

CIRCULAR DATED 13 JULY 2018

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

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

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of Rich Capital Holdings Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

*This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this Circular.*

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

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

RICH CAPITAL HOLDINGS LIMITED

(Company Registration Number: 199801660M)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

- 1. PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE;**
- 2. PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE;**
- 3. PROPOSED ADOPTION OF THE IPT MANDATE;**
- 4. PROPOSED ADOPTION OF THE NEW RICH CAPITAL PERFORMANCE SHARE PLAN; AND**
- 5. PROPOSED ADOPTION OF THE NEW RICH CAPITAL EMPLOYEE SHARE OPTION SCHEME.**

Independent Financial Adviser to the Non-Interested Directors in relation to
the Proposed Adoption of the IPT Mandate



XANDAR CAPITAL PTE. LTD.

(Company Registration No. 200002789M)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

- | | | |
|--|---|---|
| Last date and time for lodgement of Proxy Form | : | 28 July 2018 at 9.30 a.m. |
| Date and time of Extraordinary General Meeting | : | 30 July 2018 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place) |
| Place of Extraordinary General Meeting | : | Meyer & Frankel Rooms, Level 3 of Grand Mercure Singapore Roxy, 50 East Coast Road, Roxy Square, Singapore 428769 |

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DEFINITIONS

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

“AGM”	:	The annual general meeting of the Company
“Approval Date”	:	The date of the EGM at which the Share Buy-Back Mandate is approved
“Associates”	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a substantial shareholder or 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 companies taken together (directly or indirectly) have an interest of 30% or more
“Average Closing Price”	:	Has the meaning as ascribed to it in section 3.3.4
“Awards”	:	The awards of the Shares granted or which may be granted pursuant to the Performance Share Plan
“Award Shares”	:	The Shares which are the subject of the Awards under the Performance Share Plan
“Board”	:	The board of Directors of the Company
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as may be amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular dated 13 July 2018
“Company”	:	Rich Capital Holdings Limited
“Companies Act”	:	Companies Act (Chapter 50) of Singapore, as may be amended, modified or supplemented from time to time

DEFINITIONS

“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
“Constitution”	:	The Constitution of the Company, as amended or modified from time to time
“Director(s)”	:	The directors of the Company as at the Latest Practicable Date
“EGM”	:	The extraordinary general meeting of the Company to be held on 30 July 2018 at 10.00 a.m. (or as or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place), the notice of which is set out on page EGM-1 of this Circular
“Employee Share Option Scheme”	:	The proposed new Rich Capital Employee Share Option Scheme to be adopted by the Company, as modified or altered from time to time
“EPS”	:	Earnings per Share
“FY”	:	Financial year ended, or as the case may be, ending 31 March
“Group”	:	The Company and its subsidiaries
“Highest Last Dealt Price”	:	Has the meaning as ascribed to it in section 3.3.4
“HLC”	:	Homeland Construction Pte. Ltd.
“IFA”	:	Xandar Capital Pte. Ltd., the independent financial adviser to the Non-Interested Directors in relation to the Proposed Adoption of the IPT Mandate
“IFA Letter”	:	The letter dated 13 July 2018 from the IFA to the Non-Interested Directors in relation to the Proposed Adoption of the IPT Mandate, a copy of which is set out in Appendix C of this Circular
“IPT Mandate”	:	The general mandate to be adopted by the Company pursuant to Chapter 9 of the Catalist Rules, permitting companies within the Group, or any of them, to enter into any Mandated Transaction with any Mandated Interested Person on a recurring basis, provided that such Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
“Kay-Link”	:	Kay-Link Construction Pte. Ltd.
“Latest Practicable Date”	:	9 July 2018, being the latest practicable date prior to printing of this Circular

DEFINITIONS

“LPS”	:	Loss per share
“Mandated Interested Persons”	:	The classes of interested persons of the Company which fall within the IPT Mandate, namely RLC, RLB, Kay-Link and HLC, as further described in section 4.3 of this Circular
“Mandated Transactions”	:	The categories of transactions with the Mandated Interested Persons which fall within the IPT Mandate, namely: (i) appointment of a Mandated Interested Person as the main contractor for property development projects of the Group; and/or (ii) engaging a Mandated Interested Person to provide fitting out and general construction services and/or materials to the Group, as further described in section 4.4 of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Price”	:	Has the meaning as ascribed to it in section 3.3.4
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the Employee Share Option Scheme and/or pursuant to the vesting of Awards granted under the Performance Share Plan as the case may be
“Non-Interested Directors”	:	The Directors who are deemed to be independent for the purposes of making a recommendation on the Proposed Adoption of the IPT Mandate, namely Mr. James Kho Chung Wah, Mr. Chow Wen Kwan, and Mr. Giang Sovann
“NTA”	:	Net tangible assets
“Off-Market Purchases”	:	Off-market purchases (if effected otherwise than on the SGX-ST) pursuant to an equal access scheme(s) (as defined in Section 76C of the Companies Act), which scheme(s) shall satisfy all the conditions prescribed by the Catalist Rules
“On-Market Purchases”	:	On-market purchases transacted through the SGX-ST’s trading system, or on any other securities exchange on which the Shares may for the time being be listed and quoted, or through one or more duly licensed dealers appointed by the Company for the purpose of the Share Buy-Back
“Options”	:	The share options which may be granted pursuant to the Employee Share Option Scheme
“Performance Share Plan”	:	The proposed new Rich Capital Performance Share Plan to be adopted by the Company, as modified or altered from time to time

