

CIRCULAR DATED 9 OCTOBER 2018

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

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

If you have sold or transferred all your shares in the capital of Wing Tai Holdings Limited (the “Company”), you should immediately forward this Circular, the Notice of AGM (as defined herein) and the accompanying Proxy Form to the purchaser or to the bank, stockbroker or other agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed, or reports contained in this Circular.



WING TAI HOLDINGS LIMITED

(Company Registration Number: 196300239D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED ADOPTION OF THE PERFORMANCE SHARE PLAN 2018;**
- (2) THE PROPOSED ADOPTION OF THE RESTRICTED SHARE PLAN 2018; AND**
- (3) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE.**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	23 October 2018 at 11.00 a.m.
Date and time of Annual General Meeting	:	26 October 2018 at 11.00 a.m.
Place of Annual General Meeting	:	Marina Bay Sands Expo and Convention Centre Level 3 Begonia Junior Ballroom 10 Bayfront Avenue Singapore 018956

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“54th AGM”	:	The Fifty-Fourth AGM to be held on 26 October 2018
“ACRA”	:	The Accounting and Corporate Regulatory Authority
“AGM”	:	An Annual General Meeting of the Company
“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 thirty per cent. (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 thirty per cent. (30%) or more
“Auditors”	:	The auditors of the Company from time to time
“Award”	:	A contingent award of Shares granted under the Performance Share Plan 2018 or the Restricted Share Plan 2018 (as the case may be)
“Board”	:	The board of Directors of the Company from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 9 October 2018 issued by the Company
“Committee”	:	A committee comprising Directors duly authorised and appointed by the Board to administer the Performance Share Plan 2018 and the Restricted Share Plan 2018
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	:	Wing Tai Holdings Limited
“Constitution”	:	The Constitution of the Company

DEFINITIONS

“Controlled Associated Company”	:	A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over whose management the Company has control (as defined in the Listing Manual)
“Controlled Associated Company Employee”	:	Any employee of a Controlled Associated Company (including any Controlled Associated Company Executive Director) selected by the Committee to participate in the New Plans in accordance with the provisions thereof
“Controlled Associated Company Executive Director”	:	A director of a Controlled Associated Company who performs an executive function
“Controlling Shareholder”	:	A person who: (i) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this subparagraph is not a controlling shareholder; or (ii) in fact exercises control over the Company
“Directors”	:	The directors of the Company from time to time
“EPS”	:	Earnings per Share
“Executive Director”	:	A Director who performs an executive function
“FY”	:	Financial year ended or ending, as the case may be, 30 June
“Group”	:	The Company and its subsidiaries
“Group Employee”	:	Any person who is a full-time confirmed employee of any company in the Group (including any Group Executive Director) selected by the Committee to participate in the New Plans in accordance with the provisions thereof
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
“Latest Practicable Date”	:	18 September 2018, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Listing Rules”	:	The listing rules of the SGX-ST as set out in the Listing Manual
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Maximum Price”	:	Has the meaning ascribed to it as set out in Section 3.3.2 of the Circular
“New Plans”	:	Refers collectively to the Performance Share Plan 2018 and the Restricted Share Plan 2018

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“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards to be granted under the Performance Share Plan 2018 and/or the Restricted Share Plan 2018
“Non-Executive Director”	:	A Director who is not an Executive Director
“Notice of AGM”	:	The notice of the 54 th AGM dated 9 October 2018
“NTA”	:	Net tangible assets
“Participant”	:	A person who is eligible under the New Plans
“Performance Share Plan 2008”	:	The previous performance share plan which was adopted pursuant to the approval of Shareholders at the extraordinary general meeting of the Company held on 30 October 2008, as modified or altered from time to time
“Performance Share Plan 2018”	:	The proposed performance share plan, as modified or altered from time to time
“Proxy Form”	:	The proxy form in respect of the 54 th AGM
“Relevant Period”	:	The period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Purchase Mandate is passed
“Restricted Share Plan 2008”	:	The previous restricted share plan which was adopted pursuant to the approval of Shareholders at the extraordinary general meeting of the Company held on 30 October 2008, as modified or altered from time to time
“Restricted Share Plan 2018”	:	The proposed restricted share plan, as modified or altered from time to time
“Securities Accounts”	:	Securities accounts maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
“Securities and Futures Act”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Mandate”	:	The general mandate given by Shareholders to authorise Directors to effect the purchase of Shares by the Company in accordance with the terms set out in this Circular
“Shareholders”	:	Registered holders of Shares except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares held by CDP, mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Shares”	:	Ordinary shares in the capital of the Company

DEFINITIONS

“Subsidiaries”	:	The subsidiaries of the Company (as defined in Section 5 of the Companies Act) and “Subsidiary” shall be construed accordingly
“Substantial Shareholder”	:	A person who has an interest (directly or indirectly) in the Shares which is not less than five per cent (5%) of the issued shares in the capital of the Company
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“Take-over Code”	:	The Singapore Code on Take-over and Mergers
“%” 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 Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall where applicable, include the feminine and neuter genders. References to persons shall, where applicable, 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 in the Companies Act, the Listing Manual or any modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, the Listing Manual or any such modification, as the case may be, unless the context otherwise requires.

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

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

LETTER TO SHAREHOLDERS

WING TAI HOLDINGS LIMITED

(Company Registration Number: 196300239D)
(Incorporated in the Republic of Singapore)

Directors:

Cheng Wai Keung (*Chairman / Managing Director*)
Edmund Cheng Wai Wing (*Deputy Chairman / Deputy Managing Director*)
Boey Tak Hap (*Independent Director*)
Cheng Man Tak (*Non-Executive Director*)
Christopher Lau Loke Sam (*Independent Director*)
Loh Soo Eng (*Independent Director*)
Paul Hon To Tong (*Independent Director*)
Guy Daniel Harvey-Samuel (*Independent Director*)
Tan Sri Dr Zulkurnain bin Hj. Awang (*Independent Director*)
Tan Hwee Bin (*Executive Director*)

Registered Office:

3 Killiney Road
#10-01 Winsland House I
Singapore 239519

To: The Shareholders of Wing Tai Holdings Limited

Dear Sir/Madam

- (1) **THE PROPOSED ADOPTION OF THE PERFORMANCE SHARE PLAN 2018;**
- (2) **THE PROPOSED ADOPTION OF THE RESTRICTED SHARE PLAN 2018; AND**
- (3) **THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE.**

1 **INTRODUCTION**

1.1 **54TH AGM**

The Directors are seeking Shareholders' approval for the following proposals at the 54th AGM:

- (a) the proposed adoption of the Performance Share Plan 2018;
- (b) the proposed adoption of the Restricted Share Plan 2018; and
- (c) the proposed renewal of the Share Purchase Mandate.

The purpose of this Circular is to provide Shareholders with relevant information relating to, and to seek Shareholders' approval for, the above proposals to be tabled at the 54th AGM.

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

1.2 **LISTING OF NEW SHARES**

The SGX-ST has, on 3 October 2018, approved in-principle the listing and quotation of the New Shares to be allotted and issued (from time to time upon the vesting of the Awards granted) pursuant to the proposed Performance Share Plan 2018 and the proposed Restricted Share Plan 2018, subject to:

- (a) the Company's compliance with the SGX-ST's listing requirements and guidelines; and
- (b) independent Shareholders' approval being obtained for the proposed Performance Share Plan 2018 and the proposed Restricted Share Plan 2018.

The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the proposed Performance Share Plan 2018 and the proposed Restricted Share Plan 2018, the New Shares, the Company and/or its subsidiaries.

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In connection with Section 309B of the Securities and Futures Act and the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**Regulations**”), the Company has determined the classification of its Shares to be released pursuant to the Awards under the New Plans as “prescribed capital markets products” (as defined in the Regulations).

2 THE PROPOSED ADOPTION OF THE NEW PLANS

2.1 BACKGROUND AND RATIONALE FOR THE NEW PLANS

2.1.1 The Performance Share Plan 2008 and the Restricted Share Plan 2008

The Company had in place the Performance Share Plan 2008 and the Restricted Share Plan 2008, both of which were adopted at the extraordinary general meeting of the Company held on 30 October 2008. The duration of each of the Performance Share Plan 2008 and the Restricted Share Plan 2008 was ten (10) years commencing on the date on which they were adopted by the Company in general meeting (i.e. ten (10) years commencing on 30 October 2008). Accordingly, the Performance Share Plan 2008 and the Restricted Share Plan 2008 will both expire on 29 October 2018.

Save for the Performance Share Plan 2008 and the Restricted Share Plan 2008, the Company did not and currently does not have any other share plan in place.

2.1.1.1 Performance Share Plan 2008

As at the Latest Practicable Date:

- (a) there are outstanding awards granted to five (5) participants under the Performance Share Plan 2008 in respect of 847,000 Shares, representing approximately 0.11% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date;
- (b) 704,500 Shares have been delivered upon vesting of awards granted under the Performance Share Plan 2008 since its commencement; and
- (c) there are eight (8) participants in the Performance Share Plan 2008 since its commencement.

Save for the prescribed performance-based, time-based and/or other conditions attached to the awards granted under the Performance Share Plan 2008, the awards granted thereunder are not subject to any material conditions.

Details of awards under the Performance Share Plan 2008 granted to Directors since its commencement, are as follows:

Name	Date of grant of awards	Number of Shares granted under the awards	Number of Shares released pursuant to the awards
Tan Hwee Bin	3 September 2009	42,000	42,500
	1 September 2010	51,000	85,600
	8 September 2011	77,000	81,700
	19 September 2012	61,000	78,300
	25 September 2013	47,000	7,100
	26 September 2014	73,000	0
	14 September 2015	77,000	–
	21 September 2016	156,000	–
	25 September 2017	160,000	–

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No awards under the Performance Share Plan 2008 have been granted to Controlling Shareholders or Associates of such Controlling Shareholders.

2.1.1.2 Restricted Share Plan 2008

As at the Latest Practicable Date:

- (a) there are outstanding awards granted to forty-six (46) participants under the Restricted Share Plan 2008 in respect of 1,364,900 Shares, representing approximately 0.18% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date;
- (b) 11,586,000 Shares have been delivered upon vesting of awards granted under the Restricted Share Plan 2008 since its commencement; and
- (c) there are ninety-three (93) participants in the Restricted Share Plan 2008 since its commencement.

Save for the prescribed performance-based and/or other conditions attached to the awards granted under the Restricted Share Plan 2008, the awards granted thereunder are not subject to any material conditions.

Details of awards under the Restricted Share Plan 2008 granted to Directors since its commencement, are as follows:

Name	Date of grant of awards	Number of Shares granted under the awards	Number of Shares released pursuant to the awards
Tan Hwee Bin	18 May 2009	300,000	300,000
	3 September 2009	133,000	133,000
	1 September 2010	231,000	231,000
	8 September 2011	183,000	183,000
	19 September 2012	122,000	122,000
	25 September 2013	124,000	124,000
	26 September 2014	87,000	87,000
	14 September 2015	69,000	41,400
	21 September 2016	48,000	14,400
25 September 2017	42,000	–	

No awards under the Restricted Share Plan 2008 have been granted to Controlling Shareholders or Associates of such Controlling Shareholders.

2.1.2 **Rationale for the New Plans**

The Company proposes to adopt the New Plans to replace the Performance Share Plan 2008 and the Restricted Share Plan 2008, both of which will expire on 29 October 2018.

The proposed New Plans will increase the Company's flexibility and effectiveness in its continuous efforts to reward, retain and motivate employees to achieve superior performance. The New Plans will further strengthen the Company's competitiveness in attracting and retaining talents.

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

The New Plans use methods fairly common among leading multinational companies and companies listed on the Mainboard of the SGX-ST to incentivise and motivate employees to achieve pre-determined conditions and/or to put in their best efforts which create and enhance economic value for Shareholders. By giving the Participants the opportunity to participate in the equity of the Company, in addition to cash rewards for their performance, the New Plans aim to cultivate a greater sense of involvement in the Company amongst the Participants. The Company hence believes that the New Plans will be more effective than cash bonuses in motivating employees to work towards pre-determined conditions and/or to put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with leading multinational companies and listed companies.

The New Plans contemplate the award of fully paid Shares and/or the cash equivalent when or after pre-determined performance or service conditions are accomplished and/or when due recognition should be given to any good work performance and/or any significant contribution to the Company.

A Participant's Award under the New Plans will be determined at the sole discretion of the Committee. In considering an Award to be granted to a Participant, the Committee may also take into account, *inter alia*, the Participant's capability, creativity, entrepreneurship, innovativeness, scope of responsibility, skill set, and vulnerability to leaving the employment of the Group, or as the case may be, the relevant Controlled Associated Company. The Committee will also consider and take into account as appropriate, the additional compensation and/or benefits given or to be given to the Participant under the Performance Share Plan 2008 and/or the Restricted Share Plan 2008 (if applicable) and any other concurrent share plan implemented by the Company.

The New Shares to be allotted and issued, and existing Shares procured by the Company for transfer, on the release of Awards under the New Plans are to rank *pari passu* in all respects with other existing Shares then in issue and shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant issue or transfer date.

The aggregate number of new Shares to be issued and existing Shares to be delivered (whether such existing Shares are acquired pursuant to a share purchase mandate or held as treasury shares to the extent permitted by law, or otherwise) under the New Plans, the Performance Share Plan 2008 and the Restricted Share Plan 2008 will be up to the maximum limit of five per cent. (5%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, from time to time, provided that (a) such number of Shares to be issued or delivered from each AGM (starting from the 54th AGM) to the next AGM (each a "**Relevant Year**"), shall not exceed 0.5% of the total number of issued Shares excluding treasury shares and subsidiary holdings ("**Annual Limit**"); and (b) if the Annual Limit is not fully utilised during the Relevant Year, any unutilised portion of the Annual Limit may be used by the Directors to make grant of Awards in subsequent years *pari passu* for the duration of the New Plans.

The New Plans are subject to the approval of Shareholders, which is being sought at the 54th AGM.

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2.2 THE PROPOSED PERFORMANCE SHARE PLAN 2018

2.2.1 Objectives

One of the primary objectives of the Performance Share Plan 2018 is to increase the Company's flexibility and effectiveness in its continuous efforts to reward, retain and motivate key management staff. The Performance Share Plan 2018 is primarily targeted at executives in key positions who are able to drive the growth of the Company through innovation, creativity and superior performance.

