shall be borne by the Company.

21. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or applying for or procuring the listing of the Shares on the SGX-ST in accordance with Rule 11.7 above (or any other stock exchange on which the Shares are quoted or listed).

22. DISPUTES

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

23. CONDITION OF AWARDS

Every Award shall be subject to the condition that no Shares would be issued or transferred pursuant to the Vesting of any Award if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

24. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the MPM PSS must abstain from voting on any resolution relating to the MPM PSS.

25. GOVERNING LAW

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

26. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001 OF SINGAPORE

No person other than the Group or a Participant shall have any right to enforce any provision of the Rules or any Award by virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

27. PERSONAL DATA

27.1 By participating in the MPM PSS and for so long as such participation continues, each Participant hereby consents, agrees and acknowledges as follows:

- (a) each of the Relevant Entities may collect, use, disclose and/or process Personal Data relating to the Participant, for purposes related to the Awards and the MPM PSS, including:
 - (i) to verify the Participant's identity;
 - (ii) to administer and manage the Awards and/or the MPM PSS;
 - (iii) to respond to, process and handle the Participant's complaints, queries, requests, feedback and/or suggestions;
 - (iv) to comply with any applicable laws, rules, regulations, codes of practice or guidelines;
 - (v) to assist in law enforcement and investigations by relevant authorities; and
 - (vi) any other purposes reasonably related to the aforesaid;
- (b) any Personal Data submitted to any of the Relevant Entities is complete, accurate, true and correct;
- (c) each of the Relevant Entities may disclose and/or transfer the Participant's Personal Data (including transfer to out of Singapore) to any of the following parties for the purposes set out in Rule 27(a) above:

APPENDIX A
RULES OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

- (i) any of the Relevant Entities, and their respective advisers and service providers (where applicable);
 - (ii) any competent legal and/or regulatory authority and law enforcement agencies as may be required under applicable law; and/or
 - (iii) the Company's successor-in-title, any seller or buyer (actual or prospective) of any part or the whole of the business of the Company, in connection with a merger, acquisition, disposal or sale of any part or the whole of the business of the Company;
- (d) where the Participant provides any of the Relevant Entities with Personal Data relating to a third party in connection with the Options and/or the MPM ESOS, the Participant undertakes that the Participant has obtained the prior consent of such third party for the collection, use, disclosure and/or processing of such information by each of the Relevant Entities for the purposes set out in Rule 27(a) above;
- (e) this Rule 27 supplements but does not supersede nor replace any other consent(s) the Participant may have previously provided to any of the Relevant Entities in respect of Personal Data, and the Participant's consents herein are additional to any rights which any of the Relevant Entities may have under applicable law to collect, use, disclose and/or process Personal Data (including the Participant's Personal Data); and
- (f) the Participant hereby unconditionally and irrevocably undertakes to indemnify, defend and hold harmless each of the Relevant Entities from and against any and all penalties, liabilities, claims, demands, losses and damages which may be sustained, instituted, made or alleged against (including without limitation any claim or prospective claim in connection therewith), or suffered or incurred by any of the Relevant Entities, and which arise (whether directly or indirectly) out of or in connection with: (i) any act or omission by the Participant; (ii) any breach by the Participant of its representations, warranties, undertakings or obligations in this Rule 27 and/or (iii) any failure by the Participant to comply with any data protection or privacy laws of any applicable jurisdictions.

"applicable law" in this Rule 27 includes without limitation, for the avoidance of doubt, the Personal Data Protection Act 2012 of Singapore (No. 26 of 2012), including any subsidiary legislation, regulations and any codes of practice, standards of performance, advisories, guidelines, frameworks, or written directions issued thereunder, in each case as amended, consolidated, re-enacted or replaced from time to time.

"Personal Data" in this Rule 27 means data, whether true or not, about an individual who can be identified from that data or from that data and other information to which the Group is likely to have access.

"Relevant Entities" in this Rule 27 means the companies within the Group.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

1. NAME OF THE SCHEME

This employee share option scheme shall be called the “Marco Polo Marine Ltd. Employee Share Option Scheme (2024)”.

2. DEFINITIONS

2.1 Unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Adoption Date” : The date on which the MPM ESOS is adopted by the Company in general meeting.

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

(i) his immediate family;

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

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

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

“Associated Company” : A company in which at least 20% but not more than 50% of its shares are held by the Company or its Subsidiaries.

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

“Board” : The board of Directors of the Company for the time being.

“CDP” : The Central Depository (Pte) Limited.

“Committee” : A committee comprising Directors of the Company as may be duly authorised and appointed by the Board to administer the MPM ESOS.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

“Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time.
“Company” or “MPM”	:	Marco Polo Marine Ltd.
“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time.
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company.
“CPF”	:	The Central Provident Fund.
“Date of Grant”	:	The date on which an Option is granted to a Participant pursuant to the Rules.
“Director(s)”	:	The director(s) of the Company for the time being.
“Exercise Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 8, as adjusted in accordance with Rule 9.
“Grantee”	:	A person to whom an offer of an Option is made.
“Group”	:	The Company, its Subsidiaries and Group Associated Companies.
“Group Associated Company”	:	An Associated Company which the Company has control over.
“Group Employee”	:	Any confirmed employee of the Group (including any Group Executive Director) selected by the Committee to participate in the MPM ESOS in accordance with the Rules.
“Group Executive Director”	:	A director of the Company and/or any of its Subsidiaries and/or any Group Associated Company, as the case may be, who performs an executive function.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

“Group Non-Executive Director”	:	A director of the Company and/or any of its Subsidiaries and/or any Group Associated Company, as the case may be, other than a Group Executive Director.
“Listing Manual”	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Market Price”	:	The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the five (5) consecutive Market Days immediately preceding the relevant Date of Grant, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.
“MPM ESOS”	:	The Marco Polo Marine Ltd. Employee Share Option Scheme (2024), as may be amended, modified or supplemented from time to time.
“MPM PSS”	:	The Marco Polo Marine Ltd. Performance Share Scheme (2024), as may be amended, modified or supplemented from time to time.
“New Shares”	:	The new Shares which may be issued from time to time pursuant to the exercise of an Option granted under the MPM ESOS.
“Option”	:	The right to subscribe for Shares granted pursuant to the MPM ESOS.
“Option Period”	:	The period for the exercise of an Option as set out in Rule 10.
“Participant”	:	A person who is selected by the Committee to participate in the MPM ESOS in accordance with the provisions hereof.
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.
“Rules”	:	The rules of the MPM PSS, as may be amended, modified or supplemented from time to time.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