DEFINITIONS

“Proposed Adoption of the Performance Share Plan”	:	The proposed adoption of the Performance Share Plan to be approved by the Shareholders as set out in section 5 of this Circular
“Proposed Adoption of the Share Buy-Back Mandate”	:	The proposed adoption of the Share Buy-Back Mandate to be approved by the Shareholders as set out in section 3 of this Circular
“Proposed Adoption of the Employee Share Option Scheme”	:	The proposed adoption of the Rich Capital Employee Share Option Scheme to be approved by the Shareholders as set out in section 6 of this Circular
“Proposed Adoption of the IPT Mandate”	:	The proposed adoption of the Shareholders’ general mandate pursuant to Chapter 9 of the Catalist Rules to be approved by the independent Shareholders as set out in section 4 of this Circular
“Proposed Renewal of the Share Issue Mandate”	:	The proposed renewal of the Share Issue Mandate to be approved by the Shareholders as set out in section 2 of this Circular
“RLC”	:	Rich-Link Construction Pte. Ltd.
“RLB”	:	Rich-Link Builders Pte. Ltd.
“Register of Members”	:	The register of members of the Company
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of the Shares, except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose securities accounts maintained with CDP are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Share Buy-Back Mandate”	:	The proposed general mandate to be given by the Shareholders to authorise the Directors to exercise all powers of the Company to purchase or acquire, on behalf of the Company, Shares in accordance with the terms set out in this Circular
“Share Issue Mandate”	:	Has the meaning ascribed to it in section 2.1 of this Circular
“Share Purchases”	:	Off-Market Purchases or On-Market Purchases undertaken by the Company pursuant to the Share Buy-Back Mandate
“SIC”	:	The Securities Industry Council of Singapore
“Subsidiary Holdings”	:	Has the meaning ascribed to it in the Catalist Rules
“Substantial Shareholder”	:	A person who holds directly and/or indirectly 5% or more of the total issued share capital of the Company

DEFINITIONS

“Take-over Code”	:	Singapore Code on Take-overs and Mergers
“Treasury Share”	:	A Share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled
“S\$” and “cents”	:	Dollars and cents respectively of the currency of Singapore
“%”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them in Section 81SF of the SFA and the terms “**Subsidiary**” and “**Treasury Shares**” shall have the same meanings ascribed to them in the Companies 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 the neuter genders and *vice versa*. 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 under the Companies Act, the Catalist Rules or any statutory or regulatory modification thereof, and used in this Circular but not defined herein, shall where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules or such modification thereof, as the case may be, unless otherwise provided.

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

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

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

RICH CAPITAL HOLDINGS LIMITED

(Company Registration No. 199801660M)
(Incorporated in the Republic of Singapore)

Board of Directors:

Wang ZhenWen (Non-Independent Non-Executive Chairman)
Soong Kar Leong (Executive Director)
James Kho Chung Wah (Independent Non-Executive Director)
Chow Wen Kwan (Independent Non-Executive Director)
Giang Sovann (Independent Non-Executive Director)

Registered Office:

80 Robinson Road
#02-00
Singapore 068898

13 July 2018

To: The Shareholders of Rich Capital Holdings Limited

Dear Sir / Madam,

- (1) PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE;**
- (2) PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE;**
- (3) PROPOSED ADOPTION OF THE IPT MANDATE;**
- (4) PROPOSED ADOPTION OF THE NEW RICH CAPITAL PERFORMANCE SHARE PLAN; AND**
- (5) PROPOSED ADOPTION OF THE NEW RICH CAPITAL EMPLOYEE SHARE OPTION SCHEME.**

1. INTRODUCTION

1.1 Overview

The Board is convening an EGM to be held at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place) on 30 July 2018 at Meyer & Frankel Rooms, Level 3 of Grand Mercure Singapore Roxy, 50 East Coast Road, Roxy Square, Singapore 428769 to seek Shareholders' approval in respect of the following:

- (a) the proposed renewal of the Share Issue Mandate (the **"Proposed Renewal of the Share Issue Mandate"**);
- (b) the proposed adoption of the Share Buy-Back Mandate (the **"Proposed Adoption of the Share Buy-Back Mandate"**);
- (c) the proposed adoption of the IPT Mandate for recurrent interested person transactions (the **"Proposed Adoption of the IPT Mandate"**);
- (d) the proposed adoption of the new Performance Share Plan (the **"Proposed Adoption of the Performance Share Plan"**); and
- (e) the proposed adoption of the new Employee Share Option Scheme (the **"Proposed Adoption of the Employee Share Option Scheme"**);

(collectively, the **"Proposed Corporate Actions"**).

LETTER TO SHAREHOLDERS

1.2 Purpose

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Corporate Actions, and to seek Shareholders' approval for these Proposed Corporate Actions at the EGM to be convened, notice of which is set out on page EGM-1 of this Circular.

2. THE PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE

2.1 Background

At the Extraordinary General Meeting of the Company held on 28 March 2018 ("**Previous EGM**"), Shareholders had approved the share issue mandate which authorised the Directors to issue and allot new Shares provided the aggregate number of Shares to be issued shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) in the capital of the Company as at the time of passing of the resolution relating thereto, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to its Shareholders shall not exceed 50% of the total number of issued Shares as at the time of passing of the resolution relating thereto (excluding Treasury Shares and Subsidiary Holdings) ("**Share Issue Mandate**").

The Share Issue Mandate was expressed to take effect from the passing of the ordinary resolution relating thereto at the Previous EGM and unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

Accordingly, Shareholders' approval is being sought for the renewal of the Share Issue Mandate at the EGM for the reasons set out below.

2.2 Renewal of the Share Issue Mandate

2.2.1 Rationale for the Renewal of the Share Issue Mandate

A general (as opposed to specific) approval for the Directors to issue Shares will enable the Company to act quickly and take advantage of market conditions. The expense and delay of otherwise having to convene general meetings of the Company to approve the making or granting of each specific instrument which requires Shares to be issued would thus be avoided. The renewal of the Share Issue Mandate will provide flexibility to the Directors to issue new Shares when it is in the interest of the Company and the Shareholders as a whole to do so.

2.2.2 Duration of Share Issue Mandate

If renewed, the Share Issue Mandate will take effect on the date of the passing of the ordinary resolution relating thereto at the EGM and continue in force until the next AGM of the Company, unless prior thereto, issues of Shares are made to the full extent permitted by the Share Issue Mandate or the Share Issue Mandate is varied or revoked by an ordinary resolution of Shareholders in a general meeting.

2.2.3 Shareholders' Approval

For the reasons set out above, the Company is proposing to seek the approval of the Shareholders for the renewal of the Share Issue Mandate, which will be tabled as an ordinary resolution at the EGM.

LETTER TO SHAREHOLDERS

3. THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

3.1 Introduction

The Board is proposing to seek Shareholders' approval at the EGM for the proposed adoption of the Share Buy-Back Mandate.