2.2.2 Participation by Controlled Associated Company Employees

Controlled Associated Company Employees will be eligible to participate in the Performance Share Plan 2018. The Performance Share Plan 2018 will incentivise the Controlled Associated Company Employees to excel in their performance and to strive for the Group's long term growth and prosperity. The extension of the Performance Share Plan 2018 to Controlled Associated Company Employees will allow the Group to have a fair and equitable system to reward Controlled Associated Company Employees who have made and who continue to make significant contributions to the long term growth of the Group.

2.2.3 Summary of the Performance Share Plan 2018

The following is a summary of the principal rules of the Performance Share Plan 2018. The detailed rules of the Performance Share Plan 2018 are set out in Appendix I to this Circular.

2.2.3.1 Eligibility

The following persons shall be eligible to participate in the Performance Share Plan 2018:

- (i) Group Employees who hold such rank as may be designated by the Committee from time to time; and
- (ii) Controlled Associated Company Employees who hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group,

who have attained the age of twenty-one (21) years, and are not undischarged bankrupts.

Non-Executive Directors, Controlling Shareholders and Associates of Controlling Shareholders are not eligible to participate in the Performance Share Plan 2018.

There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes implemented or to be implemented by the Company, another company within the Group and any Controlled Associated Company.

Shareholders who are eligible to participate in the Performance Share Plan 2018 shall abstain from voting on any resolution relating to it, including a resolution to approve the implementation of the Performance Share Plan 2018.

2.2.3.2 Awards

Awards represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, without any cash consideration payable by the Participant, upon the Participant (i) achieving performance conditions and service conditions; or (ii) otherwise having performed well, and/or made a significant contribution to the Company and/or the achievement of prescribed performance conditions and service conditions. Awards are vested and the Shares comprised in the Awards are issued at the end of the performance

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period and service period once the Committee, at its sole discretion, is satisfied that the prescribed performance conditions and service conditions have been achieved. The Committee may also grant an Award where in its opinion a Participant's performance and/or contribution to the Company warrant it. Awards are personal to the Participant to whom they are given and shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, unless the prior approval of the Committee is obtained.

2.2.3.3 Types of Awards

Awards granted under the Performance Share Plan 2018 will entitle Participants to be allotted and issued or delivered fully paid Shares, their equivalent cash value or combinations thereof, without any cash consideration payable by the Participant, upon satisfactory achievement of both pre-determined performance conditions and service conditions. Performance conditions set under the Performance Share Plan 2018 are intended to be based on corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance conditions are stretched targets aimed at sustaining longer-term growth. Awards may also be granted upon the Committee's post-event determination that any Participant has performed well and/or made a significant contribution to the Company. Service conditions set under the Performance Share Plan 2018 relate to the specific number of years a Participant has served the Group or the relevant Controlled Associated Company, as the case may be, as may be determined or pre-determined by the Committee.

The Committee has the flexibility to grant Awards under either or both of the New Plans to the same Participant, simultaneously. No minimum vesting periods are prescribed under the Performance Share Plan 2018 and the length of vesting periods in respect of each Award will be determined by the Committee. The Committee may also make an Award at any time where in its opinion a Participant's performance and contribution justifies such Award.

2.2.3.4 Participants

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Performance Share Plan 2018 shall be determined at the absolute discretion of the Committee, which shall take into account criteria including (but not limited to) the Participant's rank, job performance, years of service, potential for future development, contribution to the success of the Group and the extent of effort and resourcefulness required to achieve the performance conditions and service conditions within the performance periods and service periods.

Subject to the Companies Act and requirements of the SGX-ST, the terms of eligibility of any Participant in the Performance Share Plan 2018 may be amended from time to time at the absolute sole discretion of the Committee. The terms of employment or appointment of a Participant shall not be affected by his participation in the Performance Share Plan 2018, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment or appointment for any reason.

2.2.3.5 Details of Awards

The Committee shall decide, in relation to each Award to be granted to a Participant under the Performance Share Plan 2018:

- (i) the date on which the Award is to be granted;
- (ii) the number of Shares which are the subject of the Award;

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- (iii) the prescribed performance conditions and service conditions (including the performance periods and service periods during which the performance conditions and service conditions are to be satisfied) and/or any other basis on which the Award is to be granted;
- (iv) the prescribed vesting periods (if any);
- (v) 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 conditions and service conditions, if any, being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be;
- (vi) the release schedule (if any); and
- (vii) any other condition which the Committee may determine in relation to that Award.

2.2.3.6 Timing

While Awards may be granted at any time in the year, it is currently anticipated that Awards under the Performance Share Plan 2018 would be made once a year. An Award letter confirming the Award and specifying, *inter alia*, the matters in Section 2.2.3.5 above will be issued by the Committee to each Participant as soon as is reasonably practicable upon or after the making of an Award.

2.2.3.7 Events prior to vesting

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

- (i) in the event of misconduct on the part of a Participant as determined by the Committee in its discretion;
- (ii) the Participant ceasing to be in the employment of the Group or the relevant Controlled Associated Company whether on his own accord, or by such company, for any reason whatsoever (other than specified in paragraph (iv) below);
- (iii) the bankruptcy of a Participant, his entering into any composition with his creditors prior to the vesting of his Award or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (iv) the Participant ceasing to be in the employment of the Group or the relevant Controlled Associated Company by reason of:
 - (a) ill health, injury, accident or disability (in each case, evidenced to the satisfaction of the Committee);
 - (b) redundancy;
 - (c) retirement at or after the legal retirement age;
 - (d) retirement before the legal retirement age with the consent of the Committee;

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- (e) the company by which he is employed or to which he is seconded, ceasing to be a company within the Group or a Controlled Associated Company, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or a Controlled Associated Company;
 - (f) transfer to any corporation at the discretion of the Company or the relevant Controlled Associated Company;
 - (g) transfer of employment from the Group to a Controlled Associated Company or vice versa; or
 - (h) any other event approved by the Committee;
- (v) the death of the Participant;
- (vi) reconstruction or amalgamation of the Company being carried out, a takeover offer (whether conditional or unconditional) being made for all or any part of the Shares, a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Companies Act, an order being made by the court under the Companies Act to place the Company under judicial management, an order being made by the court under the Companies Act in relation to the restructuring of debts of the Company, an order for the compulsory winding-up of the Company being made or a resolution for a voluntary winding up of the Company being made; and
- (vii) any other event approved by the Committee.

Upon the occurrence of the event specified in paragraph (i) above, an Award then held by a Participant shall, save as otherwise provided in the rules of the Performance Share Plan 2018 and to the extent not yet released, immediately lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in paragraphs (ii), (iii) and (iv) above, the Committee may consider, at its absolute discretion and on such terms and conditions as it deems fit, whether or not to preserve all or any part of any Award and decide as soon as reasonably practicable following such event to release any Award and vest 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 prescribed vesting period, if any, or declare that an Award has lapsed without any claim whatsoever against the Company. In exercising its discretion, the Committee will take into account 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 applicable performance conditions and service conditions, if any, have been satisfied.

Upon the occurrence of the event specified in paragraph (v) above, the Committee will consider, at its discretion and on such terms and conditions as it deems fit, whether or not to release any Award and vest some or all of the Shares which are the subject of such Award in the personal representative(s) of the Participant. In exercising its discretion, the Committee will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Participant and the extent to which the applicable performance conditions and service conditions, if any, have been satisfied.

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Upon the occurrence of any of the events specified in paragraph (vi) above, the Committee will consider, at its discretion and on such terms and conditions as it deems fit, whether or not to release any Award, and will take into account 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 applicable performance conditions and service conditions, if any, have been satisfied.

2.2.3.8 Size and duration of the Performance Share Plan 2018

Pursuant to the Performance Share Plan 2018, New Shares may be issued and existing Shares may be delivered (whether such existing Shares are acquired pursuant to a share purchase mandate or held as treasury shares to the extent permitted by law, or otherwise) pursuant to Awards granted under the Performance Share Plan 2018. The total number of such New Shares issued and existing Shares delivered on any date, when added to the number of new Shares issued and issuable and existing Shares delivered and deliverable in respect of (i) all Awards granted under the New Plans; and (ii) all awards granted and outstanding under the Performance Share Plan 2008 and the Restricted Share Plan 2008, shall not exceed five per cent. (5%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, as of the day preceding the relevant date of grant of the Award, provided that (a) such number of Shares to be issued or delivered in a Relevant Year shall not exceed the Annual Limit; and (b) if the Annual Limit is not fully utilised during the Relevant Year, any unutilised portion of the Annual Limit may be used by the Directors to make grant of awards in subsequent years for the duration of the New Plans.

The Performance Share Plan 2018 shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Performance Share Plan 2018 is adopted by the Company in general meeting, provided always that the Performance Share Plan 2018 may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required. Termination or expiry of the Performance Share Plan 2018 shall not affect Awards which have been granted prior to such termination or expiry which will continue to remain valid.

2.2.3.9 Operation of the Performance Share Plan 2018

Subject to the prevailing legislations and the Listing Rules, the Company will have the flexibility and discretion in determining the mode of settlement of the Awards by way of:

- (i) an issue of New Shares;
- (ii) the delivery of existing Shares;
- (iii) payment of the equivalent cash value of such New Shares and/or existing Shares; or
- (iv) a combination of (i), (ii) and/or (iii) stated above.

In determining whether to issue New Shares or to deliver existing Shares or to pay the equivalent cash value to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

The financial effects of the above methods are discussed in Section 2.7 of this Circular.

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The Performance Share Plan 2018 will be administered by the Committee. In the event that a member of the Committee is a Participant, he shall abstain from the Committee's deliberations in respect of Awards to be granted to him or held by him.

The Committee has the discretion to determine whether performance conditions and service conditions have been satisfied (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to the Company justify the vesting of an Award. In making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company, the Group or a Controlled Associated Company, as the case may be, taking into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events. Further, the Committee shall also have the right to amend the performance conditions and service conditions, if the Committee decides that it would be more equitable to do so.

New Shares allotted and issued, and existing Shares procured by the Company for transfer shall, on the release of an Award, 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 relevant issue or transfer date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

New Shares to be issued under the Performance Share Plan 2018 shall be issued in compliance with all applicable laws and regulations. Subject to applicable laws, the Company may also either purchase or procure the purchase of existing Shares to satisfy Awards.

Where New Shares are allotted upon the vesting of an Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares if such permission has not been obtained prior to the allotment.

Notwithstanding any provisions herein contained, the Directors, 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 New Shares on the SGX-ST in accordance with the Performance Share Plan 2018.

Every Award shall be subject to the condition that no cash shall be paid nor Shares issued or transferred pursuant to the release of any Award if such payment, issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the payment of cash or issue or transfer of Shares thereto.

2.3 THE PROPOSED RESTRICTED SHARE PLAN 2018

2.3.1 Objectives

One of the primary objectives of the Restricted Share Plan 2018 is to serve as an additional motivational tool to recruit and retain talented Group Employees.

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2.3.2 Participation by Controlled Associated Company Employees

Apart from Group Employees, Controlled Associated Company Employees will also be eligible to participate in the Restricted Share Plan 2018. Controlled Associated Company Employees are expected to work closely with the Group to provide services, knowledge, expertise, assistance and support to the Group on a continuing basis in the development and implementation of business strategies, investments and projects in which the Company or the Group has interests. The extension of the Restricted Share Plan 2018 to Controlled Associated Company Employees allows the Group to have a fair and equitable system to reward Controlled Associated Company Employees who have made, and who continue to make, significant contributions to the long term growth of the Group.

2.3.3 Summary of Restricted Share Plan 2018

The following is a summary of the principal rules of the Restricted Share Plan 2018. The detailed rules of the Restricted Share Plan 2018 are set out in Appendix II to this Circular.

2.3.3.1 Eligibility

The following persons shall be eligible to participate in the Restricted Share Plan 2018:

- (i) Group Employees who hold such rank as may be designated by the Committee from time to time; and
- (ii) Controlled Associated Company Employees who hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group,

who have attained the age of twenty-one (21) years, and are not undischarged bankrupts.

Non-Executive Directors, Controlling Shareholders and Associates of Controlling Shareholders are not eligible to participate in the Restricted Share Plan 2018.

There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes implemented or to be implemented by the Company, another company within the Group and any Controlled Associated Company.

Shareholders who are eligible to participate in the Restricted Share Plan 2018 shall abstain from voting on any resolution relating to it, including a resolution to approve the implementation of the Restricted Share Plan 2018.

2.3.3.2 Awards

Awards represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, without any cash consideration payable by the Participant, upon the Participant (i) achieving prescribed performance conditions and/or service conditions; or (ii) otherwise having performed well and/or made a significant contribution to the Company and/or the achievement of prescribed performance conditions and/or service conditions. Awards will be granted and the Shares comprised in the Awards will be released at the end of the performance period and/or service period once the Committee, at its sole discretion, is satisfied that the prescribed performance conditions and/or service conditions have been achieved. The Committee may also grant an Award where in its opinion a Participant's performance and/or contribution to the Company warrant it. Awards are personal to the Participant to whom they are given and shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, unless the prior approval of the Committee is obtained.

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2.3.3.3 Types of Awards

Awards granted under the Restricted Share Plan 2018 will entitle Participants to be allotted and issued or delivered fully paid Shares, their equivalent cash value or combinations thereof, without any cash consideration payable by the Participant, upon satisfactory achievement of pre-determined performance conditions and/or service conditions. Unlike the Performance Share Plan 2018, the performance conditions under the Restricted Share Plan 2018 are shorter-term targets aimed at encouraging continued service. Examples of performance conditions to be set include targets based on criteria such as market share, profitability and return on sales.

A performance-based Award under the Restricted Share Plan 2018 differs from Awards granted under the Performance Share Plan 2018 in that Awards granted under the Restricted Share Plan 2018 will typically vest (that is, a Participant will be absolutely entitled to all or some of the Shares comprised in an Award) on a date beyond the completion date of the performance and/or service conditions. Therefore, under the Restricted Share Plan 2018, Participants are encouraged to continue serving the Group beyond the achievement date of the predetermined performance conditions and/or service conditions.

In comparison, a performance-based Award under the Performance Share Plan 2018 will vest once the performance and service conditions specified in respect of such Awards are satisfied (if determined by the Committee) and as soon as practicable after the completion date of the performance and service conditions, and there is typically no further vesting period.

A performance-based Award under the Restricted Share Plan 2018 may be granted, for example, with a performance condition, and thereafter with a further vesting period to encourage the Participant to continue serving the Group for a further period of time.

In addition to the achievement of any pre-determined performance conditions and/or service conditions, Awards may also be granted upon the Committee's post-event determination that any Participant has performed well and/or made a significant contribution to the Company.