- “Securities Account”** : The securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent.
- “SFA”** : The Securities and Futures Act of Singapore 2001, as may be amended, modified or supplemented from time to time.
- “SGX-ST”** : Singapore Exchange Securities Trading Limited.
- “Shareholders”** : Registered holders of Shares except that where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with the Shares.
- “Share(s)”** : Ordinary share(s) in the capital of the Company.
- “Subsidiaries”** : Companies which are for the time being subsidiaries of the Company as defined under Section 5 of the Companies Act and **“Subsidiary”** shall be construed accordingly.
- “subsidiary holdings”** : Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.
- “Substantial Shareholder”** : A Shareholder who has an interest in not less than 5% of the issued Shares.
- “treasury shares”** : Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances where Section 76H of the Companies Act applies and which have since purchase been continuously held by the Company.
- “S\$” or “\$” and “Cents”** : Singapore dollar and cents respectively.
- “%” or “per cent.”** : Per centum or percentage.
- 2.2** The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.
- 2.3** Words importing the singular number shall, where applicable, include the plural number and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

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

2.5 Any reference to a time of day shall be a reference to Singapore time unless otherwise provided.

3. OBJECTIVES OF THE MPM ESOS

3.1 The MPM ESOS will provide an opportunity for Participants who have contributed significantly to the growth and performance of the Group including Group Employees (including Group Executive Directors) who satisfy the eligibility criteria as set out in Rule 4 below to participate in the equity of the Company.

3.2 The MPM ESOS is primarily a share incentive scheme. It recognises the fact that the services of such Participants are important to the success and continued well-being of the Group. Implementation of the MPM ESOS will enable the Company to give recognition to the contributions made by such Participants. At the same time, it will give such Participants an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:

- (a) to motivate each Participant to optimise performance standards, efficiency and productivity, and to maintain a high level of contribution to the Group;
- (b) to reward and retain key employees and directors whose contributions are important to the long-term prospects and profitability of the Group;
- (c) to foster an ownership culture within the Company which promotes greater commitment and instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of the Company;
- (d) to attract potential employees with the relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of the Participants with the interests of the Shareholders.

4. ELIGIBILITY OF PARTICIPANTS

4.1 Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the MPM ESOS:

- (a) Group Employees (including Group Executive Directors); and
- (b) Group Non-Executive Directors,

provided that, as of the Date of Grant, such persons have attained the age of 21 years, are not undischarged bankrupts, have not entered into composition with their creditors, and in the opinion of the Committee, have contributed or will contribute to the success and development of the Group;

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

and in the case of Group Employees, must hold such position as may be designated by the Committee from time to time, and whose eligibility have been confirmed by the Committee as at each proposed Date of Grant as determined by the Committee.

4.2 Persons who are Controlling Shareholders or their Associates, and who satisfy the criteria set out in Rule 4.1 above shall not participate in the MPM ESOS, unless:

- (a) written justification has been provided to the Shareholders for their participation at the introduction of the MPM ESOS or prior to the first grant of Options to them;
- (b) the participation of each of them, and the actual number and terms of Options to be granted to each of them, have been approved by the independent Shareholders at a general meeting to be convened by the Company in separate resolutions for each person, and further provided that each of such Controlling Shareholders and/or their Associates shall abstain from voting on the resolution in relation to his participation in the MPM ESOS and the grant of Options to him; and
- (c) all conditions for their participation in the MPM ESOS as may be required by the Listing Manual and any other regulations or requirements of the SGX-ST from time to time are satisfied.

4.3 For the purposes of determining eligibility to participate in the MPM ESOS, the secondment of a Group Employee to another company within the Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be an employee of the Group.

4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share-based incentive schemes or share plans implemented or to be implemented by the Company or any other company within the Group. For the avoidance of doubt, the Company has the flexibility to grant Awards under the MPM PSS as well as Options under the MPM ESOS to the same Participant simultaneously.

4.5 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the MPM ESOS may be amended from time to time at the absolute discretion of the Committee.

5. LIMITATIONS ON SIZE OF THE MPM ESOS

5.1 The aggregate number of Shares which may be delivered pursuant to the grant of Options on any date under the MPM ESOS, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Options granted thereunder;
- (b) all Awards granted under the MPM PSS; and
- (c) all other Shares issued and/or issuable under any other share-based incentive schemes or share plans of the Company,

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

- 5.2** The aggregate number of Shares which may be offered by way of grant of Options under the MPM ESOS to Controlling Shareholders and/or their Associates shall not exceed 25% of the total number of Shares available under the MPM ESOS, and the aggregate number of Shares which may be offered by way of grant of Options under the MPM ESOS to each Controlling Shareholder or his Associate shall not exceed 10% of the total number of Shares available under the MPM ESOS.
- 5.3** Shares which are the subject of Options which have lapsed for any reason whatsoever may be the subject of further Options granted by the Committee under the MPM ESOS.

6. DATE OF GRANT

- 6.1** The Committee may, save as provided in Rule 4 and Rule 5 above, offer to grant Options to such Participants as it may select in its absolute discretion at any time in the course of a financial year during the period in which the MPM ESOS is in force, except that no offer to grant an Option shall be made during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements.
- 6.2** In addition, in the event that an announcement by the Company on any matter of an exceptional nature involving unpublished material price sensitive information is imminent, offers to grant Options may only be made on or after the second (2nd) Market Day from the date on which the aforesaid announcement is made.
- 6.3** An offer to grant an Option to a Participant shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in **Schedule 1**, subject to such amendments as the Committee may determine from time to time.

7. GRANT AND ACCEPTANCE OF OPTIONS

- 7.1** Subject to Rule 4 and Rule 5 above, the selection of the Participants and the number of Shares in respect of which Options may be offered to a Participant for subscription in accordance with the MPM ESOS shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as, *inter alia*, the Participant's rank, scope of responsibilities, job performance, years of service and potential for future development and contribution to the success of the Group.
- 7.2** An Option offered to a Participant pursuant to Rule 6 may only be accepted by the Participant within thirty (30) days after the relevant Date of Grant and not later than 5.00 p.m. on the thirtieth (30th) day from such Date of Grant by:
- (a) completing, signing and returning to the Company the acceptance form (the "**Acceptance Form**") in or substantially in the form set out in **Schedule 2**, subject to such amendments as the Committee may from time to time determine, accompanied by the payment of S\$1.00 as consideration (the "**Consideration**") or such other amounts and such other documentation as the Committee may require; and
 - (b) if, at the date on which the Committee, for and on behalf of the Company, receives from the Participant the Acceptance Form and the Consideration in respect of the Option as

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

aforesaid, he remains eligible to participate in the MPM ESOS in accordance with these Rules.