The Share Buy-Back Mandate is a general mandate to be given by the Shareholders that allows the Company to purchase or acquire its issued Shares at any time during the duration and on the terms of the Share Buy-Back Mandate. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Catalist Rules and such other laws and regulations as may, for the time being, be applicable. The Company's Constitution expressly permits the Company to authorise the Directors in general meeting to purchase or otherwise acquire its issued Shares on such terms as the Company may think fit and in the manner prescribed by the Companies Act. The Company is also required to obtain approval of its Shareholders at a general meeting if it wishes to purchase or acquire its own Shares. Accordingly, approval is being sought from Shareholders at the EGM for the adoption of the Share Buy-Back Mandate.

If approved by Shareholders at the EGM, the authority conferred by the Share Buy-Back Mandate will continue in force until the next annual general meeting of the Company (whereupon it will lapse, unless renewed at such meeting), or the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Company at general meeting (if so varied or revoked prior to the next annual general meeting), or the date on which purchases and acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated (if so varied or revoked prior to the next annual general meeting), whichever is the earliest.

3.2 Rationale for the Share Buy-Back Mandate

The Company proposes to seek Shareholders' approval for the Share Buy-Back Mandate to give Directors the flexibility to undertake Share Purchases or acquisitions up to ten per cent (10%) of the Company's total issued shares (excluding Treasury Shares and Subsidiary Holdings, if any), as at the date of passing of the resolution at the Company's EGM, as described in section 3.3 below at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) In managing the business of the Company, management strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Company. A buy-back of Shares at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.
- (b) The Directors believe that the Share Buy-Back Mandate provides the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net asset value per Share.
- (c) The Directors further believe that buy-backs of Shares by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence.
- (d) The Shares which are repurchased or acquired by the Company pursuant to the Share Buy-Back Mandate and held as Treasury Shares may, *inter alia*, to the extent permitted by applicable law, consequently be transferred for the purposes of or pursuant to the share

LETTER TO SHAREHOLDERS

incentive schemes implemented by the Company, including the Performance Share Plan and the Employee Share Option Scheme, should they be adopted. The use of Treasury Shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company. If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via On-Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out buy-backs of Shares to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares, the financial position of the Company and/or result in the Company being delisted from the SGX-ST. For example, the Directors will ensure that a buy-back of Shares will not be carried out to such an extent that the free float of the Company's Shares held by the public falls to below ten per cent (10%).

Any Share Purchase will have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution, and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on the Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition of issued ordinary shares in the capital of a company listed on the Catalist.

3.3 Authority and Limits of the Proposed Share Buy-Back Mandate

The authority and limitations placed on the Share Purchases by the Company under the proposed Share Buy-Back Mandate are summarised below:

3.3.1 Maximum number of Shares

Pursuant to the Share Buy-Back Mandate, the Company may only acquire Shares that are issued and fully paid-up.

In accordance with Rule 867 of the Catalist Rules, the total number of Shares that may be purchased is limited to that number of Shares representing not more than ten per cent (10%) of the issued ordinary share capital of the Company as at the Approval Date, unless the Company has reduced its share capital by a special resolution under Section 78C of the Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution. Any Shares which are held as Treasury Shares or Subsidiary Holdings will be disregarded for purposes of computing the ten per cent (10%) limit.

For illustrative purposes only, on the basis of 7,342,671,467 Shares (excluding Treasury Shares and Subsidiary Holdings, if any) in issue as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the EGM, not more than 734,267,146 Shares (representing ten per cent (10%) of the Shares in issue (excluding Treasury Shares and Subsidiary Holdings, if any) as at the Approval Date) may be purchased or acquired by the Company pursuant to the proposed Share Buy-back Mandate.

The Company may not acquire its own Shares if as a result thereof, the issued share capital of the Company would be reduced below the minimum subscribed capital specified in the Constitution, or if the Share Purchases is carried out to such an extent that it affects the listing status of the Company on the SGX-ST or causes the Company to be unable to meet the minimum public float requirement.

3.3.2 Duration of authority

Approval for the Share Buy-Back Mandate is being sought from Shareholders at the date of the EGM for the purchase by the Company of its issued Shares.

If approved, the Share Buy-Back Mandate will take effect from the passing of the resolution approving the said mandate at the EGM and continue in force up to the earliest of:

LETTER TO SHAREHOLDERS

- (a) the conclusion of the next AGM;
- (b) the date by which such AGM is required to be held;
- (c) the date on which the Share Purchases are carried out to the full extent mandated; or
- (d) the date on which the authority contained by the Share Buy-Back Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

The authority conferred on the Directors by the Share Buy-Back Mandate to purchase or acquire Shares may be renewed at each AGM or other general meetings of the Company.

3.3.3 Manner of Share Purchases

Share Purchases may be made by way of:

- (a) On-Market Purchases; and/or
- (b) Off-Market Purchases.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Catalist Rules, the Constitution, and Section 76C of the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

Under Section 76C of the Companies Act, an equal access scheme must satisfy all of the following conditions:

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

In addition, the Catalist Rules provide that, in making an Off-Market Purchase (in accordance with an equal access scheme), the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share Purchase;
- (d) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share Purchase, if made, could affect the listing of the Shares on the Catalist;

LETTER TO SHAREHOLDERS

- (f) details of any Shares purchased made by the Company in the previous twelve (12) months (whether by way of On-Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (g) whether the Shares purchased will be cancelled or kept as Treasury Shares.

3.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, commissions, stamp duties, 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 a Share pursuant to the Share Purchases as determined by the Directors must not exceed:

- (a) in the case of an On-Market Purchase, one hundred and five per cent (105%) of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, one hundred and twenty per cent (120%) of the Highest Last Dealt Price of the Shares,

in either case, excluding related expenses of the Share Purchase (the **"Maximum Price"**).

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Share immediately preceding the day of the making of the offer pursuant to the Off-Market Share Purchase; and

For the purpose of the definition of **Highest Last Dealt Price** above, **"day of the making of the offer"** means the day on which the Company announces its intention to make an offer for the Off-Market Share Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 Status of purchase Shares

A Share purchased or otherwise 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 otherwise acquired by the Company and which are not held as Treasury Shares. All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Companies Act), will be automatically de-listed by the SGX-ST, and the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, as the Directors deem fit in the interest of the Company at that time.