Participants may also be granted Awards under the Restricted Share Plan 2018 with different performance conditions and/or service conditions, or on other different bases. It is unlikely that performance conditions, service conditions and/or the basis of grant of Awards for any individual Participant will be identical to that of another Participant. The length of vesting periods in respect of each Award will be determined by the Committee. The Committee may also make an Award at any time when in its opinion a Participant's performance and/or contribution justifies such Award.

2.3.3.4 Participants

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Restricted Share Plan 2018 shall be determined at the absolute discretion of the Committee, which shall take into account criteria including (but not limited to) the Participant's rank, job performance, years of service and potential for future development, contribution to the success of the Group and the extent of effort and resourcefulness required to achieve the performance conditions and/or service conditions within the performance periods and/or service periods.

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Subject to the Companies Act and requirements of the SGX-ST, the terms of eligibility of any Participant in the Restricted Share Plan 2018 may be amended from time to time at the absolute sole discretion of the Committee. The terms of employment or appointment of a Participant shall not be affected by his participation in the Restricted Share Plan 2018, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment or appointment for any reason.

2.3.3.5 Details of Awards

The Committee shall decide, in relation to each Award to be granted to a Participant under the Restricted Share Plan 2018:

- (i) the date on which the Award is to be granted;
- (ii) the number of Shares which are the subject of the Award;
- (iii) the prescribed performance conditions and/or service conditions (including the performance periods and/or service periods during which the performance conditions and/or service conditions are to be satisfied) and/or any other basis on which the Award is to be granted;
- (iv) the prescribed vesting periods (if any);
- (v) 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 conditions and/or service conditions, if any, being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be;
- (vi) the release schedule (if any); and
- (vii) any other condition which the Committee may determine in relation to that Award.

2.3.3.6 Timing

While Awards may be granted at any time in the year, it is currently anticipated that Awards under the Restricted Share Plan 2018 would be made once a year. An Award letter confirming the Award and specifying, *inter alia*, the matters in Section 2.3.3.5 above will be issued by the Committee to each Participant as soon as is reasonably practicable upon or after the making of an Award.

2.3.3.7 Events prior to vesting

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

- (i) in the event of misconduct on the part of a Participant as determined by the Committee in its discretion;
- (ii) the Participant ceasing to be in the employment of the Group or the relevant Controlled Associated Company on his own accord, or termination by such company, for any reason whatsoever (other than specified in paragraph (iv) below);

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- (iii) the bankruptcy of a Participant, his entering into any composition with his creditors prior to the vesting of his Award or the happening of any other event which results in him being deprived of the legal or beneficial ownership of the Award;
- (iv) the Participant ceasing to be in the employment of the Group or the relevant Controlled Associated Company by reason of:
 - (a) ill health, injury, accident or disability (in each case, evidenced to the satisfaction of the Committee);
 - (b) redundancy;
 - (c) retirement at or after the legal retirement age;
 - (d) retirement before the legal retirement age with the consent of the Committee;
 - (e) the company by which he is employed or to which he is seconded, ceasing to be a company within the Group or a Controlled Associated Company or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or a Controlled Associated Company;
 - (f) transfer to any corporation at the discretion of the Company or the relevant Controlled Associated Company;
 - (g) transfer of employment from the Group to a Controlled Associated Company or vice versa; or
 - (h) any other event approved by the Committee;
- (v) the death of the Participant;
- (vi) reconstruction or amalgamation of the Company being carried out, a takeover offer (whether conditional or unconditional) being made for all or any part of the Shares, a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Companies Act, an order being made by the court under the Companies Act to place the Company under judicial management, an order being made by the court under the Companies Act in relation to the restructuring of debts of the Company, an order for the compulsory winding-up of the Company being made or a resolution for a voluntary winding up of the Company being made; and
- (vii) any other event approved by the Committee.

Upon the occurrence of the event in paragraph (i) above, an Award then held by a Participant shall, save as otherwise provided in the rules of the Restricted Share Plan 2018 and to the extent not yet released, immediately lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in paragraphs (ii), (iii) and (iv) above, the Committee may consider, in its absolute discretion and on such terms and conditions as it deems fit, whether or not to preserve all or any part of any Award and decide as soon as reasonably practicable following such event to release any Award and vest some or all of the Shares which are the subject of the

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Award or to preserve all or part of any Award until the end of the relevant vesting period(s), if any, or decide that an Award has lapsed without any claim whatsoever against the Company. In exercising its discretion, the Committee will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Participant and the extent to which the applicable performance conditions and/or service conditions, if any, have been satisfied.

Upon the occurrence of the event specified in paragraph (v) above, the Committee will consider, at its discretion and on such terms and conditions as it deems fit, whether or not to release any Award and vest some or all of the Shares which are the subject of such Award in the personal representative(s) of the Participant. In exercising its discretion, the Committee will take into account 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 applicable performance conditions and/or service conditions, if any, have been satisfied.

Upon the occurrence of any of the events specified in paragraph (vi) above, the Committee will consider, at its discretion and on such terms and conditions as it deems fit, whether or not to release any Award, and will take into account the proportion of the vesting period(s) which has elapsed, including (but not limited to) the contributions made by that Participant and the extent to which the applicable performance conditions and/or service conditions, if any, have been satisfied.

2.3.3.8 Size and duration of the Restricted Share Plan 2018

Pursuant to the Restricted Share Plan 2018, New Shares may be issued and existing Shares may be delivered (whether such existing Shares are acquired pursuant to a share purchase mandate or held as treasury shares to the extent permitted by law, or otherwise) pursuant to Awards granted under the Restricted Share Plan 2018. The total number of such New Shares which may be issued and existing Shares which may be delivered (whether such existing Shares are acquired pursuant to a share purchase mandate or held as treasury shares to the extent permitted by law, or otherwise) pursuant to Awards granted under the Restricted Share Plan 2018 on any date, when added to the number of new Shares issued and issuable and existing Shares delivered and deliverable in respect of (i) all Awards granted under the New Plans; and (ii) all awards granted and outstanding under the Performance Share Plan 2008 and the Restricted Share Plan 2008, shall not exceed five per cent. (5%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, as of the day preceding the relevant date of grant of the Award, provided that (a) such number of Shares to be issued or delivered in a Relevant Year shall not exceed the Annual Limit; and (b) if the Annual Limit is not fully utilised during the Relevant Year, any unutilised portion of the Annual Limit may be used by the Directors to make grant of awards in subsequent years for the duration of the New Plans.

The Restricted Share Plan 2018 shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Restricted Share Plan 2018 is adopted by the Company in general meeting, provided always that the Restricted Share Plan 2018 may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required. Termination or expiry of the Restricted Share Plan 2018 shall not affect Awards which have been granted prior to such termination or expiry which will continue to remain valid.

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2.3.3.9 Operation of the Restricted Share Plan 2018

Subject to the prevailing legislation and the Listing Rules, the Company will have the flexibility and discretion in determining the mode of settlement of the Awards by way of:

- (i) an issue of New Shares;
- (ii) the delivery of existing Shares;
- (iii) payment of the equivalent cash value of such New Shares and/or existing Shares; or
- (iv) a combination of (i), (ii) and/or (iii) stated above.

In determining whether to issue New Shares or to deliver existing Shares or to pay the equivalent cash value to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

The financial effects of the above methods are discussed in Section 2.7 of this Circular.

The Restricted Share Plan 2018 will be administered by the Committee. A Participant who is a member of the Committee shall abstain from the Committee's deliberations in respect of Awards to be granted to that Participant or held by him.

The Committee has the discretion to determine whether performance conditions and/or service conditions have been satisfied (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to the Company justifies the vesting of an Award. In making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company, the Group or a Controlled Associated Company, as the case may be, taking into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events. Further, the Committee shall also have the right to amend the performance conditions and/or service conditions, if any, if the Committee decides that it would be more equitable to do so.

New Shares allotted and issued, and existing Shares procured by the Company for transfer shall, on the release of an Award, 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 relevant issue or transfer date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

New Shares to be issued under the Restricted Share Plan 2018 shall be issued in compliance with all applicable laws and regulations. Subject to applicable laws, the Company may also either purchase or procure the purchase of existing Shares to satisfy Awards.

Where New Shares are allotted upon the vesting of an Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares if such permission has not been obtained prior to the allotment.

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Notwithstanding any provisions herein contained, the Directors, 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 new Shares on the SGX-ST in accordance with the Restricted Share Plan 2018.

Every Award shall be subject to the condition that no cash shall be paid nor Shares issued or transferred pursuant to the release of any Award if such payment, issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the payment of cash or issue or transfer of Shares hereto.

2.4 ADJUSTMENTS AND ALTERATIONS UNDER THE NEW PLANS

2.4.1 Adjustment events

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

- (i) the number of Shares which are the subject of an Award to the extent not yet vested or released (as the case may be);
- (ii) the number of Shares over which future Awards may be granted under the New Plans; and/or
- (iii) the maximum number of New Shares which may be issued and/or existing Shares which may be delivered in settlement (whether such existing Shares are acquired pursuant to a share purchase mandate or held as treasury shares to the extent permitted by law, or otherwise) pursuant to Awards under the New Plans,

shall be adjusted in such manner as the Committee may determine to be appropriate and, except in relation to a capitalisation issue, upon the Auditors (acting as experts and not as arbitrators) having confirmed in writing that, in their opinion, such adjustment is fair and reasonable.

Provided always that (i) any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; (ii) such adjustment will not result in the number of Shares comprised in an Award, together with new Shares to be issued or issuable and existing Shares delivered in respect of all awards under the New Plans, Performance Share Plan 2008 and the Restricted Share Plan 2008, to exceed five per cent. (5%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, or exceed the Annual Limit in a Relevant Year; and (iii) no adjustment shall be made unless the Committee, after considering all relevant circumstances, considers it equitable to do so.

Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (i) the issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) any increase in the number of issued Shares as a consequence of the exercise of any options or other convertible of any loan stock or any other securities convertible 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 issue of New Shares pursuant to the New Plans);

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- (iii) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; or
- (iv) any 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.

2.4.2 Modifications or alterations to the New Plans

The New Plans may be modified and/or altered from time to time by a resolution of the Committee subject to the prior approval of the SGX-ST and/or such other regulatory authorities as may be necessary as well as compliance with all applicable laws, regulations and the Listing Rules.

No modification or alteration shall be made to particular rules of the New Plans to the advantage of the Participants, except with the prior approval of Shareholders in general meeting. Written notice of any modification or alteration shall be given to all Participants.

2.5 ROLE AND THE COMPOSITION OF THE COMMITTEE

The Committee responsible for the administration of the New Plans will comprise such Directors duly authorised and appointed by the Board to administer the New Plans.

The Committee shall administer the New Plans in its absolute discretion with such powers and duties as conferred on it by the Board. A member of the Committee must abstain from the Committee's deliberations in respect of Awards to be granted to him or held by him.

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

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

2.6 DISCLOSURES IN ANNUAL REPORTS

The following disclosures (where applicable) will be made by the Company in its annual report for so long as any of the New Plans continues in operation:

- (i) the names of the members of the Committee administering the New Plans;
- (ii) in respect of the following Participants of the New Plans:
 - (a) Directors of the Company; and
 - (b) Participants (other than those in sub-paragraph (a) above) who have received Shares pursuant to the release of Awards granted under the New Plans which, in aggregate, represent five per cent. (5%) or more of the aggregate of (1) the total number of New Shares available under the New Plans; and (2) the total number of existing Shares purchased for delivery of Awards released under the New Plans,

the following information:

- (aa) the name of the Participant;

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- (bb) the following particulars relating to Awards released under the New Plans:
 - (1) the number of New Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the New Plans; and
 - (2) the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the New Plans;
- (iii) in relation to each of the New Plans, the following particulars:
 - (a) the aggregate number of Shares comprised in Awards granted during the financial year under review to the end of the financial year under review;
 - (b) the aggregate number of Shares comprised in Awards which were vested during the financial year under review and in respect thereof, the proportion of:
 - (1) the New Shares issued; and
 - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,upon the release of the Awards under the New Plans;
 - (c) the aggregate number of Shares comprised in Awards granted since the commencement of the New Plans to the end of the financial year under review;
 - (d) the aggregate number of Shares comprised in Awards granted which have been released since the commencement of the New Plans to the end of the financial year under review; and
 - (e) the aggregate number of Shares comprised in Awards granted which have not been released since the commencement of the New Plans to the end of the financial year under review.

If any of the above is not applicable, an appropriate negative statement shall be included therein.

2.7 FINANCIAL EFFECTS OF THE NEW PLANS

The New Plans are considered a share-based payment that falls under the scope of Financial Reporting Standard 102, Share-based Payment (“**FRS 102**”). Under each of the New Plans, the Participants may receive Shares or their equivalent cash value, or combinations thereof as elected by the Committee. The Company shall account for any such transaction in accordance with FRS 102.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the income statement over the vesting period of the Awards. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to the reserve account.

The New Plans are contingent upon the Participants meeting prescribed performance conditions and/or service conditions.

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Where the performance condition or the service condition is a market condition (i.e. a condition that makes reference to the market price of the Shares), the probability of such performance condition or service condition being met is taken into account in estimating the fair value of the Shares granted at the grant date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

Where the performance condition or the service condition is not a market condition, the fair value per share of the Shares granted at the grant date is used to compute the amount to be charged to the income statement. At each accounting date, the estimate of the number of Shares granted under the Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement will be made. There would be no charge to the income statement if the Awards do not ultimately vest. For service-based Awards, the amount charged to the income statement is similarly determined as the condition attached thereto is non-market in nature.

It should be noted that the award of Shares to Participants under the New Plans will generally be contingent upon the Participants meeting the prescribed conditions.

The following sets out the financial effects of the New Plans:

2.7.1 Share Capital

Under each of the New Plans, there will be an increase in the Company's issued Shares only if New Shares are issued to Participants. The number of New Shares to be issued will depend on, *inter alia*, the size of the Awards granted under the New Plans. In any case, the number of new Shares to be issued under the New Plans and any other share scheme of the Company will be subject to the maximum limit of five per cent. (5%) of the Company's total issued Shares, excluding treasury shares and subsidiary holdings. If, instead of issuing New Shares to Participants, existing Shares are purchased for delivery to Participants, the New Plans will have no impact on the Company's issued Shares.

2.7.2 NTA

The New Plans are likely to result in a charge to the Company's income statement over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with FRS 102. If New Shares will be issued under any of the New Plans, there would be no effect on the NTA. However, if instead of issuing New Shares to Participants, existing Shares are purchased for delivery to Participants or the Company pays the equivalent cash value, the NTA would be impacted by the cost of the Shares purchased or the cash payment, respectively.