- 7.3** If a grant of an Option is not accepted strictly in the manner as provided in this Rule 7, such offer shall, upon the expiry of the thirty-(30) day period referred to in Rule 7.1 above, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 7.4** The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 7 which does not comply strictly with the terms of the MPM ESOS.
- 7.5** Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, or in any way whatsoever, without the Committee's prior written approval; but may be exercised by the Grantee's duly appointed legal personal representative as provided in Rule 10.5 in the event of the death of such Grantee.
- 7.6** The Participant may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Participant shall accept the offer in multiples of 1,000 Shares. The Committee shall within fifteen (15) Market Days of receipt of the Acceptance Form and the Consideration, acknowledge receipt of the same.
- 7.7** In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Group, its directors and/or employees.
- 7.8** Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) it is not accepted in the manner as provided in Rule 7.2 above within the thirty-(30) day period referred to therein;
 - (b) the Participant dies prior to his acceptance of the Option;
 - (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;
 - (d) the Participant, being a Group Employee, ceasing for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) to be in the employment of the Group or in the case of a Participant who is a Group Non-Executive Director, ceasing to be a Group Non-Executive Director for any reason whatsoever; or
 - (e) the Company is liquidated or wound-up prior to the Participant's acceptance of the Option.

8. EXERCISE PRICE

- 8.1** Subject to any adjustment pursuant to Rule 9 below, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that:
 - (i) the maximum discount which may be given in respect of any Option shall not exceed 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
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the MPM ESOS at a discount not exceeding the maximum discount as aforesaid.

8.2 In making any determination under Rule 8.1(b) above on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, in its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of the Company, its Subsidiaries and/or Group Associated Companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
- (b) the years of service and individual performance of the eligible Participant;
- (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and
- (d) the prevailing market and economic conditions.

9. VARIATION OF CAPITAL

9.1 If (i) a variation in the issued ordinary share capital of the Company (whether by way of a bonus issue, rights issue, capital reduction, subdivision, consolidation, distribution or otherwise) shall take place, or if (ii) the Company shall make a declaration of a special dividend (whether in cash or *in specie*), then:

- (a) the Exercise Price for the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto;
- (b) the class and/or number of Shares in respect of which additional Options may be granted under the MPM ESOS; and/or
- (c) the maximum number of new Shares which may be issued pursuant to Options granted under the MPM ESOS,

may be adjusted in such a 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.

9.2 Notwithstanding Rule 9.1 above, no such adjustment shall be made:

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

- (a) if as a result, the Participant receives a benefit that a Shareholder does not receive;
- (b) unless the Committee, after considering all relevant circumstances, considers it equitable to do so; and
- (c) unless, except in relation to a bonus issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

9.3 The following events (whether singly or in combination) shall not normally be regarded as a circumstance requiring adjustment:

- (a) the issue of securities as consideration for an acquisition;
- (b) the issue of securities pursuant to a private placement of securities;
- (c) the issue of securities pursuant to any joint venture and/or debt conversion;
- (d) the increase in the number of issued Shares as a consequence of the exercise of any options or conversion of any loan stock or any other securities convertibles into Shares or subscription rights of any warrants issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the exercise of Options granted pursuant to the MPM ESOS);
- (e) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to employees pursuant to a share option scheme or share plan approved by the Shareholders in general meeting, including the MPM PSS and the MPM ESOS;
- (f) the issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; or
- (g) the reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force.

9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representative where applicable) in writing and deliver to him (or his duly appointed personal representative where applicable), in the manner set out in Rule 16 below, a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

10. EXERCISE PERIOD, RIGHT TO EXERCISE OPTION

10.1 Options shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), at any time, by a Grantee as follows:

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

- (a) in the case of Options granted with the Exercise Price set at the Market Price, at any time by a Grantee after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee; and
- (b) in the case of Options granted with the Exercise Price set at a discount to the Market Price at any time by a Grantee after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised 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 a Grantee shall have no claim against the Group, its directors and/or employees.

10.2 In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the MPM ESOS until such time as it shall lapse in accordance with MPM ESOS. All Options that are unexercised at the end of the Option Period shall immediately lapse and become null and void and the Grantee shall have no claim against the Group, its directors and/or employees.

10.3 Unless the Committee otherwise determines in its absolute discretion, an Option shall, to the extent unexercised, immediately lapse and become null and void and a Grantee shall have no claim against the Group, its directors and/or employees in the following situations:

- (a) the Grantee, being a Group Employee, ceasing for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) to be in the employment of the Group or in the case of a Grantee who is a Group Non-Executive Director, ceasing to be a Group Non-Executive Director for any reason whatsoever;
- (b) the bankruptcy of a Grantee or the occurrence of any other event which would result in his being deprived of the legal or beneficial ownership of such Option;
- (c) the misconduct of a Grantee or a breach of term by him of his employment contract as determined by the Committee in its absolute discretion;
- (d) the breach of any of the terms of the Option by the Grantee; and/or
- (e) a winding-up of the Company, subject to Rule 14.2, Rule 14.3 and Rule 14.4 below.

For the purposes of Rule 10.3(a) above, a Grantee shall be deemed to have ceased to be so employed or be a director as of the date the notice of termination of employment or directorship (as the case may be) is tendered by or is given to him, unless such notice shall be withdrawn by (in the case where the notice is tendered by the Grantee) him with the consent of the relevant company by whom he is employed or (in the case where the notice is given to him), by the relevant company by whom he is employed, prior to the effective date on which termination takes effect. For the avoidance of doubt, no Option shall lapse pursuant to Rule 10.3(a) above in the event of any

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

transfer of employment of a Grantee within the Group or upon the cessation of employment of a Group Executive Director who continues to serve as a Group Non-Executive Director.

- 10.4** Notwithstanding Rule 10.3(a) above, if a Grantee ceases to be employed by the Group or ceases to be a Group Non-Executive Director due to certain specified reasons (for example, ill health, injury or disability (in each case, as certified by a medical practitioner approved by the Committee), or redundancy or retirement or death), the Committee may, in its absolute discretion, permit such Grantee to exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.
- 10.5** If a Grantee dies and at the date of his death holds any unexercised Option(s), such Option(s) may, at the absolute discretion of the Committee, be exercisable by the duly appointed legal personal representative of the Grantee from the date of his death to the end of the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.
- 10.6** The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised (whether granted with the Exercise Price set at a discount to Market Price or not) whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

11. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 11.1** An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof), by a Grantee giving notice in writing to the Company in or substantially in the form set out in **Schedule 3** (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any), any other applicable administrative or handling fees or charges by the SGX-ST, CDP or otherwise, and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the abovementioned Exercise Notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.
- 11.2** Subject to the prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants upon exercise of their Options by way of:
- (a) an issue of New Shares to Participants; and/or
 - (b) subject to applicable laws, the transfer of existing Shares held as treasury shares (whether purchased or acquired pursuant to a share purchase mandate, where applicable, to be held as treasury shares, or existing Shares acquired previously and held as treasury shares) to the Participant.
- 11.3** In determining whether to issue New Shares or to purchase (where applicable) and transfer existing Shares for delivery to Participants upon the exercise of their Options, the Company will take into account factors such as, but not limited to:

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

- (a) the number of Shares to be delivered;
- (b) the prevailing Market Price of the Shares; and
- (c) the financial effect on the Company of either issuing New Shares or purchasing (where applicable) and transferring existing Shares.