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3.5 Treasury Shares

Under the Companies Act, Shares purchased or otherwise 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:

3.5.1 Maximum holdings

Under Section 76I of the Companies Act, the number of Shares held as treasury shares cannot at any time exceed ten per cent (10%) of the total number of issued Shares. Any Shares held as Treasury Shares in excess of this limit shall be disposed of or cancelled by the Company in accordance with Section 76K of the Companies Act within six (6) months from the date such limit is exceeded, or such further period as may be allowed by ACRA.

3.5.2 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. Also, a subdivision or consolidation of any Treasury Shares into Treasury Shares of a smaller amount is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

3.5.3 Disposal and cancellation

Where Shares are held as Treasury Shares, the Company may at any time (subject to the Take-over Code):

- (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 share schemes implemented by the Company, including the Employee Share Option Scheme and the Performance Share Plan (if applicable);
- (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 may be prescribed by the Minister for Finance.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares in relation to the usage.

3.6 Source of Funds for Share Buy-Back

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of

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a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules. As stated in the Companies Act, the share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, a company is solvent if (a) it is able to pay its debts in full at the time of payment and will be able to pay its debts as they fall due in the normal course of business in the twelve (12) months following such date of payment; and (b) 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 any purchase of shares for purposes of any proposed acquisition or release of the company's obligations, become less than the value of its liabilities (including contingent liabilities). In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. In purchasing or acquiring Shares pursuant to the Share Buy-Back Mandate, the Directors will, firstly, consider the availability of internal resources before considering the availability of external financing. The Company will only make purchases or acquisitions pursuant to the Share Buy-Back Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or would cause the Company to be insolvent.

The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

3.7 Financial effects of the Share Buy-Back Mandate

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, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the profits of the Company and hence 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, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the share capital of the Company but 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.

For illustrative purposes only, as at the Latest Practicable Date, the issued and paid-up ordinary share capital of the Company (excluding Treasury Shares) comprises 7,342,671,467 Shares. The exercise in full of the Share Buy-Back Mandate would result in the purchase of 734,267,146 Shares.

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 Buy-Back Mandate on the NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and whether the Shares purchased or otherwise acquired are cancelled or held as Treasury Shares.

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For illustrative purposes only, the financial effects of the Share Buy-Back Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2018 are based on the following assumptions:

- (a) based on 7,342,671,467 Shares in issue as at the Latest Practicable Date and assuming no further Shares have been issued or purchased and kept as Treasury Shares on or prior to the EGM, the purchase or acquisition by the Company of ten per cent (10%) of its issued Shares will result in the purchase or acquisition of 734,267,146 Shares;
- (b) in the case of On-Market Purchases by the Company and assuming that the Company purchases or acquires 734,267,146 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\$0.0084 for one Share which is five per cent (5%) above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$6.168 million; and
- (c) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 734,267,146 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\$0.0096 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\$7.049 million.

For illustrative purposes only and on the basis of the assumptions set out in (a), (b) and (c) above, the financial effects of the following:

- (i) purchase or acquisition of 734,267,146 Shares by the Company pursuant to the Share Buy-Back Mandate by way of On-Market Purchases made entirely out of profit and/or capital and cancelled or held in treasury; and
- (ii) purchase or acquisition of 734,267,146 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of profits and/or capital and cancelled or held in treasury,

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on the audited financial statements of the Company and the Group for FY2018 are set out below.

Scenario 1A: Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 31 March 2018</u>						
Share Capital	47,646	41,478	40,597	47,646	41,478	40,597
Reserves	(48,712)	(42,544)	(41,663)	(48,463)	(42,295)	(41,414)
Treasury Shares	-	-	-	-	-	-
Shareholders' Funds	(1,066)	(1,066)	(1,066)	(817)	(817)	(817)
NTA	(1,066)	(1,066)	(1,066)	(817)	(817)	(817)
Current Assets	2,253	2,253	2,253	2,273	2,273	2,273
Current Liabilities	(3,319)	(3,319)	(3,319)	(3,090)	(3,090)	(3,090)
Working Capital	(1,066)	(1,066)	(1,066)	(817)	(817)	(817)
Total Borrowings	(2,170)	(2,170)	(2,170)	(2,170)	(2,170)	(2,170)
Cash and Cash Equivalents	1,656	1,656	1,656	1,654	1,654	1,654
Total issued number of Shares ('000)	3,781,146	3,046,879	3,046,879	3,781,146	3,046,879	3,046,879
Weighted average number of Shares ('000)	2,384,070	1,649,803	1,649,803	2,384,070	1,649,803	1,649,803
Loss for the Year	(3,520)	(3,520)	(3,520)	(3,498)	(3,498)	(3,498)
<u>Financial Ratios</u>						
NTA per Share (cents)	(0.03)	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)
Gearing (%)	2.04	2.04	2.04	2.66	2.66	2.66
Current Ratio (times)	(0.68)	(0.68)	(0.68)	(0.74)	(0.74)	(0.74)
Basic EPS (cents)	(0.15)	(0.21)	(0.21)	(0.15)	(0.21)	(0.21)

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Scenario 1B: Purchases made entirely out of profit and cancelled

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 31 March 2018</u>						
Share Capital	47,646	41,478	40,597	47,646	41,478	40,597
Reserves	(48,712)	(48,712)	(48,712)	(48,463)	(48,463)	(48,463)
Treasury Shares	-	-	-	-	-	-
Shareholders' Funds	(1,066)	(7,234)	(8,115)	(817)	(6,985)	(7,866)
NTA	(1,066)	(7,234)	(8,115)	(817)	(6,985)	(7,866)
Current Assets	2,253	(3,915)	(4,796)	2,273	(3,895)	(4,776)
Current Liabilities	(3,319)	(3,319)	(3,319)	(3,090)	(3,090)	(3,090)
Working Capital	(1,066)	(7,234)	(8,115)	(817)	(6,985)	(7,866)
Total Borrowings	(2,170)	(2,170)	(2,170)	(2,170)	(2,170)	(2,170)
Cash and Cash Equivalents	1,656	(4,512)	(5,393)	1,654	(4,514)	(5,395)
Total issued number of Shares ('000)	3,781,146	3,046,879	3,046,879	3,781,146	3,046,879	3,046,879
Weighted average number of Shares ('000)	2,384,070	1,649,803	1,649,803	2,384,070	1,649,803	1,649,803
Loss for the Year	(3,520)	(3,520)	(3,520)	(3,498)	(3,498)	(3,498)
<u>Financial Ratios</u>						
NTA per Share (cents)	(0.03)	(0.24)	(0.27)	(0.02)	(0.23)	(0.26)
Gearing (%)	2.04	0.30	0.27	2.66	0.31	0.28
Current Ratio (times)	(0.68)	1.18	1.45	(0.74)	1.26	1.55
Basic EPS (cents)	(0.15)	(0.21)	(0.21)	(0.15)	(0.21)	(0.21)