2.7.3 EPS

The New Plans are likely to result in (i) a charge to earnings over the period from the grant date to the vesting date or the release date, as the case may be, computed in accordance with FRS 102; and (ii) an increase in the number of Shares issued if new Shares are issued for the New Plans.

2.8 SGX-ST IN-PRINCIPLE APPROVAL

The Company had submitted an additional listing application to the SGX-ST for the listing and quotation of the New Shares on the SGX-ST, and has received in-principle approval for the listing and quotation of the New Shares to be allotted and issued (from time to time upon the vesting of the Awards granted) pursuant to the proposed Performance Share Plan 2018 and the proposed Restricted Share Plan 2018, subject to:

- (a) the Company's compliance with the SGX-ST's listing requirements and guidelines; and
- (b) independent Shareholders' approval being obtained for the proposed Performance Share Plan 2018 and the proposed Restricted Share Plan 2018.

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The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the proposed Performance Share Plan 2018 and the proposed Restricted Share Plan 2018, the New Shares, the Company and/or its subsidiaries.

3 THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 INTRODUCTION

The proposed resolution number 13 in the Notice of the AGM relates to the renewal of the Share Purchase Mandate to authorise the Directors to make purchases of Shares representing up to a maximum of ten per cent. (10%) of the issued Shares as at the date on which the resolution authorising the same is passed, at a price of up to but not exceeding the Maximum Price (as defined in Section 3.3.2 below).

The purchase or acquisition of Shares by the Company will be made in accordance with the Constitution, the Listing Manual, the Companies Act and such other laws and regulations as may for the time being be applicable.

The Constitution expressly permits the Company to purchase or otherwise acquire Shares issued by it. At the AGM held on 23 October 2017 (the "**2017 AGM**"), Shareholders renewed the Share Purchase Mandate. The Share Purchase Mandate renewed at the 2017 AGM will expire on the date of the forthcoming 54th AGM to be held on 26 October 2018.

If the proposed resolution for the renewal of the Share Purchase Mandate is approved at the 54th AGM, the mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier.

3.2 RATIONALE FOR SHARE PURCHASE MANDATE

The proposed renewal of the Share Purchase Mandate will continue to give Directors the flexibility to purchase Shares when circumstances permit, with the objective of enhancing the EPS of the Group. Such flexibility will also allow the Directors to better manage the Company's capital structure, dividend payout and cash reserves, and to return surplus cash over and above its capital requirements in an expedient and cost-effective manner.

The proposed renewal of the Share Purchase Mandate will thus continue to provide the Company with an efficient mechanism to enhance returns to Shareholders when circumstances permit. Share purchases will only be effected when the Directors are of the view that it will benefit the Company and its Shareholders. Shareholders should note that share purchases pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised. No Share Purchase will be made in circumstances which the Directors believe would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST.

3.3 AUTHORITY AND LIMITS ON THE SHARE PURCHASE MANDATE

3.3.1 Manner of purchase or acquisition of Shares

Purchases or acquisitions of Shares may be made by way of:

- (i) on-market purchase ("**Market Purchase**"), transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (ii) an off-market purchase (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme defined in Section 76C of the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST ("**Off-Market Purchase**").

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

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

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptance;
- (cc) the reasons for the proposed purchase or acquisition of Shares by the Company;
- (dd) the consequences, if any, of the purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (ee) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (ff) details of any purchase or acquisition of Shares made by the Company in the previous twelve (12) months (whether through a Market Purchase or Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchase of Shares, where relevant, and the total consideration paid for such purchase or acquisition; and
- (gg) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

3.3.2 Purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares, excluding related expenses of the purchase or acquisition, must not exceed the maximum price ("**Maximum Price**") which is:

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- (i) in the case of a Market Purchase, five per cent. (5%) above the average closing market prices of the Shares over the five (5) days on which the SGX-ST is open for securities trading (“**Market Days**”) and on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and
- (ii) in the case of an Off-Market Purchase, twenty per cent. (20%) above the average closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period.

3.3.3 Duration of authority

Purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate may be made at any time from time to time on and from the date of the 54th AGM at which the Share Purchase Mandate is approved up to the earliest of:

- (i) the date on which the next AGM is held or is required by law to be held;
- (ii) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting.

3.3.4 Maximum number of Share which can be purchased or acquired

Only Shares which are issued and fully paid-up may be repurchased by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) ascertained as at the date of the passing of the ordinary resolution, unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Companies Act at any time during the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Purchase Mandate is passed (the “**Relevant Period**”), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. Any Shares which are held as treasury shares and any subsidiary holdings will be disregarded for purposes of computing the ten per cent. (10%) limit. As at the Latest Practicable Date, the Company is holding 27,292,800 treasury shares and does not have subsidiary holdings.

For illustration purposes only

On the basis of 766,634,460 Shares (excluding treasury shares and subsidiary holdings) issued as at the Latest Practicable Date, assuming no further Shares are issued, 27,292,800 Shares are held by the Company as treasury shares, no Shares are held as subsidiary holdings on or prior to the 54th AGM, not more than 76,663,446 Shares (representing ten per cent. (10%) of the total number of issued Shares of the Company as at that date excluding treasury shares and subsidiary holdings) may be purchased by the Company pursuant to the proposed Share Purchase Mandate during the Relevant Period.

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3.3.5 Status of purchased shares under the Share Purchase Mandate

3.3.5.1 Cancellation

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 Shares are held by the Company as treasury shares to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

3.3.5.2 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:

(i) *Maximum Holdings*

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. The Company shall be entered in the Register of Members or the Depository Register, as the case may be, as the member holding those Shares.

(ii) *Voting and Other Rights*

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

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed.

A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) *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 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 the Minister for Finance may by order prescribe.

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3.4 SOURCE OF FUNDS

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

The Company may purchase or acquire its Shares out of the Company's capital or profits so long as the Company is solvent. Pursuant to Section 76F(4) of the Companies Act, the Company is solvent if:

- (i) there is no ground on which the Company could be found to be unable to pay its debts;
- (ii) (a) it is intended to commence winding up of the Company within the period of twelve (12) months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or (b) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (iii) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

When Shares are purchased or acquired, and cancelled:

- (aa) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**");
- (bb) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price; or
- (cc) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchase or acquisition of Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that it would have a material and adverse effect on the working capital requirements or the gearing of the Company.

3.5 FINANCIAL EFFECTS

Under the Companies Act, the purchase or acquisition 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 brokerage, stamp duties, commission, applicable goods and services tax and other 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 NTA of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

As at the Latest Practicable Date, the issued and paid-up capital of the Company (excluding treasury shares and subsidiary holdings) comprises 766,634,460 Shares. The exercise in full of the Share Purchase Mandate would result in the purchase of 76,663,446 Shares.

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

The illustrative financial effects below remain the same irrespective of whether:

- (i) the purchase of Shares are effected out of capital or profits; or
- (ii) the purchased Shares are held in treasury or are cancelled.

Illustration

For illustration purposes only and based on the following assumptions:

- (i) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 76,663,446 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$2.041 which is five per cent. (5%) above the average closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$156,470,000; and
- (ii) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 76,663,446 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$2.333 which is twenty per cent. (20%) above the average closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$178,856,000,

the financial effects of the purchase or acquisition of 76,663,446 Shares by the Company pursuant to the Share Purchase Mandate, on the audited financial statements of the Company and the Group for the financial year ended 30 June 2018, are set out below:

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Market Purchase	Off-Market Purchase		Market Purchase	Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 30 June 2018</u>						
Equity Attributable to Equity Holders of the Company:						
- Ordinary Shareholders	3,329,780	3,173,310	3,150,924	1,267,383	1,110,913	1,088,527
- Perpetual Security Holders	147,778	147,778	147,778	147,778	147,778	147,778
	3,477,558	3,321,088	3,298,702	1,415,161	1,258,691	1,236,305
Net Tangible Assets	3,329,780	3,173,310	3,150,924	1,267,383	1,110,913	1,088,527
Current assets	1,574,142	1,417,672	1,395,286	1,196,846	1,040,376	1,017,990
Current liabilities	151,534	151,534	151,534	17,769	17,769	17,769
Cash and Cash Equivalents ⁽¹⁾	792,151	635,681	613,295	609,945	453,475	431,089
Total Borrowings ⁽²⁾	780,066	780,066	780,066	599,248	599,248	599,248

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	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
	S\$'000	Market Purchase S\$'000	Off-Market Purchase S\$'000	S\$'000	Market Purchase S\$'000	Off-Market Purchase S\$'000
Net profit attributable to Equity Holders of the Company:						
- Ordinary Shareholders	212,683	212,683	212,683	12,746	12,746	12,746
- Perpetual Security Holders	6,120	6,120	6,120	6,120	6,120	6,120
	218,803	218,803	218,803	18,866	18,866	18,866
Number of Shares ('000)	772,196	695,533	695,533	772,196	695,533	695,533
Weighted Average Number of Shares ('000)	774,165	697,502	697,502	774,165	697,502	697,502

Financial Ratios

Net Tangible Assets per Share (S\$)	4.31	4.56	4.53	1.64	1.60	1.57
Net Gearing (times) ⁽³⁾	–	0.04	0.05	(0.01)	0.12	0.14
Earnings per Shares (cents) ⁽⁴⁾	27.47	30.49	30.49	1.65	1.83	1.83

Notes:

- (1) Assuming the Company uses cash to fund the purchase of Shares.
- (2) "Total Borrowing" means the amount of liabilities arising from borrowings from banks and other financial institutions.
- (3) Net Gearing equals Total Borrowings less Cash and Cash Equivalents divided by Equity Attributable to Equity Holders of the Company.
- (4) Earnings per Share ("EPS") equals Net Profit Attributable to Ordinary Shareholders of the Company divided by Weighted Average Number of Shares.
- (5) As illustrated above, the share purchases will:
 - (i) increase the Net Tangible Assets per Share of the Group;
 - (ii) increase the Net Gearing of the Group; and
 - (iii) increase the EPS of the Group.

The actual impact will depend on the number and price of the Shares bought back. As aforementioned, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company. The purchase of Shares will only be effected after assessing the relative impact of a Share buyback taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for the year ended 30 June 2018, and is not necessarily representative of the future financial performance of the Company or the Group.

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel, or hold as treasury shares, all or part of the Shares purchased or acquired. The Company will take into account both financial and

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non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution. For the avoidance of doubt, the Company will not carry out any share buyback to the full ten per. cent. (10%) limit as authorised and will not effect any share buyback if the Directors consider it not to be in the best interests of the Company and/or the Shareholders, in circumstances which they believe will result in any material adverse effect on the financial position of the Company or the Group, or will result in the Company being delisted from the SGX-ST.

3.6 TAXATION

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

3.7 REPORTING REQUIREMENTS

Within thirty (30) days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

Within thirty (30) days of a purchase of Shares on the Official List of SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including *inter alia*, date of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST no later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and
- (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement in the form prescribed under the Listing Manual, shall include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and subsidiary holdings, the number of treasury shares held after the purchase, the number of subsidiary holdings after the purchase and any other details that the SGX-ST may prescribe.

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 Purchase Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month immediately preceding the announcement of the Company's annual (full-year) results respectively.

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3.8 TAKE-OVER IMPLICATIONS ARISING FROM SHARE PURCHASES

Appendix 2 of the Take-over Code contains the share buy-back guidance note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out in Section 3.8.3.

3.8.1 Obligation to make a take-over offer

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

In addition, if a Shareholder acquires Shares after the purchase or acquisition by the Company of its Shares, the increase in the percentage of voting rights as a result of the purchase or acquisition will be taken into account in determining whether the Shareholder and persons acting in concert with him have increased their voting rights by more than one per cent. (1%) in any period of six (6) months for the purposes of Rule 14.

3.8.2 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 be presumed to be acting in concert with each other under the Take-over Code:

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of its directors, their close relatives and related trusts); and
- (ii) a company with its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of a company will be regarded as the test of associated company status.

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

3.8.3 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 and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or in the event that such Directors and their concert parties hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

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4 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 INTERESTS OF DIRECTORS

Based on the register of Directors' shareholdings of the Company maintained pursuant to Section 164 of the Companies Act, as at the Latest Practicable Date, the shareholdings of the Directors of the Company before and after the purchase of Shares (assuming (i) the Company purchases the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date, and (ii) there is no change in the number of Shares held or deemed to be held by the Directors) were/will be as follows:

Name	Before Share Purchase (No. of Shares)			Before Share Purchase (%)	After Share Purchase (%)
	Direct interest	Deemed interest	Total interest		
Cheng Wai Keung	–	395,038,656	395,038,656	51.53	57.25
Edmund Cheng Wai Wing	–	318,021,664	318,021,664	41.48	46.09
Boey Tak Hap	–	–	–	–	–
Cheng Man Tak	–	–	–	–	–
Christopher Lau Loke Sam	–	–	–	–	–
Loh Soo Eng	412,800	–	412,800	0.05	0.06
Paul Hon To Tong	–	–	–	–	–
Guy Daniel Harvey-Samuel	–	–	–	–	–
Tan Sri Dr Zulkurnain bin Hj. Awang	–	–	–	–	–
Tan Hwee Bin	1,650,635	–	1,650,635	0.22	0.24
<u>Performance Share Plan 2008*</u>					
Tan Hwee Bin	393,000	–	393,000	0.05	0.06
<u>Restricted Share Plan 2008</u>					
Tan Hwee Bin	103,200	–	103,200	0.01	0.01

* Shares awarded are contingent upon achievement of threshold targets.

4.2 INTERESTS OF SUBSTANTIAL SHAREHOLDERS

Based on the register of Substantial Shareholders of the Company maintained pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date, the shareholdings of the Substantial Shareholders before and after the purchase of Shares (assuming (i) the Company purchases 76,663,446 Shares, being the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date and (ii) there is no change in the number of Shares held or deemed to be held by the Substantial Shareholders) were/will be as follows:

Name	Before Share Purchase (No. of Shares)			Before Share Purchase (%)	After Share Purchase (%)
	Direct interest	Deemed interest	Total interest		
Cheng Wai Keung	–	395,038,656	395,038,656	51.53	57.25
Edmund Cheng Wai Wing	–	318,021,664	318,021,664	41.48	46.09
Christopher Cheng Wai Chee	134,750	314,492,498	314,627,248	41.04	45.60
Edward Cheng Wai Sun	–	314,492,498	314,492,498	41.02	45.58
Butterfield Fiduciary Services. (Cayman) Limited	–	314,492,498	314,492,498	41.02	45.58

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Name	Before Share Purchase (No. of Shares)			Before Share Purchase (%)	After Share Purchase (%)
	Direct interest	Deemed interest	Total interest		
Butterfield Fiduciary Services (Guernsey) Limited	–	314,492,498	314,492,498	41.02	45.58
Wing Sun Development Private Limited	222,235,490	–	222,235,490	28.99	32.21
Wing Tai Asia Holdings Limited	–	241,775,062	241,775,062	31.54	35.01
Winlyn Investment Pte Ltd	72,717,436	–	72,717,436	9.49	10.54
Terebene Holdings Inc	–	72,717,436	72,717,436	9.49	10.54
Metro Champion Limited	–	72,717,436	72,717,436	9.49	10.54
Ascend Capital Limited	68,207,092	–	68,207,092	8.90	9.89
FMR LLC	–	38,756,561	38,756,561	5.06	5.62

Mr Cheng Wai Keung, Mr Edmund Cheng Wai Wing, Mr Christopher Cheng Wai Chee and Mr Edward Cheng Wai Sun are brothers whose aggregate effective interest is 51.55%. Under the Take-over Code, all of them are presumed to be acting in concert under the Take-over Code as they are close relatives.