11.4 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules, the Companies Act, the Listing Manual and the Constitution,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days (or such other period as may be permitted by the Listing Manual of the SGX-ST) after the date of the exercise of the said Option in accordance with Rule 11.1 above, allot or transfer the Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment or transfer, despatch the relevant share certificate(s) to the Participant or, if the Shares are listed and quoted on the SGX-ST, to CDP for the credit of the Securities Account or securities sub-account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

11.5 The Company shall, if necessary, as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be allotted or transferred upon exercise of the Option and the Shares (if any) which may be allotted to the Participant pursuant to any adjustments made in accordance with Rule 9.

11.6 Shares which are allotted or transferred on the exercise of an Option by a Participant shall be issued in the name of, or transferred to, CDP to the credit of either:

- (a) the Securities Account of that Participant maintained with CDP;
- (b) the securities sub-account of that Participant maintained with a Depository Agent; or
- (c) the CPF investment account maintained with a CPF agent bank,

in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Option granted to him.

11.7 New Shares issued and allotted, and existing Shares held in treasury procured by the Company for transfer, upon the exercise of an Option shall be subject to all the provisions of the Constitution and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the date such Option is exercised, and shall in all other respects rank *pari passu*

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

with other existing Shares then in issue including rights which arise from a liquidation of the Company.

- 11.8** Notwithstanding any other rule to the contrary, and notwithstanding references to subscription, issue and allotment of Shares, the Company reserves to itself the right to deliver treasury shares in lieu of New Shares upon the exercise of Options.
- 11.9** Except as set out in Rule 11.2 and subject to Rule 9, an Option does not confer on a Participant any right to participate in any new issue of Shares.
- 11.10** Shares which are allotted or transferred upon the exercise of an Option shall not, within a period of two (2) years from the date on which the Option was exercised, be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, or in any way whatsoever, without the Committee's prior written approval.

12. MODIFICATIONS AND ALTERATIONS OF THE MPM ESOS

- 12.1** The MPM ESOS may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participant who, if they exercised their Options in full, would thereby become entitled to not less than 75% of the total number of Shares which would be allotted or transferred upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the MPM ESOS shall be subject to the prior approval of the Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without the prior approval of the SGX-ST, or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities, in each case, as may be necessary.

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

- 12.2** Notwithstanding anything to the contrary contained in Rule 12.1 above, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST (if necessary)) amend or alter the MPM ESOS in any way to the extent necessary to cause the MPM ESOS to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 12.3** Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants in accordance with Rule 16 below.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

13. DURATION OF THE MPM ESOS

- 13.1** The MPM ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing from the Adoption Date, provided always that subject to compliance with any applicable laws and regulations in Singapore, the MPM ESOS may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- 13.2** The MPM ESOS may be terminated at any time at the discretion of the Committee or by an ordinary resolution of the Company in general meeting subject to all other relevant approvals which may be required and if the MPM ESOS is so terminated, no further Options shall be offered by the Company thereunder.
- 13.3** Notwithstanding the expiry, discontinuance or termination of the MPM ESOS, any Options which have been granted and accepted as provided in Rule 11 above prior to such expiry, discontinuance or termination will continue to remain valid, whether or not such Options have been exercised (whether fully or partially) or not.

14. TAKE-OVER AND WINDING UP OF THE COMPANY

- 14.1** Notwithstanding Rule 10 and Rule 11 above but subject to Rule 14.5 below, in the event of a take-over being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to Rule 10.1 above) holding Options as yet unexercised shall be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer for a take-over of the Company is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such (6) six-month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
 - (b) the date of the expiry of the Option Period relating thereto, whereupon any Option then remaining unexercised shall immediately lapse and become null and void,

provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, all Options shall remain exercisable by the Participants until such specified date or the expiry of the respective Option Periods relating thereto, whichever is earlier. Any Option(s) not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 10.3 above, remain exercisable until the expiry of the Option Period. For the avoidance of doubt, the provisions of this Rule 14.1 shall not come into operation in the event that a take-over offer which is conditional does not or is not declared unconditional.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

- 14.2** Subject to Rule 14.5 below, if under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 10.1 above) shall notwithstanding Rule 10 and Rule 11 above, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option(s) shall lapse and become null and void, provided always that the date of exercise of any Option(s) shall be before the expiry of the relevant Option Period.
- 14.3** If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 14.4** Subject to Rule 14.5 below, in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of Rule 14.4) and thereupon, each Participant (or his duly appointed legal personal representative shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot or transfer the relevant Shares to the Participant credited as fully paid.
- 14.5** If in connection with the making of a general offer referred to in Rule 14.1 above or the scheme referred to in Rule 14.2 above or the winding up referred to in Rule 14.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 14.
- 14.6** If the events stipulated in this Rule 14 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 14, it shall lapse and become null and void.
- 15. ADMINISTRATION OF THE MPM ESOS**
- 15.1** The MPM ESOS shall be administered by a Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

- 15.2** The Committee shall have the power, from time to time, to make or vary such rules (not being inconsistent with the MPM ESOS) for the implementation and administration of the MPM ESOS as it thinks fit.
- 15.3** Any decision of the Committee made pursuant to any provision of the MPM ESOS (other than a matter to be certified by the Auditors) shall be final and binding (including any decisions pertaining to the number of Options to be granted or to disputes and uncertainty as to the interpretation of the MPM ESOS or any rule, regulation, or procedure thereunder or as to any rights under the MPM ESOS).
- 15.4** Where Options are proposed to be granted to or held by Group Executive Directors, Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) who are not Group Executive Directors, Controlling Shareholders or Associates of Controlling Shareholders, will be involved in deliberation on the same.
- 15.5** Neither the MPM ESOS nor the grant of Options under the MPM ESOS shall impose on the Company or the Committee any liability whatsoever in connection with:
- (a) the lapsing of any Options pursuant to any provision of the MPM ESOS;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the MPM ESOS; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the MPM ESOS.
- 16. NOTICES**
- 16.1** Any notice required to be given by a Participant to the Company shall be sent or delivered to the registered office of the Company or such other address (including electronic mail address) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 16.2** Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known home address, electronic mail address or facsimile number of the Participant.
- 16.3** Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the Participant's home address in accordance with Rule 16.2 above or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.
- 16.4** The Company's records of the communications between the Company and each Participant, and its records of any transactions maintained by any relevant person authorised by the Company

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

relating to or connected with the MPM ESOS, whether stored in electronic or printed form, shall be binding and conclusive on the relevant Participant and shall be conclusive evidence of such communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his rights (if any) to so object.