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Scenario 2A: Purchases made entirely out of capital and held as Treasury Shares

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 31 March 2018</u>						
Share Capital	47,646	47,646	47,646	47,646	47,646	47,646
Reserves	(48,712)	(42,544)	(41,663)	(48,463)	(42,295)	(41,414)
Treasury Shares	-	(6,168)	(7,049)	-	(6,168)	(7,049)
Shareholders' Funds	(1,066)	(1,066)	(1,066)	(817)	(817)	(817)
NTA	(1,066)	(1,066)	(1,066)	(817)	(817)	(817)
Current Assets	2,253	2,253	2,253	2,273	2,273	2,273
Current Liabilities	(3,319)	(3,319)	(3,319)	(3,090)	(3,090)	(3,090)
Working Capital	(1,066)	(1,066)	(1,066)	(817)	(817)	(817)
Total Borrowings	(2,170)	(2,170)	(2,170)	(2,170)	(2,170)	(2,170)
Cash and Cash Equivalents	1,656	1,656	1,656	1,654	1,654	1,654
Total issued number of Shares ('000)	3,781,146	3,046,879	3,046,879	3,781,146	3,046,879	3,046,879
Weighted average number of Shares ('000)	2,384,070	1,649,803	1,649,803	2,384,070	1,649,803	1,649,803
Loss for the Year	(3,520)	(3,520)	(3,520)	(3,498)	(3,498)	(3,498)
<u>Financial Ratios</u>						
NTA per Share (cents)	(0.03)	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)
Gearing (%)	2.04	2.04	2.04	2.66	2.66	2.66
Current Ratio (times)	(0.68)	(0.68)	(0.68)	(0.74)	(0.74)	(0.74)
Basic EPS (cents)	(0.15)	(0.21)	(0.21)	(0.15)	(0.21)	(0.21)

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Scenario 2B: Purchases made entirely out of profits and held as Treasury Shares

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 March 2018						
Share Capital	47,646	47,646	47,646	47,646	47,646	47,646
Reserves	(48,712)	(48,712)	(48,712)	(48,463)	(48,463)	(48,463)
Treasury Shares	-	(6,168)	(7,049)	-	(6,168)	(7,049)
Shareholders' Funds	(1,066)	(7,234)	(8,115)	(817)	(6,985)	(7,866)
NTA	(1,066)	(7,234)	(8,115)	(817)	(6,985)	(7,866)
Current Assets	2,253	(3,915)	(4,796)	(2,273)	(8,441)	(9,322)
Current Liabilities	(3,319)	(3,319)	(3,319)	(3,090)	(3,090)	(3,090)
Working Capital	(1,066)	(7,234)	(8,115)	(5,363)	(11,531)	(12,412)
Total Borrowings	(2,170)	(2,170)	(2,170)	(2,170)	(2,170)	(2,170)
Cash and Cash Equivalents	1,656	(4,512)	(5,393)	1,654	(4,514)	(5,395)
Total issued number of Shares ('000)	3,781,146	3,046,879	3,046,879	3,781,146	3,046,879	3,046,879
Weighted average number of Shares ('000)	2,384,070	1,649,803	1,649,803	2,384,070	1,649,803	1,649,803
Loss for the Year	(3,520)	(3,520)	(3,520)	(3,498)	(3,498)	(3,498)
Financial Ratios						
NTA per Share (cents)	(0.03)	(0.24)	(0.27)	(0.02)	(0.23)	(0.26)
Gearing (%)	2.04	0.30	0.27	2.66	0.31	0.28
Current Ratio (times)	(0.68)	1.18	1.45	0.74	2.73	3.02
Basic EPS (cents)	(0.15)	(0.21)	(0.21)	(0.15)	(0.21)	(0.21)

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back 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, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2018, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or otherwise 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 otherwise 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 otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution. Taking all these things into consideration, the Board will only consider to proceed with the execution of the

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Share Purchase if the effects are beneficial to the Company and its shareholders. Although the Share Buy-Back Mandate would authorise the Company to purchase or acquire up to ten per cent (10%) of the total number of issued Shares (excluding Treasury Shares), the Company may not necessarily purchase or be able to purchase the entire ten per cent (10%) of the total number of its issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

3.8 Catalist Rules

3.8.1 Maximum Price and number of shares that may be purchased

Under the Catalist Rules, a listed company may only purchase shares by way of a market acquisition at a price which is not more than five per cent (5%) above the average closing market price. The term “average closing market price”, as defined under the Catalist Rules, means the average of the closing market prices of shares over the last five (5) market days, on which transactions in the shares were recorded, before the day on which purchases are made and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period. The Maximum Price for a Share in relation to an On-Market Purchase by the Company, referred to in section 3.3.4(a) of this Circular, conforms to this restriction. The Maximum Price for a Share in relation to an Off-Market Purchase by the Company is determined by the Directors, who have decided that the Maximum Price in the case of an Off-Market Purchase must not exceed one hundred and twenty per cent (120%) of the Highest Last Dealt Price of the Shares.

3.8.2 Reporting requirements

Additionally, the Catalist Rules also specifies that a listed company shall notify all purchases or acquisitions of its shares to the SGX-ST not later than 9:00 a.m.:

- (a) in the case of an On-Market Purchase, on the market day following the day of purchase or acquisition of any of its shares; and
- (b) 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 notification shall be in such form and shall include such details as may be prescribed in the Catalist Rules which include, details of the total number of shares purchased and the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

3.8.3 No Share Purchases during development of price-sensitive information

While the Catalist Rules does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase of its own issued shares, the Company will not undertake any Share Purchase pursuant to the Share Buy-Back Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the best practices on dealings in securities issued by SGX-ST under Rule 1204(19) of the Catalist Rules, the Company will not purchase or acquire any Shares pursuant to the Share Buy-Back Mandate during the period commencing two (2) weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month (1) immediately preceding the announcement of the Company's financial statements of its full-year and ending on the date of the announcement of the relevant results (if required to announce quarterly financial statements), or one (1) month before the announcement of the Company's half-year and full year financial statements (if not required to announce quarterly financial statements).