Mr Cheng Wai Keung's 51.53% interest in the issued share capital of the Company is held through Ascend Capital Limited, Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd, Empire Gate Holdings Limited and Wilma Enterprises Limited.

Mr Edmund Cheng Wai Wing's 41.48% interest in the issued share capital of the Company is held through Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd and Empire Gate Holdings Limited.

Mr Christopher Cheng Wai Chee's 41.04% interest in the issued share capital of the Company is held through Wing Sun Development Private Limited, Winlyn Investment Pte Ltd and Empire Gate Holdings Limited.

Mr Edward Cheng Wai Sun's 41.02% interest in the issued share capital of the Company is held through Wing Sun Development Private Limited, Winlyn Investment Pte Ltd and Empire Gate Holdings Limited.

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

As at the Latest Practicable Date, based on the interests of Directors in Shares set out in Section 4.1 above, none of the Directors (together with persons acting in concert with them) are expected to become obligated to make a mandatory take-over offer pursuant to the exercise of the powers to purchase Shares under the Share Purchase Mandate.

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 by the Company.

LETTER TO SHAREHOLDERS

4.3 LISTING STATUS OF SHARES ON SGX-ST

The Directors will use their best efforts to ensure that the Company does not effect a purchase of Shares if the purchase of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the orderly trading or listing status of the Company.

As at the Latest Practicable Date, approximately 47.99% of the issued Shares are held by the public. For illustration purposes only, assuming that the Company purchases from the public the maximum number of ten per cent. (10%) of the issued Shares as at the Latest Practicable Date, the number of Shares held by the public after the purchase of such Shares would be 291,248,423 representing approximately 42.21% of the remaining issued Shares of the Company. Before deciding to effect a purchase of Shares, the Directors will also consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake Share Purchases through Market Purchases up to the full ten per cent. (10%) limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

4.4 SHARE PURCHASE DURING THE PREVIOUS 12 MONTHS

At the Latest Practicable Date, the Company had purchased or acquired 7,839,900 Shares by way of Market Purchase pursuant to the Share Purchase Mandate approved by the Shareholders at the 2017 AGM. The highest and lowest price paid was S\$1.87424 and S\$1.9825 per share respectively. The total consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) paid for all the purchases was S\$15,156,052.38.

4.5 LIMITS ON SHAREHOLDINGS

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

5 54TH AGM

The 54th AGM will be held at Marina Bay Sands Expo and Convention Centre, Level 3 Begonia Junior Ballroom, 10 Bayfront Avenue, Singapore 018956 on Friday, 26 October 2018 at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, *inter alia*, ordinary resolutions 11 to 13 as set out in the Notice of AGM, in connection with the proposed adoption of the New Plans and the proposed renewal of the Share Purchase Mandate.

6 ACTION TO BE TAKEN BY SHAREHOLDERS

6.1 APPOINTMENT OF PROXIES

If a Shareholder is unable to attend the 54th AGM and wishes to appoint a proxy to attend and vote on his behalf, he 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 the registered office of the Company not less than seventy-two (72) hours before the time fixed for the 54th AGM. The completion and lodgment of the Proxy Form by a Shareholder will not prevent him from attending and/or voting at the 54th AGM in person if he so wishes in place of the proxy.

6.2 WHEN DEPOSITOR IS REGARDED AS SHAREHOLDER

A Depositor shall not be regarded as a Shareholder entitled to attend the 54th AGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the 54th AGM.

LETTER TO SHAREHOLDERS

6.3 ABSTENTION FROM VOTING

Any Shareholder who is eligible to participate in any of the New Plans must abstain from voting in the 54th AGM in respect of the participation of, or grant of Awards to, Participants under the New Plans on each of Ordinary Resolutions 11 and 12 in the Notice of AGM, as the case may be, being the ordinary resolutions relating to the adoption of the Performance Share Plan 2018 and the Restricted Share Plan 2018. Such Shareholder should also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of relevant ordinary resolution unless that Shareholder appointing him indicates clearly how votes are to be cast in respect of on each of Ordinary Resolutions 11 and 12 in the Notice of AGM, as the case may be.

7 DIRECTORS' RECOMMENDATIONS

7.1 THE PROPOSED ADOPTION OF THE PERFORMANCE SHARE PLAN 2018

The Directors (other than Ms Tan Hwee Bin who is eligible to participate and is therefore interested in the Performance Share Plan 2018) are of the opinion that the adoption of the Performance Share Plan 2018 is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 11 in the Notice of AGM relating to the proposed adoption of the Performance Share Plan 2018 to be proposed at the 54th AGM.

7.2 THE PROPOSED ADOPTION OF THE RESTRICTED SHARE PLAN 2018

The Directors (other than Ms Tan Hwee Bin who is eligible to participate and is therefore interested in the Restricted Share Plan 2018) are of the opinion that the adoption of the Restricted Share Plan 2018 is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 12 in the Notice of AGM relating to the proposed adoption of the Restricted Share Plan 2018 to be proposed at the 54th AGM.

7.3 THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 13 in the Notice of AGM relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 54th AGM.

8 DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been reviewed and approved by all Directors (including those who may have delegated detailed supervision of this Circular) and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the Performance Share Plan 2018, the proposed adoption of the Restricted Share Plan 2018 and the proposed renewal of the Share Purchase Mandate, 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 any information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully
For and on behalf of
the Board of Directors of
WING TAI HOLDINGS LIMITED

Cheng Wai Keung
Chairman

9 October 2018

APPENDIX I – RULES OF THE PERFORMANCE SHARE PLAN 2018

RULES OF THE WING TAI PERFORMANCE SHARE PLAN 2018

1. **NAME OF THE PERFORMANCE SHARE PLAN**

The Performance Share Plan 2018 (as defined below) shall be called the “Wing Tai Performance Share Plan 2018”.

2. **DEFINITIONS**

2.1 In the Performance Share Plan 2018, except where the context otherwise requires, the following words and expressions shall have the following meanings:

“ Auditors ”	:	The auditors of the Company for the time being
“ Award ”	:	A contingent award of Shares granted under the Performance Share Plan 2018 or the Restricted Share Plan 2018 (as the case may be)
“ Board ”	:	The board of Directors of the Company from time to time
“ CDP ”	:	The Central Depository (Pte) Limited
“ Committee ”	:	A committee comprising Directors duly authorised and appointed by the Board to administer the Performance Share Plan 2018 and the Restricted Share Plan 2018
“ Companies Act ”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“ Company ”	:	Wing Tai Holdings Limited
“ Constitution ”	:	The Constitution of the Company
“ Controlled Associated Company ”	:	A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over whose management the Company has control (as defined in the Listing Manual)
“ Controlled Associated Company Employee ”	:	Any employee of a Controlled Associated Company (including any Controlled Associated Company Executive Director) selected by the Committee to participate in the New Plans in accordance with the provisions thereof
“ Controlled Associated Company Executive Director ”	:	A director of a Controlled Associated Company who performs an executive function
“ Directors ”	:	The directors of the Company from time to time
“ Executive Director ”	:	A Director who performs an executive function
“ FY ”	:	Financial year ended or ending, as the case may be, 30 June
“ Group ”	:	The Company and its subsidiaries

APPENDIX I – RULES OF THE PERFORMANCE SHARE PLAN 2018

“Group Employee”	:	Any person who is a full-time confirmed employee of any company in the Group (including any Group Executive Director) selected by the Committee to participate in the New Plans in accordance with the provisions thereof
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Listing Rules”	:	The listing rules of the SGX-ST as set out in the Listing Manual
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“New Plans”	:	Refers collectively to the Performance Share Plan 2018 and the Restricted Share Plan 2018
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards to be granted under the Performance Share Plan 2018 and/or the Restricted Share Plan 2018
“Non-Executive Director”	:	A Director who is not an Executive Director
“Participant”	:	A person who is eligible under the New Plans
“Performance Share Plan 2008”	:	The previous performance share plan which was adopted pursuant to the approval of Shareholders at the extraordinary general meeting of the Company held on 30 October 2008, as modified or altered from time to time
“Performance Share Plan 2018”	:	The current performance share plan, as modified or altered from time to time
“Restricted Share Plan 2008”	:	The previous restricted share plan which was adopted pursuant to the approval of Shareholders at the extraordinary general meeting of the Company held on 30 October 2008, as modified or altered from time to time
“Restricted Share Plan 2018”	:	The current restricted share plan, as modified or altered from time to time
“Rules”	:	These Rules of the Performance Share Plan 2018, as the same may be amended from time to time
“Securities Accounts”	:	Securities accounts maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares held by CDP, mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited

APPENDIX I – RULES OF THE PERFORMANCE SHARE PLAN 2018

“Shares”	:	Ordinary shares in the capital of the Company
“Subsidiaries”	:	The subsidiaries of the Company (as defined in Section 5 of the Companies Act) and “Subsidiary” shall be construed accordingly
“%” 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 Securities and Futures Act.
- 2.3 The terms “Associate” and “Controlling Shareholder” shall have the meaning ascribed to them in the Listing Manual.
- 2.4 Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.
- 2.5 Any reference in the Performance Share Plan 2018 to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Listing Manual or any modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, the Listing Manual or any such modification, as the case may be, unless the context otherwise requires.
- 2.6 Any reference to a time of day and date shall be a reference to Singapore time and date, unless otherwise stated.

3. **OBJECTIVES OF THE PERFORMANCE SHARE PLAN 2018**

- 3.1 The Performance Share Plan 2018 is a share plan under which performance-based and service-based Awards may be granted. Through the Performance Share Plan 2018, the Company will be able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group’s long term growth and prosperity. In addition, the Performance Share Plan 2018 aims to foster an ownership culture within the Group which aligns the interests of Group Employees and Controlled Associated Company Employees with the interests of Shareholders. The Performance Share Plan 2018 will increase the Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance.
- 3.2 The Performance Share Plan 2018 will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following main objectives:
- (i) to serve as an additional motivational tool to recruiting and retaining key management employees and executives;
 - (ii) to increase the Company’s flexibility and effectiveness in its continuous efforts to reward, retain and motivate key management staff towards sustained superior work performance, in particular, executives in key positions who are able to drive the growth of the Company through innovation, creativity and superior performance;
 - (iii) to enhance the Company’s competitive edge in attracting, recruiting and retaining talented employees;
 - (iv) to reinforce the identification by staff with the long term performance and growth of the Group by giving Participants the opportunity to participate in the equity of the Company;
 - (v) to (a) incentivise Participants to excel in their performance, (b) encourage greater dedication and continued service of the Participants to the long term development and growth of the Group, and (c) instill loyalty and a stronger sense of identity in the Participants;

APPENDIX I – RULES OF THE PERFORMANCE SHARE PLAN 2018

- (vi) to foster an ownership culture within the Group by aligning the interests of the Participants with the interests of the Shareholders; and
- (vii) to complement and enhance the remuneration packages of employees.

4. **ELIGIBILITY**

4.1 The following persons shall be eligible to participate in the Performance Share Plan 2018:

- (i) Group Employees who hold such rank as may be designated by the Committee from time to time; and
- (ii) Controlled Associated Company Employees who hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group,

who have attained the age of twenty-one (21) years, and are not undischarged bankrupts.

4.2 The following persons shall not be eligible to participate in the Performance Share Plan 2018:

- (i) Non-Executive Directors;
- (ii) Controlling Shareholders; and
- (iii) Associates of Controlling Shareholders.

4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes implemented or to be implemented by the Company, another company within the Group or any Controlled Associated Company.

4.4 Subject to the Companies Act and requirements of the SGX-ST, the terms of eligibility of any Participant in the Performance Share Plan 2018 may be amended from time to time at the absolute discretion of the Committee.

4.5 The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Performance Share Plan 2018 shall be determined at the absolute discretion of the Committee, which shall take into account criteria including (but not limited to) the Participant's rank, job performance, years of service, potential for future development, contribution to the success of the Group, the extent of effort and resourcefulness required to achieve the performance conditions and service conditions within the performance periods and service periods.

5. **GRANT OF AWARDS**

5.1 Awards represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, without any cash consideration payable by the Participant, upon the Participant (i) achieving prescribed performance conditions and service conditions; or (ii) otherwise having performed well and/or made a significant contribution to the Company and/or the achievement of prescribed performance conditions.

5.2 Subject to Rules 8 and 9, Awards are vested and the Shares comprised in the Awards are issued at the end of the performance period and service period once the Committee, at its sole discretion, is satisfied that the prescribed performance conditions and service conditions have been achieved. The Committee may also grant an Award where in its opinion a Participant's performance and/or contribution to the Company warrant it.