17. TERMS OF EMPLOYMENT UNAFFECTED

17.1 The MPM ESOS or any Option granted thereunder shall not form part of any contract of employment between the Company, any Subsidiary and/or any Group Associated Company, and any Participant, and the rights and obligations of any individual under the terms of office or employment with such company within the Group shall not be affected by his participation in the MPM ESOS or any right which he may have to participate in it or any Option which he may hold, and the MPM ESOS or any Option granted thereunder shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

17.2 The MPM ESOS shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company, any Subsidiary and/or any Group Associated Company directly or indirectly or give rise to any cause of action at law or in equity against any such company, its directors or employees.

18. TAXES

All taxes (including income tax) arising from the grant and/or disposal of Shares pursuant to the Options granted to any Participant under the MPM ESOS shall be borne by that Participant, unless otherwise determined by the Committee.

19. COSTS AND EXPENSES

19.1 Each Participant shall be responsible for all fees of CDP (if any) relating to or in connection with the allotment or transfer of any Shares pursuant to the exercise of Options in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank.

19.2 Save for the taxes referred to in Rule 18 above and such other costs and expenses expressly provided in the MPM ESOS to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the MPM ESOS including but not limited to the fees, costs and expenses relating to the allotment, issue, transfer and/or delivery of Shares pursuant to the exercise of any Options shall be borne by the Company.

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

in issuing the Shares or applying for or procuring the listing of the Shares on the SGX-ST in accordance with Rule 11.5 above (or any other stock exchange on which the Shares are quoted or listed).

21. CONDITION OF OPTION

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

22. DISCLOSURE IN ANNUAL REPORTS

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

- (a) the names of the members of the Committee administering the MPM ESOS;
- (b) the information required in the table below for the following Participants of the MPM ESOS:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those specified in Rule 22(b)(i) and Rule 22(b)(ii) above) who are entitled to receive 5% or more of the total number of Shares available under the MPM ESOS; and

Name of Participant	Options granted during financial year under review (including terms)	Aggregate options granted since commencement of scheme to end of financial year under review	Aggregate options exercised since commencement of scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review

- (c) the number and proportion of Options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and
- (d) such other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement should be included therein.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

23. DISPUTES

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

24. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the MPM ESOS must abstain from voting on any resolution relating to the MPM ESOS.

25. GOVERNING LAW

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

26. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 2001 OF SINGAPORE

No person other than the Group or a Participant shall have any right to enforce any provision of the Rules or any Option by virtue of the Contracts (Rights of Third Parties) Act 2001 of Singapore.

27. PERSONAL DATA

27.1 By participating in the MPM ESOS and for so long as such participation continues, each Participant hereby consents, agrees and acknowledges as follows:

- (a) each of the Relevant Entities may collect, use, disclose and/or process Personal Data relating to the Participant, for purposes related to the Options and the MPM ESOS, including:
 - (i) to verify the Participant's identity;
 - (ii) to administer and manage the Options and/or the MPM ESOS;
 - (iii) to respond to, process and handle the Participant's complaints, queries, requests, feedback and/or suggestions;
 - (iv) to comply with any applicable laws, rules, regulations, codes of practice or guidelines;
 - (v) to assist in law enforcement and investigations by relevant authorities; and
 - (vi) any other purposes reasonably related to the aforesaid;
- (b) any Personal Data submitted to any of the Relevant Entities is complete, accurate, true and correct;

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

- (c) each of the Relevant Entities may disclose and/or transfer the Participant's Personal Data (including transfer to out of Singapore) to any of the following parties for the purposes set out in Rule 27(a) above:
- (i) any of the Relevant Entities, and their respective advisers and service providers (where applicable);
 - (ii) any competent legal and/or regulatory authority and law enforcement agencies as may be required under applicable law; and/or
 - (iii) the Company's successor-in-title, any seller or buyer (actual or prospective) of any part or the whole of the business of the Company, in connection with a merger, acquisition, disposal or sale of any part or the whole of the business of the Company;
- (d) where the Participant provides any of the Relevant Entities with Personal Data relating to a third party in connection with the Options and/or the MPM ESOS, the Participant undertakes that the Participant has obtained the prior consent of such third party for the collection, use, disclosure and/or processing of such information by each of the Relevant Entities for the purposes set out in Rule 27(a) above;
- (e) this Rule 27 supplements but does not supersede nor replace any other consent(s) the Participant may have previously provided to any of the Relevant Entities in respect of Personal Data, and the Participant's consents herein are additional to any rights which any of the Relevant Entities may have under applicable law to collect, use, disclose and/or process Personal Data (including the Participant's Personal Data); and
- (f) the Participant hereby unconditionally and irrevocably undertakes to indemnify, defend and hold harmless each of the Relevant Entities from and against any and all penalties, liabilities, claims, demands, losses and damages which may be sustained, instituted, made or alleged against (including without limitation any claim or prospective claim in connection therewith), or suffered or incurred by any of the Relevant Entities, and which arise (whether directly or indirectly) out of or in connection with: (i) any act or omission by the Participant; (ii) any breach by the Participant of its representations, warranties, undertakings or obligations in this Rule 27 and/or (iii) any failure by the Participant to comply with any data protection or privacy laws of any applicable jurisdictions.

"applicable law" in this Rule 27 includes without limitation, for the avoidance of doubt, the Personal Data Protection Act 2012 of Singapore (No. 26 of 2012), including any subsidiary legislation, regulations and any codes of practice, standards of performance, advisories, guidelines, frameworks, or written directions issued thereunder, in each case as amended, consolidated, re-enacted or replaced from time to time.

"Personal Data" in this Rule 27 means data, whether true or not, about an individual who can be identified from that data or from that data and other information to which the Group is likely to have access.