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The Catalist Rules also requires a listed company to ensure that at least ten per cent (10%) of its Shares is at all times held by public Shareholders. The term “public”, as defined under the Catalist Rules, means persons other than the directors, substantial shareholders, chief executive officers or controlling shareholders of the company and its subsidiaries, as well as Associates of such persons.

As at the Latest Practicable Date, 3,348,463,667 Shares representing 45.60% of the issued share capital of the Company are held in the hands of public Shareholders. In the event that the Company purchases the maximum number of Shares representing ten per cent (10%) of its issued ordinary share capital from such public Shareholders, the resultant percentage of the issued Shares held by the public Shareholders would be reduced to approximately 39.56%.

Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake buy-backs of the Shares up to the full ten per cent (10%) limit pursuant to the proposed Share Buy-Back Mandate, without affecting adversely the orderly trading, liquidity and listing status of the Shares on SGX-ST.

Save for its Shares, as at the Latest Practicable Date, the Company has no other securities listed on the SGX-ST.

3.9 Tax implications

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

3.10 Take-over Code implications arising from Share Purchases

Appendix 2 of the Take-over Code (“**Appendix 2**”) 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 below:

3.10.1 Obligation to make a take-over offer

An increase of a Shareholder’s proportionate interest in the voting rights of the Company resulting from a buy-back of Shares by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Under Rule 14 of the Take-over Code, if such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

Rule 14.1 of the Take-over Code requires, *inter alia*, that, except with the consent of the SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent (1%) of the voting rights, such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

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The offer required to be made under the provisions of Rule 14.1 of the Take-over Code shall, in respect of each class of shares in the capital involved, be in cash or be accompanied by a cash alternative at the Required Price.

For the above purposes, “**Required Price**” means in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 which is the highest of the highest price paid by the offerors and/ or person(s) acting in concert with them for the Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by the SIC under Rule 14.3 of the Take-over Code.

3.10.2 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 control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies and any company whose associated companies include any of the above companies;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by its directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent (10%) or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to instructions and companies controlled by any of the above.

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 for 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 of the Take-over Code after a Share Purchase by the Company are set out in Appendix 2 of the Take-over Code.

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

In general terms, the effect of Rule 14 and Appendix 2 is that:

- (a) unless exempted, directors of a company 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 its Shares, the voting rights of such directors and their concert parties would increase to thirty per cent (30%) or more, or if the voting rights of such directors and their concert parties fall between thirty per cent (30%) and 50 per cent (50%) of the Company's voting rights, 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; and
- (b) a Shareholder who is not acting in concert with directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty per cent (30%) or more, or if the voting rights of such directors and their concert parties fall 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. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate as the case may be.

However, Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after the Company's Share Purchases. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Purchases will be taken into account in determining whether a 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.

Shareholders (including Directors) and their concert parties who hold more than fifty per cent (50%) of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

If the Company decides to cease the Share Purchases before it has purchased in full such number of Shares authorised by its Shareholders at the EGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14 of the Take-over Code.

3.10.4 Exemption under Appendix 2 of the Take-over Code

Section 3(a) of Appendix 2 of the Take-over Code provides, *inter alia*, that for a market acquisition under Section 76E of the Companies Act or an off-market acquisition on an equal access scheme under Section 76C of the Companies Act by a listed company, directors and persons acting in concert with them will be exempted from the requirement to make a general offer for the Company under Rule 14.1 of the Take-over Code, subject to the following conditions:

- (a) the circular to shareholders on the resolution to authorise a buy-back to contain advice to the effect that by voting for the buy-back resolution, shareholders are waiving their right to a general offer at the Required Price (as defined hereinafter) from directors and parties acting in concert with them who, as a result of the Company buying back its Shares, would increase their voting rights to thirty per cent (30%) or more; or if the directors and parties acting in concert with them together already hold between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, and the buy-back would cause an increase in their voting rights by more than one per cent (1%) in any period of six (6) months. The names of such directors and persons acting in concert with them, their voting rights at the time of the resolution and after the proposed buy-back shall also be disclosed in the same circular;

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- (b) the resolution to authorise a share buy-back to be approved by a majority of those shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share buy-back;
- (c) the directors and/or persons acting in concert with them to abstain from voting for and/or recommending shareholders to vote in favour of the resolution to authorise the share buy-back;
- (d) within seven (7) days after the passing of the resolution to authorise a buy-back, each of the directors to submit to the SIC a duly signed form as prescribed by the SIC;
- (e) directors and/or persons acting in concert with them not to have acquired and not to acquire any shares between the date on which they know that the announcement of the share buy-back proposal is imminent and the earlier of:
 - (i) the date on which the authority of the share buy-back expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase to thirty per cent (30%) or more;

- (f) directors and/or persons acting in concert with them, together holding between thirty per cent (30%) and fifty per cent (50%) of the company's voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the share buy-back proposal is imminent and the earlier of:
 - (i) the date on which the authority of the share buy-back expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase by more than one per cent (1%) in the preceding six (6) months. It follows that where aggregate voting rights held by a director and persons acting in concert with him increase by more than one per cent (1%) solely as a result of the Share Purchase and none of them has acquired any shares during the relevant period defined above, then such director and/or persons acting in concert with him would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption had been granted, would continue to enjoy the exemption.