APPENDIX I – RULES OF THE PERFORMANCE SHARE PLAN 2018

- 5.3 Awards granted under the Performance Share Plan 2018 will entitle Participants to be allotted and issued or delivered fully paid Shares, their equivalent cash value or combinations thereof, without any cash consideration payable by the Participant, upon satisfactory achievement of both pre-determined performance conditions and service conditions. Performance conditions set under the Performance Share Plan 2018 are intended to be based on corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance conditions are stretched targets aimed at sustaining longer-term growth. Awards may also be granted upon the Committee's post-event determination that any Participant has performed well and/or made a significant contribution to the Company. Service conditions set under the Performance Share Plan 2018 relate to the specific number of years a Participant has served the Group or the relevant Controlled Associated Company, as the case may be, as may be determined or pre-determined by the Committee. An Award under the Performance Share Plan 2018 will vest once the performance and service conditions specified in respect of such Awards are satisfied (to be determined by the Committee at its sole discretion) as soon as practicable after the completion date of the performance and service conditions and there is typically no further vesting period.
- 5.4 The Committee has the flexibility to grant Awards under either or both of the New Plans to the same Participant, simultaneously. Participants may also be granted Awards under the Performance Share Plan 2018 with different performance conditions and service conditions, or on other different bases. It is unlikely that performance conditions, service conditions and/or the basis of grant of Awards for any individual Participant will be identical to that of another Participant.
- 5.5 No minimum vesting periods are prescribed under the Performance Share Plan 2018 and the length of vesting periods in respect of each Award will be determined by the Committee. The Committee may also make an Award at any time where in its opinion a Participant's performance and/or contribution justifies such Award.
- 5.6 The Committee shall decide, in relation to each Award to be granted to a Participant under the Performance Share Plan 2018:
- (i) the date on which the Award is to be granted;
 - (ii) the number of Shares which are the subject of the Award;
 - (iii) the prescribed performance conditions and service conditions (including the performance periods and service periods during which the performance conditions and service conditions are to be satisfied) and/or any other basis on which the Award is to be granted;
 - (iv) the prescribed vesting periods (if any);
 - (v) 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 conditions and service conditions, if any, being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be;
 - (vi) the release schedule (if any); and
 - (vii) any other condition which the Committee may determine in relation to that Award.
- 5.7 An Award letter confirming the Award and specifying, *inter alia*, the matters in paragraph 5.6 above will be issued by the Committee to each Participant as soon as is reasonably practicable upon or after the making of an Award.
- 5.8 Participants are not required to make cash consideration to the Company for the grant of the Awards.
- 5.9 Awards are personal to the Participant to whom they are given and shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, unless the prior approval of the Committee is obtained.

APPENDIX I – RULES OF THE PERFORMANCE SHARE PLAN 2018

6. EVENTS PRIOR TO VESTING

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

- (i) in the event of misconduct on the part of a Participant as determined by the Committee in its discretion;
- (ii) the Participant ceasing to be in the employment of the Group or the relevant Controlled Associated Company whether on his own accord, or by such company, for any reason whatsoever (other than specified in paragraph (iv) below);
- (iii) the bankruptcy of a Participant, his entering into any composition with his creditors prior to the vesting of his Award or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (iv) the Participant ceasing to be in the employment of the Group or the relevant Controlled Associated Company by reason of:
 - (a) ill health, injury, accident or disability (in each case, evidenced to the satisfaction of the Committee);
 - (b) redundancy;
 - (c) retirement at or after the legal retirement age;
 - (d) retirement before the legal retirement age with the consent of the Committee;
 - (e) the company by which he is employed or to which he is seconded, ceasing to be a company within the Group or a Controlled Associated Company, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or a Controlled Associated Company;
 - (f) transfer to any corporation at the discretion of the Company or the relevant Controlled Associated Company;
 - (g) transfer of employment from the Group to a Controlled Associated Company or vice versa; or
 - (h) any other event approved by the Committee;
- (v) the death of the Participant;
- (vi) reconstruction or amalgamation of the Company being carried out, a takeover offer (whether conditional or unconditional) being made for all or any part of the Shares, a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Companies Act, an order being made by the court under the Companies Act to place the Company under judicial management, an order being made by the court under the Companies Act in relation to the restructuring of debts of the Company, an order for the compulsory winding-up of the Company being made or a resolution for a voluntary winding up of the Company being made; and
- (vii) any other event approved by the Committee.

Upon the occurrence of the event specified in paragraph (i) above, an Award then held by a Participant shall, save as otherwise provided in the Rules and to the extent not yet released, immediately lapse without any claim whatsoever against the Company.

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Upon the occurrence of any of the events specified in paragraphs (ii), (iii) and (iv) above, the Committee may consider, at its absolute discretion and on such terms and conditions as it deems fit, whether or not to preserve all or any part of any Award and decide as soon as reasonably practicable following such event to release any Award and vest 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 prescribed vesting period, if any, or declare that an Award has lapsed without any claim whatsoever against the Company. In exercising its discretion, the Committee will take into account 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 applicable performance conditions and service conditions, if any, have been satisfied. For the purpose of paragraph (ii) above, a Participant shall be deemed to have ceased to be in the employment of the Group or the Controlled Associated Company (as the case may be) on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Participant has with the consent of the Group or the Controlled Associated Company (as the case may be) withdrawn such notice.

Upon the occurrence of the event specified in paragraph (v) above, the Committee will consider, at its discretion and on such terms and conditions as it deems fit, whether or not to release any Award and vest some or all of the Shares which are the subject of such Award in the personal representative(s) of the Participant. In exercising its discretion, the Committee will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Participant and the extent to which the applicable performance conditions and service conditions, if any, have been satisfied.

Upon the occurrence of any of the events specified in paragraph (vi) above, the Committee will consider, at its discretion and on such terms and conditions as it deems fit, whether or not to release any Award, and will take into account 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 applicable performance conditions and service conditions, if any, have been satisfied.

7. SIZE AND DURATION OF THE PERFORMANCE SHARE PLAN 2018

- 7.1 Pursuant to the Performance Share Plan 2018, New Shares may be issued and existing Shares may be delivered (whether such existing Shares are acquired pursuant to a share purchase mandate or held as treasury shares to the extent permitted by law, or otherwise) pursuant to Awards granted under the Performance Share Plan 2018.
- 7.2 The total number of such New Shares issued and existing Shares delivered on any date, when added to the number of new Shares issued and issuable and existing Shares delivered and deliverable in respect of (i) all Awards granted under the New Plans; and (ii) all awards granted and outstanding under the Performance Share Plan 2008 and the Restricted Share Plan 2008, shall not exceed five per cent. (5%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, as of the day preceding the relevant date of grant of the Award, provided that (a) such number of Shares to be issued or delivered from each annual general meeting of the Company (starting from the annual general meeting of the Company held on 26 October 2018) to the next annual general meeting of the Company (each a “**Relevant Year**”), shall not exceed 0.5% of the total number of issued Shares excluding treasury shares and subsidiary holdings (“**Annual Limit**”); and (b) if the Annual Limit is not fully utilised during the Relevant Year, any unutilised portion of the Annual Limit may be used by the Directors to make grant of Awards in subsequent years for the duration of the New Plans.
- 7.3 The amount of cash which may be paid upon the release of such Awards in lieu of Shares will not be subject to any limit.
- 7.4 The Performance Share Plan 2018 shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Performance Share Plan 2018 is adopted by the Company in general meeting, provided always that the Performance Share Plan 2018 may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

APPENDIX I – RULES OF THE PERFORMANCE SHARE PLAN 2018

7.5 The Performance Share Plan 2018 may be terminated at any time at the discretion of the Committee, or by an ordinary resolution passed by the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Performance Share Plan 2018 is so terminated, no additional Awards will be offered by the Company thereunder.

7.6 Termination or expiry of the Performance Share Plan 2018 shall not affect Awards which have been granted prior to such termination or expiry which will continue to remain valid.

8. OPERATION OF THE PERFORMANCE SHARE PLAN 2018

8.1 As soon as reasonably practicable after the end of each performance period and service period, the Committee shall review the performance conditions and service conditions specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have satisfied (whether fully or partially) and subject to Rule 6, shall release to that Participant the Shares to which that Award relates.

8.2 The Committee has the discretion to determine whether performance conditions and service conditions have been satisfied (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to the Company justify the vesting of an Award. In making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company, the Group or a Controlled Associated Company, as the case may be, taking into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events. Further, the Committee shall also have the right to amend the performance conditions and service conditions, if the Committee decides that it would be more equitable to do so.

8.3 Subject to the prevailing legislations and the Listing Rules, the Company will have the flexibility and discretion in determining the mode of settlement of the Awards by way of:

- (i) an issue of New Shares;
- (ii) the delivery of existing Shares;
- (iii) payment of the equivalent cash value of such New Shares and/or existing Shares; or
- (iv) a combination of (i), (ii) and/or (iii) stated above.

8.4 In determining whether to issue New Shares or to deliver existing Shares or to pay the equivalent cash value to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

8.5 The Company shall have the flexibility, and if circumstances require, to approve the release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive the aggregate value of the relevant number of Shares in cash, with the value of each Share being for this purpose the weighted average price for a Share, as determined by reference to the daily Official List published by the SGX-ST for the three (3) consecutive Market Days immediately preceding the date of release of the Award.

8.6 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 and/or purchase of existing Shares and the payment of cash, the availability of cash for payment and the cost of funding the cash payment, if necessary.

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- 8.7 The Committee will procure, upon the Board's approval therefor, the allotment of New Shares or transfer of existing Shares to each Participant in respect of the number of Shares which are to be released to that Participant pursuant to an Award. For any allotment of New Shares pursuant to an Award, the Committee may take into account the rounding of odd lots.
- 8.8 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Rules and the Constitution, the Company shall within ten (10) Market Days after the vesting of an Award, allot the relevant Shares and despatch to CDP the relevant share certificates, where applicable. Shares which are the subject of an Award shall be issued in the name of CDP to the credit of the Securities Account of the Participant or his securities sub-account maintained with a Depository Agent and as notified by the Participant to the Committee.
- 8.9 New Shares to be issued under the Performance Share Plan 2018 shall be issued in compliance with all applicable laws and regulations. Subject to applicable laws, the Company may also either purchase or procure the purchase of existing Shares to satisfy Awards.
- 8.10 Where New Shares are allotted upon the vesting of an Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares if such permission has not been obtained prior to the allotment.
- 8.11 New Shares allotted and issued, and existing Shares procured by the Company for transfer shall, on the release of an Award:
- (i) be subject to all the provisions of the Constitution; and
 - (ii) be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant issue or transfer date, and shall in all other respects rank *pari passu* with other existing Shares then in issue. For the purposes of this Rule, "record date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of Shareholders.
- 8.12 Shares which are allotted or transferred pursuant to the release of an Award will not (save as otherwise provided by the provisions of the Listing Manual or applicable laws) be subject to any restriction against disposal, or sale or otherwise by the Participant.
- 8.13 Every Award shall be subject to the condition that no cash shall be paid nor Shares issued or transferred pursuant to the release of any Award if such payment, issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the payment of cash or issue or transfer of Shares thereto.

9. **ADJUSTMENTS**

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction of capital, subdivision, consolidation of Shares or distribution, or otherwise) shall take place or if the Company shall make a declaration of a special dividend (whether in cash or in specie), then:
- (i) the number of Shares which are the subject of an Award to the extent not yet vested or released (as the case may be);
 - (ii) the number of Shares over which future Awards may be granted under the New Plans; and/or

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- (iii) the maximum number of New Shares which may be issued and/or existing Shares which may be delivered in settlement (whether such existing Shares are acquired pursuant to a share purchase mandate or held as treasury shares to the extent permitted by law, or otherwise) pursuant to Awards under the New Plans,

shall be adjusted in such manner as the Committee may determine to be appropriate and, except in relation to a capitalisation issue, upon the Auditors (acting as experts and not as arbitrators) having confirmed in writing that, in their opinion, such adjustment is fair and reasonable.

9.2 Any adjustments to be made shall be subject to the proviso that such adjustments shall not be made:

- (i) if as a result of such adjustment, the Participant receives a benefit that a Shareholder does not receive;
- (ii) if such adjustment will result in the number of Shares comprised in an Award, together with new Shares to be issued or issuable and existing Shares delivered in respect of all awards under the New Plans, Performance Share Plan 2008 and the Restricted Share Plan 2008, to exceed five per cent. (5%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, or exceed the Annual Limit in a Relevant Year; or
- (iii) unless the Committee, after considering all relevant circumstances, considers it equitable to do so.

9.3 Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (i) the issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) any increase in the number of issued Shares as a consequence of the exercise of any options or other convertible of any loan stock or any other securities convertible 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 issue of New Shares pursuant to the New Plans);
- (iii) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; or
- (iv) any 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 in writing and deliver to him a statement setting forth the value, class and/or number of Shares which are the subject of an Award to the extent not vested, provided that any omission to give notice to any Participants shall not invalidate any such adjustment.

10. **MODIFICATIONS OR ALTERATIONS TO THE PERFORMANCE SHARE PLAN 2018**

10.1 The Performance Share Plan 2018 may be modified and/or altered from time to time by a resolution of the Committee, provided that:

- (i) no modification or alteration shall be made without the prior approval of the SGX-ST and/or such other regulatory authorities as may be necessary as well as compliance with all applicable laws, regulations and the Listing Rules; and
- (ii) no alteration shall be made to the advantage of the Participants, except with the prior approval of the Shareholders in general meeting.

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10.2 Written notice of any modification or alteration made shall be given to all Participants provided that any omission to give notice to any Participant shall not invalidate any such amendment.

10.3 Notwithstanding anything herein to the contrary, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST and/or such other regulatory authorities as may be necessary) amend or alter the Performance Share Plan 2018 in any way to the extent necessary to cause the Performance Share Plan 2018 to comply with any statutory provision or the requirements of any regulatory or other relevant authority or body.

11. ADMINISTRATION OF THE PERFORMANCE SHARE PLAN 2018

11.1 The Committee will comprise such Directors duly authorised and appointed by the Board to administer the New Plans. The Committee shall administer the Performance Share Plan 2018 in its absolute discretion with such powers and duties as conferred on it by the Board. A member of the Committee must abstain from the Committee's deliberations in respect of Awards to be granted to him or held by him.

11.2 The Committee shall have the power from time to time to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the New Plans) for the implementation and administration of the Performance Share Plan 2018 as it deems fit.

11.3 Any decision of the Committee (including any decision pertaining to disputes as to interpretation of the Performance Share Plan 2018) made pursuant to any provision of the Rules, or any rule, regulation, procedure thereunder or as to any rights under the Performance Share Plan 2018 (other than a matter to be certified by the Auditors), shall be final, binding and conclusive.

12. TERMS OF APPOINTMENT OR EMPLOYMENT UNAFFECTED

12.1 The Performance Share Plan 2018 or any Award shall not form part of any contract of employment of a Participant with the Company, any Subsidiary or Controlled Associated Company, and the rights and obligations of any individual under the terms of the office or employment with such company within the Group or a Controlled Associated Company shall not be affected by his participation in the Performance Share Plan 2018 or any right which he may have to participate in it or any Award which he may hold. The Performance Share Plan 2018 or any Award 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.

12.2 The Performance Share Plan 2018 shall not confer on any person any legal or equitable rights (other than those constituting the Award themselves) against the Company, any Subsidiary or a Controlled Associated Company directly or indirectly or give rise to any cause of action at law or in equity against the Company, any Subsidiary or Controlled Associated Company in the Group.