"Relevant Entities" in this Rule 27 means the companies within the Group.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

Schedule 1

MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

LETTER OF OFFER

Serial No : _____

Date : _____

To: Name
Designation
Address

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the Marco Polo Marine Ltd. Employee Share Option Scheme (2024) (the “**Scheme**”), you have been nominated to participate in the Scheme by the Committee (the “**Committee**”) appointed by the Board of Directors of Marco Polo Marine Ltd. (the “**Company**”) to administer the Scheme. Unless otherwise defined, terms as defined in the Rules of the Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted or delivered _____ Shares at the price of S\$ _____ for each Share.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of the Company,

Name:
Designation:

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

Schedule 2

MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

ACCEPTANCE FORM

Serial No : _____

Date : _____

To: The Committee,
MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)
MARCO POLO MARINE LTD.
66 Kallang Pudding Road
#05-01 Hor Kew Business Centre
Singapore 349324

Closing Date for Acceptance of Offer	:	_____
Number of Shares Offered	:	_____
Exercise Price for each Share:	:	<u>S\$</u> _____
Total Amount Payable:	:	<u>S\$</u> _____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$ _____ for each Share. I enclose cash for S\$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.*

** Delete as applicable*

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

I also understand that I shall be responsible for all the fees of CDP (if applicable) relating to or in connection with the issue and allotment of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP or my securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank (as the case maybe) (collectively, the "**CDP charges**").

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I further confirm that as at the date hereof:

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

- (a) I am at least 21 years old and am not an undischarged bankrupt; and
- (b) I satisfy the requirements to participate in the MPM ESOS as set out in the Rules of the Scheme, including the eligibility requirements in Rule 4 of the MPM ESOS.

I agree to keep all information pertaining to the grant of the Option to me confidential.

I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

** Delete accordingly*

Notes:-

- Options must be accepted in full or in multiples of 1,000 Shares.
- This Acceptance Form must be addressed to The Committee, Marco Polo Marine Ltd. Employee Share Option Scheme (2024) in a sealed envelope marked "Private and Confidential".
- The Option holder shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

Schedule 3

MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

FORM OF EXERCISE OF OPTION

Total number of ordinary shares (the “ Shares ”) offered at S\$_____ for each Share (the “ Exercise Price ”) under the Scheme on _____ (Date of Grant)	: _____
Number of Shares previously allotted thereunder	: _____
Outstanding balance of Shares to be allotted thereunder	: _____
Number of Shares now to be subscribed	: _____

To: The Committee,
MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)
MARCO POLO MARINE LTD.
66 Kallang Pudding Road
#05-01 Hor Kew Business Centre
Singapore 349324

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in Marco Polo Marine Ltd. (the “**Company**”) at S\$ _____ for each Share.
2. I enclose a *cheque/cashier’s order/banker’s draft/postal order no. _____ for S\$ _____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Marco Polo Marine Ltd. Employee Share Option Scheme (2024) (as may be amended, modified or supplemented from time to time) and the Constitution.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited (“**CDP**”) for credit of my *Securities Account with CDP/securities sub-account with the Depository Agent/CPF investment account with a CPF agent bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

APPENDIX B
RULES OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

*Direct Securities Account No. : _____

OR : _____

*Sub-Account No. : _____

Name of Depository Agent : _____

OR : _____

*CPF Investment Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

** Delete accordingly*

Notes:-

- Options must be accepted in full or in multiples of 1,000 Shares.
- This Exercise Form must be addressed to The Committee, Marco Polo Marine Ltd. Employee Share Option Scheme (2024) in a sealed envelope marked "Private and Confidential".

NOTICE OF EXTRAORDINARY GENERAL MEETING

MARCO POLO MARINE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200610073Z)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Marco Polo Marine Ltd. (the “**Company**”) will be held on 30 January 2024 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the Annual General Meeting (“**AGM**”) of the Company to be held at 10.30 a.m. on the same day) at 1 Tai Seng Avenue, Blk F #02-26/28, Tai Seng Exchange, Singapore 536464 for the purposes of considering and, if thought fit, passing (with or without modifications) the following ordinary resolutions:

*All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular issued by the Company to shareholders of the Company dated 15 January 2024 (the “**Circular**”).*

ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

That:

- (a) the employee share award scheme to be known as the “Marco Polo Marine Ltd. Performance Share Scheme (2024)” (the “**MPM PSS**”), the rules of which (the “**MPM PSS Rules**”) have been appended to and a summary of which is set out in the Circular and under which awards (the “**Awards**”) of ordinary fully-paid Shares will be granted on such terms and conditions and in accordance with the MPM PSS Rules, be and is hereby approved and adopted; and
- (b) the directors of the Company (the “**Directors**”) and/or such committee comprising Directors duly authorised and appointed by the Board of the Company to administer the MPM PSS, be and are hereby authorised:
 - (i) to establish and administer the MPM PSS;
 - (ii) to modify and/or amend the MPM PSS from time to time provided that such modifications and/or amendments are effected in accordance with the MPM PSS Rules and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the MPM PSS; and
 - (iii) in accordance with section 161 of the Companies Act 1967 of Singapore, to offer and grant Awards in accordance with the MPM PSS Rules and to allot and issue or deliver from time to time such number of new Shares required pursuant to the vesting of the Awards under the MPM PSS (provided that the aggregate number of Shares available pursuant to the MPM PSS and/or the MPM ESOS and any other share-based incentive schemes or share plans of the Company (if any), shall not exceed 15% of the total number of issued Shares of the Company excluding treasury shares and subsidiary holdings from time to time);
 - (iv) subject to the same being allowed by law, to apply any Shares purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any treasury shares) towards the satisfaction of the Awards granted under the MPM PSS; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (v) to complete and do all acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient to give effect to or for the purposes of this resolution or as they shall deem fit in the interests of the Company.

ORDINARY RESOLUTION 2: THE PROPOSED ADOPTION OF THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

That:

- (a) the employee share option scheme to be known as the “Marco Polo Marine Ltd. Employee Share Option Scheme (2024)” (the “**MPM ESOS**”), the rules of which (the “**MPM ESOS Rules**”) have been appended to and a summary of which is set out in the Circular and under which options (the “**Options**”) will be granted to such persons to subscribe for Shares on such terms and conditions and in accordance with the MPM ESOS Rules, be and is hereby approved and adopted; and
- (b) the directors of the Company (the “**Directors**”) and/or such committee comprising Directors duly authorised and appointed by the Board of the Company to administer the MPM ESOS, be and are hereby authorised:
 - (i) to establish and administer the MPM ESOS;
 - (ii) to modify and/or amend the MPM ESOS from time to time provided that such modifications and/or amendments are effected in accordance with the MPM ESOS Rules and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the MPM ESOS; and
 - (iii) in accordance with section 161 of the Companies Act 1967 of Singapore, to offer and grant Options in accordance with the MPM ESOS Rules and to allot and issue or deliver from time to time such number of new Shares required pursuant to the exercise of the Options under the MPM ESOS (provided that the aggregate number of Shares available pursuant to the MPM PSS and/or the MPM ESOS and any other share-based incentive schemes or share plans of the Company (if any), shall not exceed 15% of the total number of issued Shares of the Company excluding treasury shares and subsidiary holdings from time to time);
 - (iv) subject to the same being allowed by law, to apply any Shares purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any treasury shares) towards the satisfaction of the Options granted under the MPM ESOS; and
 - (v) to complete and do all acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient to give effect to or for the purposes of this resolution or as they shall deem fit in the interests of the Company.