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3.10.5 Application of the Take-over Code

The shareholdings of the Substantial Shareholders and Director(s) as at the Latest Practicable Date and after the purchase by the Company (assuming the Company purchased a maximum 734,267,146 Shares, being ten per cent (10%) of the total number of shares in the issued share capital of the Company (excluding Treasury Shares and Subsidiary Holdings, if any) as at the Latest Practicable Date, and there was no change in the number of Shares held or deemed to be held by the Substantial Shareholders and Director(s)) pursuant to the Share Buy-Back Mandate as the case may be, are as follows:

	Before Share Purchase			After Share Purchase		
	Number of Shares*			Number of Shares*		
	Direct Interest	Deemed Interest	%*	Direct Interest	Deemed Interest	%*
Directors						
Wang ZhenWen ⁽¹⁾	2,168,079,900	578,000	29.54	2,168,079,900	578,000	32.82
Giang Sovann	3,000,000	-	0.04	3,000,000	-	0.05
Substantial Shareholders (other than directors)						
Lim Soon Fang ⁽²⁾	131,000,000	1,320,000,000	19.76	131,000,000	1,320,000,000	21.96
Oh Keh Yew	371,549,900	-	5.06	371,549,900	-	5.62

Notes:

(*) Based on 7,342,671,467 Shares issued as at Latest Practicable Date.

(1) Wang ZhenWen is deemed to be interested in the 578,000 Shares held by his wife, Bai FengMei by virtue of Section 4 of the SFA.

(2) Lim Soon Fang is deemed to be interested in the 1,320,000,000 Shares held by Maybank Kim Eng Securities Pte. Ltd.

3.10.6 Exemption of Take-over Code obligations for Wang ZhenWen

As at the Latest Practicable Date, Wang ZhenWen, our Non-Independent Non-Executive Chairman, holds (directly and indirectly) an aggregate of 2,168,657,900 Shares which represents approximately 29.54% of the voting rights in the Company (excluding Treasury Shares and Subsidiary Holdings, if any).

Pursuant to Rule 14 of the Take-over Code, Wang ZhenWen would, unless exempted, incur an obligation to make a general offer for the Company in the event that his aggregate voting rights in the Company increase to thirty per cent (30%), or, if him, together with parties acting in concert with him, hold between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, increase their voting rights in the Company by more than one per cent (1%) in any period of six (6) months as a result of the purchase of Shares by the Company under the Share Buy-back Mandate.

For illustrative purposes, on the basis of 7,342,671,467 Shares in issue as at the Latest Practicable Date, assuming that (i) no further Shares are issued by the Company on or prior to the EGM approving the Share Buy-Back Mandate, (ii) the Company purchases the maximum number of 734,267,146 Shares under the Share Buy-Back Mandate, representing ten per cent (10%) of the total number of Shares in issue as at the date of the EGM, and (iii) the purchased Shares are either cancelled or held as Treasury Shares:

- (a) the total number of Shares in issue (excluding Treasury Shares and Subsidiary Holdings, if any) will be reduced from 7,342,671,467 to 6,608,404,321 Shares; and

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- (b) the percentage of the aggregate voting rights in the Company held by Wang ZhenWen will increase approximately from 29.54% to 32.82%.

Wang ZhenWen has not acquired any Shares between the date on which they know that the announcement of the share buy-back proposal is imminent and the Latest Practicable Date, and Wang ZhenWen will not be acquiring any Shares until the earlier of:-

- (a) the date on which the Share Buy-Back Mandate expires; and
- (b) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders under the Share Buy-Back Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase to 30% or more or, if him, together with parties acting in concert with him, hold between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, cause them to increase their voting rights in the Company by more than one per cent (1%) in any period of six (6) months.

Form 2 (pursuant to Appendix 2 "Share Buy-Back Guidance Note" of the Take-over Code) is the prescribed form to be submitted to the SIC by director(s) acting in concert with shareholder(s) of a listed company who could become obliged to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by the listed company pursuant to the conditions for exemption (as set out above).

As at the Latest Practicable Date, Mr. Wang ZhenWen has informed the Company that he will submit a Form 2 to the SIC within seven (7) days after the passing of the ordinary resolution relating to the proposed adoption of the Share Buyback Mandate.

Shareholders should therefore note that by voting in favour of Ordinary Resolution 2 to approve the Share Buy-Back Mandate, they will be waiving their rights to a general offer at the Required Price by Wang ZhenWen and their concert parties in the circumstances set out above.

Save as disclosed herein,

- (a) the Directors are not aware of any other facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert with the Directors such that their respective interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-Back Mandate; and
- (b) based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any other Director and/or Shareholder who may become obligated to make a mandatory take-over offer for the Company under the Share Buy-Back Mandate if the Company purchases up to the maximum ten per cent (10%) of the issued Shares (excluding Treasury Shares and Subsidiary Holdings, if any) under the Share Buy-Back Mandate.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Purchases pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-Back Mandate is in force.

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3.10.7 No share buybacks in the previous twelve (12) months

The Company has not purchased or acquired any Shares under any share buy-back mandate (whether by way of an On-Market Purchase or Off-Market Purchase) during the twelve (12) months preceding the Latest Practicable Date.

3.10.8 Limits on shareholdings

The Company does not have any individual shareholding limit or foreign shareholding limit. However, under Rule 723 of the Catalist Rules, a company should ensure that at least ten per cent (10%) of a class of its listed securities (excluding Treasury Shares, preference shares and convertible equity securities) is at all times held by the public (as defined in the Catalist Rules). The Company shall use its best efforts to ensure that it does not effect a Share Purchase if the Share Purchase would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

4. THE PROPOSED ADOPTION OF THE IPT MANDATE

4.1 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies enters into or proposes to enter into with a party who is an interested person of the listed company.

Under the Catalist Rules:

- (a) the term “**entity at risk**” means:
 - (i) the issuer;
 - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the issuer and/or its subsidiaries (the “**listed group**”), or the listed group and its Interested Person(s), has control over the associated company;
- (b) the term “**Interested Person**”, in the case of a company, means:
 - (i) a director, chief executive officer or Controlling Shareholder of the issuer; or
 - (ii) an Associate of such director, chief executive officer or Controlling Shareholder.
- (c) the term “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against Interested Person Transactions according to similar principles to Chapter 9 of the Catalist Rules; and
- (d) the term “**Interested Person Transaction**” means a transaction between an entity at risk and an Interested Person.

Under Rule 905 of the Catalist Rules, the Company will be required to make an immediate announcement of any interested person transaction if the value of that transaction exceeds three per cent (3%) of the value of the Group’s latest audited NTA or the aggregate value of all future transactions entered into with the same interested person during the same financial year amounts to three per cent (3%) or more of the group’s latest audited NTA.