13. NOTIFICATIONS

13.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

13.2 Any notice or documents required to be given to a Participant or any correspondence to be made between the Company and a Participant shall be given or made by the Company (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 address and place of business at which he performs the whole or substantially the whole of the duties of his office or employment. Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be

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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 address as aforesaid or, if sent by prepaid post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the date of despatch.

14. TAXES, COSTS AND EXPENSES OF THE PERFORMANCE SHARE PLAN 2018

- 14.1 All taxes (including income tax and central provident fund and/or other statutory contributions, if any) arising from the grant and/or payment of cash and/or allotment and issue and/or delivery of Shares pursuant to the Awards granted to any Participant under the Performance Share Plan 2018 shall be borne by that Participant. Each Participant shall also be responsible for all CDP fees relating to the issue and allotment of any Shares pursuant to the release of Awards in CDP's name, the deposit of share certificates with CDP, the Participant's Securities Account or the Participant's securities sub-account.
- 14.2 The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or vesting of Shares comprised in the relevant Award and the payment of cash or the allotment and issue or delivery of Shares to the Participant pursuant thereto. All taxes (including income tax, if applicable) arising from the grant or vesting of Shares comprised in any Award and the payment of cash or the allotment and issue or delivery of Shares to the Participant under the Performance Share Plan 2018 shall be borne by the Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the Performance Share Plan 2018.
- 14.3 Save for the above, all other fees, costs and expenses incurred by the Company in relation to the Performance Share Plan 2018 shall, to the extent permitted by law, be borne by the Company.

15. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Directors, 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 New Shares on the SGX-ST in accordance with the Performance Share Plan 2018.

16. 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.

17. DISCLOSURES IN ANNUAL REPORT

The following disclosures (as applicable) will be made by the Company in its annual report for so long as any of the New Plans continues in operation:

- (i) the names of the members of the Committee administering the New Plans;
- (ii) in respect of the following Participants of the New Plans:
 - (a) Directors of the Company; and
 - (b) Participants (other than those in sub-paragraph (a) above) who have received Shares pursuant to the release of Awards granted under the New Plans which, in aggregate, represent five per cent. (5%) or more of the aggregate of:
 - (1) the total number of New Shares available under the New Plans; and

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- (2) the total number of existing Shares purchased for delivery of Awards released under the New Plans,

the following information:

- (aa) the name of the Participant;

- (bb) the following particulars relating to Awards released under the New Plans:

- (1) the number of New Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the New Plans; and

- (2) the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the New Plans;

- (iii) in relation to each of the New Plans, the following particulars:

- (a) the aggregate number of Shares comprised in Awards granted during the financial year under review to the end of the financial year under review;

- (b) the aggregate number of Shares comprised in Awards which were vested during the financial year under review and in respect thereof, the proportion of:

- (1) the New Shares issued; and

- (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,

upon the release of the Awards under the New Plans;

- (c) the aggregate number of Shares comprised in Awards granted since the commencement of the New Plans to the end of the financial year under review;

- (d) the aggregate number of Shares comprised in Awards granted which have been released since the commencement of the New Plans to the end of the financial year under review; and

- (e) the aggregate number of Shares comprised in Awards granted which have not been released since the commencement of the New Plans to the end of the financial year under review.

18. **GOVERNING LAW**

The Performance Share Plan 2018 shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX II – RULES OF THE RESTRICTED SHARE PLAN 2018

RULES OF THE WING TAI RESTRICTED SHARE PLAN 2018

1. NAME OF THE RESTRICTED SHARE PLAN

The Restricted Share Plan 2018 (as defined below) shall be called the “Wing Tai Restricted Share Plan 2018”.

2. DEFINITIONS

2.1 In the Restricted Share Plan 2018, except where the context otherwise requires, the following words and expressions shall have the following meanings:

“Auditors”	:	The auditors of the Company for the time being
“Award”	:	A contingent award of Shares granted under the Performance Share Plan 2018 or the Restricted Share Plan 2018 (as the case may be)
“Board”	:	The board of Directors of the Company from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	A committee comprising Directors duly authorised and appointed by the Board to administer the Performance Share Plan 2018 and the Restricted Share Plan 2018
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	:	Wing Tai Holdings Limited
“Constitution”	:	The Constitution of the Company
“Controlled Associated Company”	:	A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over whose management the Company has control (as defined in the Listing Manual)
“Controlled Associated Company Employee”	:	Any employee of a Controlled Associated Company (including any Controlled Associated Company Executive Director) selected by the Committee to participate in the New Plans in accordance with the provisions thereof
“Controlled Associated Company Executive Director”	:	A director of a Controlled Associated Company who performs an executive function
“Directors”	:	The directors of the Company from time to time
“Executive Director”	:	A Director who performs an executive function
“FY”	:	Financial year ended or ending, as the case may be, 30 June
“Group”	:	The Company and its subsidiaries

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“Group Employee”	:	Any person who is a full-time confirmed employee of any company in the Group (including any Group Executive Director) selected by the Committee to participate in the New Plans in accordance with the provisions thereof
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Listing Rules”	:	The listing rules of the SGX-ST as set out in the Listing Manual
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“New Plans”	:	Refers collectively to the Performance Share Plan 2018 and the Restricted Share Plan 2018
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards to be granted under the Performance Share Plan 2018 and/or the Restricted Share Plan 2018
“Non-Executive Director”	:	A Director who is not an Executive Director
“Participant”	:	A person who is eligible under the New Plans
“Performance Share Plan 2008”	:	The previous performance share plan which was adopted pursuant to the approval of Shareholders at the extraordinary general meeting of the Company held on 30 October 2008, as modified or altered from time to time
“Performance Share Plan 2018”	:	The current performance share plan, as modified or altered from time to time
“Restricted Share Plan 2008”	:	The previous restricted share plan which was adopted pursuant to the approval of Shareholders at the extraordinary general meeting of the Company held on 30 October 2008, as modified or altered from time to time
“Restricted Share Plan 2018”	:	The current restricted share plan, as modified or altered from time to time
“Rules”	:	These Rules of the Restricted Share Plan 2018, as the same may be amended from time to time
“Securities Accounts”	:	Securities accounts maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares held by CDP, mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited

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“Shares”	:	Ordinary shares in the capital of the Company
“Subsidiaries”	:	The subsidiaries of the Company (as defined in Section 5 of the Companies Act) and “Subsidiary” shall be construed accordingly
“%” 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 Securities and Futures Act.
- 2.3 The terms “Associate” and “Controlling Shareholder” shall have the meaning ascribed to them in the Listing Manual.
- 2.4 Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.
- 2.5 Any reference in the Restricted Share Plan 2018 to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Listing Manual or any modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, the Listing Manual or any such modification, as the case may be, unless the context otherwise requires.
- 2.6 Any reference to a time of day and date shall be a reference to Singapore time and date, unless otherwise stated.

3. **OBJECTIVES OF THE RESTRICTED SHARE PLAN 2018**

- 3.1 The Restricted Share Plan 2018 is a share plan under which performance-based and/or service-based Awards may be granted. The Restricted Share Plan 2018 aims to complement the Performance Share Plan 2018 and to foster an ownership culture within the Group which aligns the interests of Group Employees and Controlled Associated Company Employees with the interests of Shareholders. The Restricted Share Plan 2018 will increase the Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate staff and directors who have made, and who continue to make, significant contributions to the Group.
- 3.2 The Restricted Share Plan 2018 will give Participants an opportunity to have a personal equity interest in the Company and will help to achieve the following main objectives:
- (i) to serve as an additional motivational tool to recruiting and retaining key management employees and executives;
 - (ii) to increase the Company’s flexibility and effectiveness in its continuous efforts to reward, retain and motivate eligible staff and directors who have made and who continue to make significant contributions to the Group;
 - (iii) to (a) incentivise Participants to excel in their performance, (b) encourage greater dedication and continued service of the Participants to the long term development and growth of the Group, and (c) instill loyalty and a stronger sense of identity in the Participants; and
 - (iv) to foster an ownership culture within the Group by aligning the interests of the Participants with the interests of the Shareholders.

APPENDIX II – RULES OF THE RESTRICTED SHARE PLAN 2018

4. **ELIGIBILITY**

4.1 The following persons shall be eligible to participate in the Restricted Share Plan 2018:

- (i) Group Employees who hold such rank as may be designated by the Committee from time to time; and
- (ii) Controlled Associated Company Employees who hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group,

who have attained the age of twenty-one (21) years, and are not undischarged bankrupts.

4.2 The following persons shall not be eligible to participate in the Restricted Share Plan 2018:

- (i) Non-Executive Directors;
- (ii) Controlling Shareholders; and
- (iii) Associates of Controlling Shareholders.

4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes implemented or to be implemented by the Company, another company within the Group and any Controlled Associated Company.

4.4 Subject to the Companies Act and requirements of the SGX-ST, the terms of eligibility of any Participant in the Restricted Share Plan 2018 may be amended from time to time at the absolute sole discretion of the Committee.

4.5 The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Restricted Share Plan 2018 shall be determined at the absolute discretion of the Committee, which shall take into account criteria including (but not limited to) the Participant's rank, job performance, years of service and potential for future development, contribution to the success of the Group, the extent of effort and resourcefulness required to achieve the performance conditions and/or service conditions within the performance periods and/or service periods.

5. **GRANT OF AWARDS**

5.1 Awards represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, without any cash consideration payable by the Participant, upon the Participant (i) achieving prescribed performance conditions and/or service conditions; or (ii) otherwise having performed well and/or made a significant contribution to the Company and/or the achievement of prescribed performance conditions and/or service conditions.

5.2 Subject to Rules 8 and 9, Awards will be granted and the Shares comprised in the Awards will be released at the end of the performance period and/or service period once the Committee, at its sole discretion, is satisfied that the prescribed performance conditions and/or service conditions have been achieved. The Committee may also grant an Award where in its opinion a Participant's performance and/or contribution to the Company warrant it.

5.3 (i) Awards granted under the Restricted Share Plan 2018 will entitle Participants to be allotted and issued or delivered fully paid Shares upon satisfactory achievement of pre-determined performance conditions and/or service conditions. Unlike the Performance Share Plan 2018, the performance conditions under the Restricted Share Plan 2018 are shorter-term targets aimed at encouraging continued service. Examples of performance conditions to be set include targets based on criteria such as market share, profitability and return on sales.

APPENDIX II – RULES OF THE RESTRICTED SHARE PLAN 2018

- (ii) A performance-based Award under the Restricted Share Plan 2018 may be granted, for example, with a performance condition, and thereafter with a further vesting period to encourage the Participant to continue serving the Group for a further period of time.
 - (iii) In addition to the achievement of any pre-determined performance conditions and/or service conditions, Awards may also be granted upon the Committee's post-event determination that any Participant has performed well and/or made a significant contribution to the Company.
- 5.4 The Committee has the flexibility to grant Awards under either or both of the New Plans to the same Participant, simultaneously. Participants may also be granted Awards under the Restricted Share Plan 2018 with different performance conditions and/or service conditions, or on other different bases. It is unlikely that performance conditions, service conditions and/or the basis of grant of Awards for any individual Participant will be identical to that of another Participant.
- 5.5 The length of vesting periods in respect of each Award will be determined by the Committee. The Committee may also make an Award at any time when in its opinion a Participant's performance and/or contribution justifies such Award. Awards granted under the Restricted Share Plan 2018 will typically vest (that is, a Participant will be absolutely entitled to all or some of the Shares comprised in an Award) on a date beyond the completion date of the performance and/or service conditions. Therefore, under the Restricted Share Plan 2018, Participants are encouraged to continue serving the Group beyond the achievement date of the predetermined performance conditions and/or service conditions.
- 5.6 The Committee shall decide, in relation to each Award to be granted to a Participant under the Restricted Share Plan 2018:
- (i) the date on which the Award is to be granted;
 - (ii) the number of Shares which are the subject of the Award;
 - (iii) the prescribed performance conditions and/or service conditions (including the performance periods and/or service periods during which the performance conditions and/or service conditions are to be satisfied) and/or any other basis on which the Award is to be granted;
 - (iv) the prescribed vesting periods (if any);
 - (v) 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 conditions and/or service conditions, if any, being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be;
 - (vi) the release schedule (if any); and
 - (vii) any other condition which the Committee may determine in relation to that Award.
- 5.7 An Award letter confirming the Award and specifying, *inter alia*, the matters in paragraph 5.6 above will be issued by the Committee to each Participant as soon as is reasonably practicable upon or after the making of an Award.
- 5.8 Participants are not required to make cash consideration to the Company for the grant of the Awards.
- 5.9 Awards are personal to the Participant to whom they are given and shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, unless the prior approval of the Committee is obtained.

APPENDIX II – RULES OF THE RESTRICTED SHARE PLAN 2018

6. EVENTS PRIOR TO VESTING

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

- (i) in the event of misconduct on the part of a Participant as determined by the Committee in its discretion;
- (ii) the Participant ceasing to be in the employment of the Group or the relevant Controlled Associated Company whether on his own accord, or by such company, for any reason whatsoever (other than specified in paragraph (iv) below);
- (iii) the bankruptcy of a Participant, his entering into any composition with his creditors prior to the vesting of his Award or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (iv) the Participant ceasing to be in the employment of the Group or the relevant Controlled Associated Company by reason of:
 - (a) ill health, injury, accident or disability (in each case, evidenced to the satisfaction of the Committee);
 - (b) redundancy;
 - (c) retirement at or after the legal retirement age;
 - (d) retirement before the legal retirement age with the consent of the Committee;
 - (e) the company by which he is employed or to which he is seconded, ceasing to be a company within the Group **or** a Controlled Associated Company or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or a Controlled Associated Company;
 - (f) transfer to any corporation at the discretion of the Company or the relevant Controlled Associated Company;
 - (g) transfer of employment from the Group to a Controlled Associated Company or vice versa; or
 - (h) any other event approved by the Committee;
- (v) the death of the Participant;
- (vi) reconstruction or amalgamation of the Company being carried out, a takeover offer (whether conditional or unconditional) being made for all or any part of the Shares, a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Companies Act, an order being made by the court under the Companies Act to place the Company under judicial management, an order being made by the court under the Companies Act in relation to the restructuring of debts of the Company, an order for the compulsory winding-up of the Company being made or a resolution for a voluntary winding up of the Company being made; and
- (vii) any other event approved by the Committee.

Upon the occurrence of the event specified in paragraph (i) above, an Award then held by a Participant shall, save as otherwise provided in the Rules and to the extent not yet released, immediately lapse without any claim whatsoever against the Company.