ORDINARY RESOLUTION 3: THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

THAT subject to and contingent upon the passing of Ordinary Resolution 3, approval be and is hereby given for Options to be granted under the MPM ESOS with exercise prices set at a discount not exceeding 20% of the Market Price (as defined below) for the Shares at the time of the grant of the Option, provided that such discount does not exceed the relevant limits set by the SGX-ST from time to time.

NOTICE OF EXTRAORDINARY GENERAL MEETING

In this notice, “**Market Price**” means the price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for the five (5) consecutive days on which the SGX-ST is open for trading in securities (“**Market Days**”) immediately preceding the relevant date of grant, provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.

ORDINARY RESOLUTION 4: THE PROPOSED PARTICIPATION OF MR. SEAN LEE YUN FENG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

THAT subject to and contingent upon the passing of Ordinary Resolution 2, the participation of Mr. Sean Lee Yun Feng, an Associate of a Controlling Shareholder, in the MPM PSS, be and is hereby approved.

ORDINARY RESOLUTION 5: THE PROPOSED PARTICIPATION OF MR. SEAN LEE YUN FENG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

THAT subject to and contingent upon the passing of Ordinary Resolution 3, the participation of Mr. Sean Lee Yun Feng, an Associate of a Controlling Shareholder, in the MPM ESOS, be and is hereby approved.

ORDINARY RESOLUTION 6: THE PROPOSED PARTICIPATION OF MS. LIE LY, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

THAT subject to and contingent upon the passing of Ordinary Resolution 2, the participation of Ms. Lie Ly, an Associate of a Controlling Shareholder, in the MPM PSS, be and is hereby approved.

ORDINARY RESOLUTION 7: THE PROPOSED PARTICIPATION OF MS. LIE LY, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

THAT subject to and contingent upon the passing of Ordinary Resolution 3, the participation of Ms. Lie Ly, an Associate of a Controlling Shareholder, in the MPM ESOS, be and is hereby approved.

ORDINARY RESOLUTION 8: THE PROPOSED PARTICIPATION OF MR. TEO JUNXIANG, DARREN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. PERFORMANCE SHARE SCHEME (2024)

THAT subject to and contingent upon the passing of Ordinary Resolution 2, the participation of Mr. Teo Junxiang, Darren, an Associate of a Controlling Shareholder, in the MPM PSS, be and is hereby approved.

ORDINARY RESOLUTION 9: THE PROPOSED PARTICIPATION OF MR. TEO JUNXIANG, DARREN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024)

THAT subject to and contingent upon the passing of Ordinary Resolution 3, the participation of Mr. Teo Junxiang, Darren, an Associate of a Controlling Shareholder, in the MPM ESOS, be and is hereby approved.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 10: THE PROPOSED GRANT OF OPTIONS TO MR. SEAN LEE YUN FENG, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024) PURSUANT TO WHICH MR. SEAN LEE YUN FENG MAY BE AWARDED UP TO 5,500,000 SHARES REPRESENTING APPROXIMATELY 0.15% OF THE TOTAL NUMBER OF ISSUED SHARES

THAT subject to and contingent upon the passing of Ordinary Resolution 3 and Ordinary Resolution 7, the proposed offer and grant of an Options to Mr. Sean Lee Yun Feng, an Associate of a Controlling Shareholder, pursuant to and in accordance with the MPM ESOS Rules, on the following terms be and is hereby approved, and the Directors be and are hereby authorised to allot and issue or deliver from time to time such number of Shares upon the exercise of such Options:

(a)	Proposed Date of Grant	:	No later than three (3) months after Shareholders' approval is obtained
(b)	Proposed Number of Shares comprised in the Proposed Options	:	Up to 5,500,000 Shares (representing approximately 0.15% of the total number of issued Shares as at Latest Practicable Date)
(c)	Exercise Price per Share	:	To be fixed by the Committee in accordance with Rule 8 of the MPM ESOS Rules provided that the maximum discount which may be given shall not exceed 10% of the Market Price
(d)	Exercise Period	:	<p>In accordance with Rule 10.1 of the MPM ESOS Rules:</p> <p>(a) in the case of Options granted with the Exercise Price set at the Market Price, at any time by a Participant after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee; and</p> <p>(b) in the case of Options granted with the Exercise Price set at a discount to the Market Price at any time by a Participant after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee,</p>

NOTICE OF EXTRAORDINARY GENERAL MEETING

		failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Group, its directors and/or employees.
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ORDINARY RESOLUTION 11: THE PROPOSED GRANT OF OPTIONS TO MS. LIE LY, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MARCO POLO MARINE LTD. EMPLOYEE SHARE OPTION SCHEME (2024) PURSUANT TO WHICH MS. LIE LY MAY BE AWARDED UP TO 5,500,000 SHARES REPRESENTING APPROXIMATELY 0.15% OF THE TOTAL NUMBER OF ISSUED SHARES

THAT subject to and contingent upon the passing of Ordinary Resolution 3 and Ordinary Resolution 10, the proposed offer and grant of an Options to Ms. Lie Ly, an Associate of a Controlling Shareholder, pursuant to and in accordance with the MPM ESOS Rules, on the following terms be and is hereby approved, and the Directors be and are hereby authorised to allot and issue or deliver from time to time such number of Shares upon the exercise of such Options:

(a)	Proposed Date of Grant	:	No later than three (3) months after Shareholders' approval is obtained
(b)	Proposed Number of Shares comprised in the Proposed Options	:	Up to 5,500,000 Shares (representing approximately 0.15% of the total number of issued Shares as at Latest Practicable Date)
(c)	Exercise Price per Share	:	To be fixed by the Committee in accordance with Rule 8 of the MPM ESOS Rules provided that the maximum discount which may be given shall not exceed 10% of the Market Price
(d)	Exercise Period	:	<p>In accordance with Rule 10.1 of the MPM ESOS Rules:</p> <p>(a) in the case of Options granted with the Exercise Price set at the Market Price, at any time by a Participant after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options granted to Group Non-Executive Directors shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee; and</p> <p>(b) in the case of Options granted with the Exercise Price set at a discount to the Market Price at any time by a Participant after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options granted to Group Employees shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant and Options</p>