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Upon the occurrence of any of the events specified in paragraphs (ii), (iii) and (iv) above, the Committee may consider, at its absolute discretion and on such terms and conditions as it deems fit, whether or not to preserve all or any part of any Award and decide as soon as reasonably practicable following such event to release any Award and vest 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 prescribed vesting period, if any, or declare that an Award has lapsed without any claim whatsoever against the Company. In exercising its discretion, the Committee will take into account 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 applicable performance conditions and/or service conditions, if any, have been satisfied. For the purpose of paragraph (ii) above, a Participant shall be deemed to have ceased to be in the employment of the Group or the Controlled Associated Company (as the case may be) on the date on which he gives notice of termination of employment, unless prior to the date on which termination takes effect, the Participant has (with the consent of the Group or the Controlled Associated Company (as the case may be) withdrawn such notice.

Upon the occurrence of the event specified in paragraph (v) above, the Committee will consider, at its discretion and on such terms and conditions as it deems fit, whether or not to release any Award and vest some or all of the Shares which are the subject of such Award in the personal representative(s) of the Participant. In exercising its discretion, the Committee will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Participant and the extent to which the applicable performance conditions and/or service conditions, if any, have been satisfied.

Upon the occurrence of any of the events specified in paragraph (vi) above, the Committee will consider, at its discretion and on such terms and conditions as it deems fit, whether or not to release any Award, and will take into account 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 applicable performance conditions and/or service conditions, if any, have been satisfied.

7. SIZE AND DURATION OF THE RESTRICTED SHARE PLAN 2018

- 7.1 Pursuant to the Restricted Share Plan 2018, New Shares may be issued and existing Shares may be delivered (whether such existing Shares are acquired, pursuant to a share purchase mandate or held as treasury shares to the extent permitted by law, or otherwise) pursuant to Awards granted under the Restricted Share Plan 2018.
- 7.2 The total number of such New Shares issued and existing Shares delivered on any date, when added to the number of new Shares issued and issuable and existing Shares delivered and deliverable in respect of (i) all Awards granted under the New Plans; and (ii) all awards granted and outstanding under the Performance Share Plan 2008 and the Restricted Share Plan 2008, shall not exceed five per cent. (5%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, as of the day preceding the relevant date of grant of the Award, provided that (a) such number of Shares to be issued or delivered from each annual general meeting of the Company (starting from the annual general meeting of the Company held on 26 October 2018) to the next annual general meeting of the Company (each a “**Relevant Year**”), shall not exceed 0.5% of the total number of issued Shares excluding treasury shares and subsidiary holdings (“**Annual Limit**”); and (b) if the Annual Limit is not fully utilised during the Relevant Year, any unutilised portion of the Annual Limit may be used by the Directors to make grant of Awards in subsequent years for the duration of the New Plans.
- 7.3 The amount of cash which may be paid upon the release of such Awards in lieu of Shares will not be subject to any limit.
- 7.4 The Restricted Share Plan 2018 shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Restricted Share Plan 2018 is adopted by the Company in general meeting, provided always that the Restricted Share Plan 2018 may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

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7.5 The Restricted Share Plan 2018 may be terminated at any time at the discretion of the Committee, or by an ordinary resolution passed by the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Restricted Share Plan 2018 is so terminated, no additional Awards will be offered by the Company thereunder.

7.6 Termination or expiry of the Restricted Share Plan 2018 shall not affect Awards which have been granted prior to such termination or expiry which will continue to remain valid.

8. OPERATION OF THE RESTRICTED SHARE PLAN 2018

8.1 As soon as reasonably practicable after the end of each performance period and/or service period, the Committee shall review the performance conditions and/or service conditions specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have satisfied (whether fully or partially) and subject to Rule 6, shall release to that Participant the Shares to which that Award relates.

8.2 The Committee has the discretion to determine whether performance conditions and/or service conditions have been satisfied (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to the Company justify the vesting of an Award. In making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company, the Group or a Controlled Associated Company, as the case may be, taking into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events. Further, the Committee shall also have the right to amend the performance conditions and/or service conditions, if any, if the Committee decides that it would be more equitable to do so.

8.3 Subject to the prevailing legislation and the Listing Rules, the Company will have the flexibility and discretion in determining the mode of settlement of the Awards by way of:

- (i) an issue of New Shares;
- (ii) the delivery of existing Shares;
- (iii) payment of the equivalent cash value of such New Shares and/or existing Shares; or
- (iv) a combination of (i), (ii) and/or (iii) stated above.

8.4 In determining whether to issue New Shares or to deliver existing Shares or to pay the equivalent cash value to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

8.5 The Company shall have the flexibility, and if circumstances require, to approve the release of an Award, wholly or partly, in the form of cash rather than Shares, in which event the Participant shall receive the aggregate value of the relevant number of Shares in cash, with the value of each Share being for this purpose the weighted average price for a Share, as determined by reference to the daily Official List published by the SGX-ST for the three (3) consecutive Market Days immediately preceding the date of release of the Award.

8.6 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 and/or purchase of existing Shares and the payment of cash, the availability of cash for payment and the cost of funding the cash payment, if necessary.

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- 8.7 The Committee will procure, upon the Board's approval therefor, the allotment of New Shares or transfer of existing Shares to each Participant in respect of the number of Shares which are to be released to that Participant pursuant to an Award. For any allotment of New Shares pursuant to an Award, the Committee may take into account the rounding of odd lots.
- 8.8 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Rules and the Constitution, the Company shall within ten (10) Market Days after the vesting of an Award, allot the relevant Shares and despatch to CDP the relevant share certificates, where applicable. Shares which are the subject of an Award shall be issued in the name of CDP to the credit of the Securities Account of the Participant or his securities sub-account maintained with a Depository Agent and as notified by the Participant to the Committee.
- 8.9 New Shares to be issued under the Restricted Share Plan 2018 shall be issued in compliance with all applicable laws and regulations. Subject to applicable laws, the Company may also either purchase or procure the purchase of existing Shares to satisfy Awards.
- 8.10 Where New Shares are allotted upon the vesting of an Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for permission to deal in and for quotation of such Shares if such permission has not been obtained prior to the allotment.
- 8.11 New Shares allotted and issued, and existing Shares procured by the Company for transfer shall, on the release of an Award:
- (i) be subject to all the provisions of the Constitution; and
 - (ii) be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant issue or transfer date, and shall in all other respects rank *pari passu* with other existing Shares then in issue. For the purposes of this Rule, "record date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of Shareholders.
- 8.12 Shares which are allotted or transferred pursuant to the release of an Award will not (save as otherwise provided by the provisions of the Listing Manual or applicable laws) be subject to any restriction against disposal, or sale or otherwise by the Participant.
- 8.13 Every Award shall be subject to the condition that no cash shall be paid nor Shares issued or transferred pursuant to the release of any Award if such payment, issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the payment of cash or issue or transfer of Shares thereto.

9. **ADJUSTMENTS**

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction of capital, subdivision, consolidation of Shares or distribution, or otherwise) shall take place or if the Company shall make a declaration of a special dividend (whether in cash or in specie), then:
- (i) the number of Shares which are the subject of an Award to the extent not yet vested or released (as the case may be);
 - (ii) the number of Shares over which future Awards may be granted under the New Plans; and/or
 - (iii) the maximum number of New Shares which may be issued and/or existing Shares which may be delivered in settlement (whether such existing Shares are acquired, pursuant to a share purchase mandate or held as treasury shares to the extent permitted by law, or otherwise) pursuant to Awards under the New Plans,

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shall be adjusted in such manner as the Committee may determine to be appropriate and, except in relation to a capitalisation issue, upon the Auditors (acting as experts and not as arbitrators) having confirmed in writing that, in their opinion, such adjustment is fair and reasonable.

9.2 Any adjustments to be made shall be subject to the proviso that such adjustments shall not be made:

- (i) if as a result of such adjustment, the Participant receives a benefit that a Shareholder does not receive;
- (ii) if such adjustment will result in the number of Shares comprised in an Award, together with new Shares to be issued or issuable and existing Shares delivered in respect of all awards under the New Plans, Performance Share Plan 2008 and the Restricted Share Plan 2008, to exceed five per cent. (5%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, or exceed the Annual Limit in a Relevant Year; or
- (iii) unless the Committee, after considering all relevant circumstances, considers it equitable to do so.

9.3 Unless the Committee considers an adjustment to be appropriate, the following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (i) the issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) any increase in the number of issued Shares as a consequence of the exercise of any options or other convertible of any loan stock or any other securities convertible 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 issue of New Shares pursuant to the New Plans);
- (iii) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; or
- (iv) any 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 in writing and deliver to him a statement setting forth the value, class and/or number of Shares which are the subject of an Award to the extent not vested, provided that any omission to give notice to any Participants shall not invalidate any such adjustment.

10. **MODIFICATIONS OR ALTERATIONS TO THE RESTRICTED SHARE PLAN 2018**

10.1 The Restricted Share Plan 2018 may be modified and/or altered from time to time by a resolution of the Committee, provided that:

- (i) no modification or alteration shall be made without the prior approval of the SGX-ST and/or such other regulatory authorities as may be necessary as well as compliance with all applicable laws, regulations and the Listing Rules; and
- (ii) no alteration shall be made to the advantage of the Participants, except with the prior approval of the Shareholders in general meeting.

10.2 Written notice of any modification or alteration made shall be given to all Participants provided that any omission to give notice to any Participant shall not invalidate any such amendment.

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10.3 Notwithstanding anything herein to the contrary, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST and/or such other regulatory authorities as may be necessary) amend or alter the Restricted Share Plan 2018 in any way to the extent necessary to cause the Restricted Share Plan 2018 to comply with any statutory provision or the requirements of any regulatory or other relevant authority or body.

11. ADMINISTRATION OF THE RESTRICTED SHARE PLAN 2018

11.1 The Committee will comprise such Directors duly authorised and appointed by the Board to administer the New Plans. The Committee shall administer the Restricted Share Plan 2018 in its absolute discretion with such powers and duties as conferred on it by the Board. A member of the Committee must abstain from the Committee's deliberations in respect of Awards to be granted to him or held by him.

11.2 The Committee shall have the power from time to time to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the New Plans) for the implementation and administration of the Restricted Share Plan 2018 as it deems fit.

11.3 Any decision of the Committee (including any decision pertaining to disputes as to interpretation of the Restricted Share Plan 2018) made pursuant to any provision of the Rules, or any rule, regulation, procedure thereunder or as to any rights under the Restricted Share Plan 2018 (other than a matter to be certified by the Auditors), shall be final, binding and conclusive.

12. TERMS OF APPOINTMENT OR EMPLOYMENT UNAFFECTED

12.1 The Restricted Share Plan 2018 or any Award shall not form part of any contract of employment of a Participant with the Company, any Subsidiary or Controlled Associated Company, and the rights and obligations of any individual under the terms of the office or employment with such company within the Group or a Controlled Associated Company shall not be affected by his participation in the Restricted Share Plan 2018 or any right which he may have to participate in it or any Award which he may hold. The Restricted Share Plan 2018 or any Award 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.

12.2 The Restricted Share Plan 2018 shall not confer on any person any legal or equitable rights (other than those constituting the Award themselves) against the Company, any Subsidiary or a Controlled Associated Company directly or indirectly or give rise to any cause of action at law or in equity against the Company, any Subsidiary or Controlled Associated Company in the Group.

13. NOTIFICATIONS

13.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.

13.2 Any notice or documents required to be given to a Participant or any correspondence to be made between the Company and a Participant shall be given or made by the Company (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 address and place of business at which he performs the whole or substantially the whole of the duties of his office or employment. 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 address as aforesaid or, if sent by prepaid post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the date of despatch.

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14. **TAXES, COSTS AND EXPENSES OF THE RESTRICTED SHARE PLAN 2018**

- 14.1 All taxes (including income tax and central provident fund and/or other statutory contributions, if any) arising from the grant and/or payment of cash and/or allotment and issue and/or delivery of Shares pursuant to the Awards granted to any Participant under the Restricted Share Plan 2018 shall be borne by that Participant. Each Participant shall also be responsible for all CDP fees relating to the issue and allotment of any Shares pursuant to the release of Awards in CDP's name, the deposit of share certificates with CDP, the Participant's Securities Account or the Participant's securities sub-account.
- 14.2 The Participants shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or vesting of Shares comprised in the relevant Award and the payment of cash or the allotment and issue or delivery of Shares to the Participant pursuant thereto. All taxes (including income tax, if applicable) arising from the grant or vesting of Shares comprised in any Award and the payment of cash or the allotment and issue or delivery of Shares to the Participant under the Restricted Share Plan 2018 shall be borne by the Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the Restricted Share Plan 2018.
- 14.3 Save for the above, all other fees, costs and expenses incurred by the Company in relation to the Restricted Share Plan 2018 shall, to the extent permitted by law, be borne by the Company.

15. **DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Directors, 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 new Shares on the SGX-ST in accordance with the Restricted Share Plan 2018.

16. **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.

17. **DISCLOSURES IN ANNUAL REPORT**

The following disclosures (as applicable) will be made by the Company in its annual report for so long as any of the New Plans continues in operation:

- (i) the names of the members of the Committee administering the New Plans;
- (ii) in respect of the following Participants of the New Plans:
 - (a) Directors of the Company; and
 - (b) Participants (other than those in sub-paragraph (a) above) who have received Shares pursuant to the release of Awards granted under the New Plans which, in aggregate, represent five per cent. (5%) or more of the aggregate of:
 - (1) the total number of New Shares available under the New Plans; and
 - (2) the total number of existing Shares purchased for delivery of Awards released under the New Plans,

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the following information:

- (aa) the name of the Participant;
- (bb) the following particulars relating to Awards released under the New Plans:
 - (1) the number of New Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the New Plans; and
 - (2) the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the New Plans;
- (iii) in relation to each of the New Plans, the following particulars:
 - (a) the aggregate number of Shares comprised in Awards granted during the financial year under review to the end of the financial year under review;
 - (b) the aggregate number of Shares comprised in Awards which were vested during the financial year under review and in respect thereof, the proportion of:
 - (1) the New Shares issued; and
 - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,upon the release of the Awards under the New Plans;
 - (c) the aggregate number of Shares comprised in Awards granted since the commencement of the New Plans to the end of the financial year under review;
 - (d) the aggregate number of Shares comprised in Awards granted which have been released since the commencement of the New Plans to the end of the financial year under review; and
 - (e) the aggregate number of Shares comprised in Awards granted which have not been released since the commencement of the New Plans to the end of the financial year under review.

18. **GOVERNING LAW**

The Restricted Share Plan 2018 shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

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