NOTICE OF EXTRAORDINARY GENERAL MEETING

			<p>granted to Group Non-Executive Directors shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee,</p> <p>failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Group, its directors and/or employees.</p>
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ORDINARY RESOLUTION 12: THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Maximum Percentage, at such price or prices as may be determined by the Directors in their discretion from time to time up to the Maximum Price, whether by way of:
 - (i) on-market purchases transacted through the trading system of the SGX-ST or on another stock exchange (the “**Other Stock Exchange**”) on which the Company’s equity securities are listed (the “**Market Acquisitions**”); and/or
 - (ii) off-market acquisitions in accordance with an equal access scheme as defined in Section 76C of the Companies Act (the “**Off-Market Acquisitions**”),and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next AGM of the Company is held;
 - (ii) the date by which the next AGM of the Company is required by law or the Constitution to be held; and
 - (iii) the date on which purchases and acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

NOTICE OF EXTRAORDINARY GENERAL MEETING

“Average Closing Price” the average of the closing market prices of the Shares traded on the SGX-ST over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Acquisition by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition, 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 Acquisition is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Acquisition;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from the 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 Acquisition;

“Maximum Percentage” means the total number of Shares that may be purchased or acquired which shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the passing of this Resolution unless: (i) the Company has, at any time during the relevant period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (ii) the court has, at any time during the relevant period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be; and

“Maximum Price” in the case of a Market Acquisition, 105% of the Average Closing Price, and in the case of an Off-Market Acquisition pursuant to an equal access scheme, 120% of the Average Closing Price, in either case, excluding related expenses of the purchase or acquisition;

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution; and
- (e) to the extent that any action in connection with the matters referred to in the above paragraphs of this Resolution or the transactions contemplated and/or authorised by this Resolution has been performed or otherwise undertaken (whether partially or otherwise), they be and are hereby approved, ratified and confirmed.

BY ORDER OF THE BOARD

Lawrence Kwan
Secretary

15 January 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A Member (other than a Relevant Intermediary*) entitled to attend and vote at the EGM may appoint not more than two (2) proxies to attend and vote in his/her stead. A Member which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Member.
2. Where a Member (other than a Relevant Intermediary*) appoints two (2) proxies, he or she shall specify the proportion of his or her shareholding to be represented by each proxy in the instrument appointing the proxies.
3. A Relevant Intermediary* may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
4. If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company's share registrar, B.A.C.S. Private Limited, at 77 Robinson Road #06-03, Singapore 068896, not later than 72 hours before the time appointed for the holding of the EGM.
5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
6. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes (the "**Warranty**"), and (iii)

NOTICE OF EXTRAORDINARY GENERAL MEETING

agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of Warranty.

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MARCO POLO MARINE LTD.
(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 200610073Z)

IMPORTANT:

- (1) Pursuant to Section 181(1C) of the Companies Act 1967 of Singapore (the “Act”), a Relevant Intermediary (as defined in the Act) may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting (the “EGM”).
- (2) An investor who holds shares under the Central Provident Fund Investment Scheme (“CPF Investor”) and/or the Supplementary Retirement Scheme (“SRS Investor”) (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
- (3) This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- (4) CPF Investors and SRS Investors are requested to contact their respective agent banks for any queries they may have with regard to their appointment as proxies or the appointment of their agent banks as proxies for the EGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice Extraordinary General Meeting dated 15 January 2024.

**EXTRAORDINARY GENERAL MEETING
PROXY FORM**

I/We, _____ NRIC/Passport No. _____
of _____ (Address)
being a member/members of **MARCO POLO MARINE LTD.** (the “Company”) hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	%

and/or (delete as appropriate)

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or failing *him/her/they, or if no person is named above, the Chairman of the EGM, as *my/our *proxy/proxies to attend, speak and vote for *me/us and on *my/our behalf at the EGM of the Company to be held at 1 Tai Seng Avenue, Blk F #02-26/28, Tai Seng Exchange, Singapore 536464 on 30 January 2024 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM of the Company to be held at 10.30 a.m. on the same day) and at any adjournment thereof

		FOR	AGAINST
	Ordinary Resolutions		
1.	To approve the proposed adoption of the Marco Polo Marine Ltd. Performance Share Scheme (2024) (“MPM PSS”)		
2.	To approve the proposed adoption of the Marco Polo Marine Ltd. Employee Share Option Scheme (2024) (“MPM ESOS”)		
3.	To approve the proposed grant of options at a discount under the MPM ESOS		
4.	To approve the proposed participation of Mr. Sean Lee Yun Feng, an associate of a controlling Shareholder, in the MPM PSS		
5.	To approve the proposed participation of Mr. Sean Lee Yun Feng, an associate of a controlling shareholder, in the MPM ESOS		
6.	To approve the proposed participation of Ms. Lie Ly, an associate of a controlling Shareholder, in the MPM PSS		
7.	To approve the proposed participation of Ms. Lie Ly, an associate of a controlling shareholder, in the MPM ESOS		
8.	To approve the proposed participation of Mr. Teo Junxiang, Darren, an associate of a controlling Shareholder, in the MPM PSS		
9.	To approve the proposed participation of Mr. Teo Junxiang, Darren, an associate of a controlling shareholder, in the MPM ESOS		

10.	To approve the proposed grant of options to Mr. Sean Lee Yun Feng, an associate of a controlling Shareholder, under the MPM ESOS pursuant to which Mr. Sean Lee Yun Feng may be awarded up to 5,500,000 Shares representing approximately 0.15% of the total number of issued Shares		
11.	To approve the proposed grant of options to Ms. Lie Ly, an associate of a controlling Shareholder, under the MPM ESOS pursuant to which Ms. Lie Ly may be awarded up to 5,500,000 Shares representing approximately 0.15% of the total number of issued Shares		
12.	To approve the proposed adoption of the share buyback mandate		

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with a "X" in the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the relevant number of shares in the relevant boxes provided above. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the EGM.)

Note: Please note that the short descriptions given above of the Ordinary Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Ordinary Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of EGM for the full purpose and intent of the Ordinary Resolutions to be passed.

Dated this _____ day of _____ 2024.

Signature(s) of Member(s)/Common Seal of Corporate Member

***Delete accordingly**

Total Number of Shares held	
CDP Register	
Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:-

1. Except for a member who is a Relevant Intermediary as defined under Section 181(1C) of the Companies Act 1967 of Singapore (the "**Act**"), a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. A proxy need not be a member of the Company.
4. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company's share registrar, B.A.C.S. Private Limited, at 77 Robinson Road #06-03, Singapore 068896, not less than 72 hours before the time set for the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with the Constitution and Section 179 of the Act.
9. Subject to Note 11 below, the submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
11. CPF Investors and/or SRS Investors who buy shares in the Company may attend and cast their vote at the meeting in person. CPF Investors and/or SRS Investors who are unable to attend the meeting but would like to vote, may inform CPF and/or SRS approved nominees to appoint Chairman of the EGM to act as their proxy, in which case, the CPF Investor and/ or SRS Investors shall be precluded from attending the meeting.

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