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Under Rule 906 of the Catalist Rules, shareholders' approval is required in respect of a transaction between an entity at risk and its interested person if the value of that transaction exceeds five per cent (5%) of the value of the Group's latest audited NTA or the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5.0% of the group's latest audited NTA. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements under Catalist Rule 905 for immediate announcement and/or for shareholders' approval under Catalist Rule 906, as the case may be, do not apply to any transaction below S\$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk and hence excluded from the ambit of Chapter 9 of the Catalist Rules.

Rule 920 of the Catalist Rules permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. A general mandate is also subject to annual renewal.

4.2 Rationale for the IPT Mandate and Benefits to the Group

At the Previous EGM, Shareholders had approved the diversification of the business of the Group to include the conduct of property business ("**Diversification**") which includes, *inter alia*, property development and specialist construction services such as prefabricated and precast manufacturing, piling, civil engineering, and infrastructure works. The Group has, since the approval of the Diversification, secured several property development projects which include: (i) the development located at No. 6 Kim Chuan Terrace, Singapore 537029; (ii) the Oxley Convention City; and (iii) the development located at 333 Thomson Road, Singapore 307675 known as "Peak Court". Whilst the Group had envisioned the Diversification to include the provision of specialist construction services, it was not the Group's intention to expand its core business to include the provision of construction services in the capacity of a main contractor. In addition, as at the Latest Practicable Date, the Group does not have sufficient manpower and resources to channel towards the provision of construction services without compromising on its property development projects. Accordingly, it is envisaged that the Group, in the ordinary course of business, will engage the Mandated Interested Persons from time to time, in the capacity of main contractor, to provide construction services in respect of ongoing and future property development projects of the Group.

Besides appointing the Mandated Interested Persons as the main contractor for the property development projects of the Group, the Group may also require fitting-out and general construction services and/or materials (which the Mandated Interested Persons provide in their ordinary course of business) for its property development and related businesses.

Accordingly, it would be beneficial for the Group to adopt the IPT Mandate so that the Group would not be restricted from engaging the Mandated Interested Persons on a recurrent basis that would be subject to the relevant Catalist Rules, who hold the relevant licences and have the relevant qualifications to render services and/or materials to the Group. By expanding the pool of parties the Group may work with, the Group will have access to quality work at the competitive pricing therefore improving the Group's flexibility of operations.

In view of the time-sensitive and recurrent nature of commercial transactions, the adoption of the IPT Mandate pursuant to Chapter 9 of the Catalist Rules will enable the Group, in the ordinary course of business, to enter into the categories of transactions set out in section 4.4 of this Circular, with the Mandated Interested Persons as set out in section 4.3 of this Circular, without being separately subject to Rule 905 and Rule 906 of the Catalist Rules, provided such Mandated Transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

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The IPT Mandate will also enhance the Group's ability to pursue business opportunities which are time-sensitive in nature, as it will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant entity in the Group into such Mandated Transactions. As such Mandated Transactions are also carried out by the Group in its ordinary course of business and/or which are necessary for its day-to-day operations (but not in respect of the purchase or sale of assets, undertakings or businesses), the IPT Mandate will substantially reduce the expenses associated with the convening of general meetings on an *ad hoc* basis, improve administrative efficiency considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives without compromising existing corporate objectives and adversely affecting the business opportunities available to the Company owing to the time-sensitive nature of commercial transactions.

The IPT Mandate is intended to facilitate the Mandated Transactions in the day-to-day operations of the Group that may be transacted from time to time with the Mandated Interested Persons, provided that they are carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

4.3 Classes of Mandated Interested Persons

The IPT Mandate applies to the Mandated Transactions (as defined below) to be carried out with the following Interested Persons:

(a) Rich-Link Construction Pte. Ltd. ("**RLC**")

RLC is a private limited company incorporated in Singapore. As at the Latest Practicable Date, RLC has a paid-up share capital of S\$15,000,001 comprising 15,000,001 shares. The sole shareholder and director of RLC is Mr. Wang ZhenWen ("**Mr. Wang**").

Mr. Wang is the Non-Executive Non-Independent Chairman and Controlling Shareholder of the Company.

Accordingly, RLC is deemed an "interested person" for the purposes of Chapter 9 of the Catalist Rules. Any transactions entered into between the Group and RLC, will be regarded as interested person transactions, and will be subject to Chapter 9 of the Catalist Rules.

RLC is principally engaged in the provision of construction services. RLC is also a registered contractor with the Building and Construction Authority under General Building A1 and licensed as a General Builder Class 1.

(b) Rich-Link Builders Pte. Ltd. ("**RLB**")

RLB is a private limited company incorporated in Singapore. As at the Latest Practicable Date, RLB has a paid-up share capital of S\$1,500,100 comprising 1,500,100 shares. The holding company of RLB is Rich-Link Group Pte. Ltd., which is in turn wholly-owned by Mr. Wang. Mr. Wang is also a director of RLB.

Accordingly, RLB is deemed an "interested person" for the purposes of Chapter 9 of the Catalist Rules. Any transactions entered into between the Group and RLB, will be regarded as interested person transactions, and will be subject to Chapter 9 of the Catalist Rules.

RLB is principally engaged in the provision of construction (general and specialised) services in Singapore. RLB is also a registered contractor with the Building and Construction Authority under General Building C3 and licensed as a General Builder Class 1.

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(c) Kay-Link Construction Pte. Ltd. (“**Kay-Link**”)

Kay-Link is a private limited company incorporated in Singapore. As at the Latest Practicable Date, Kay-Link has a paid-up share capital of S\$2,000,000 comprising 2,000,000 shares. The sole shareholder and director of Kay-Link is Ms. Bai Fengmei. Being the spouse of Mr. Wang, Ms. Bai Fengmei is hence an Associate of Mr. Wang.

Accordingly, Kay-Link is deemed an “interested person” for the purposes of Chapter 9 of the Catalyst Rules. Any transactions entered into between the Group and Kay-Link, will be regarded as interested person transactions, and will be subject to Chapter 9 of the Catalyst Rules.

Kay-Link is principally engaged in the provision of construction services in Singapore. Kay-Link is also a registered contractor with the Building and Construction Authority under General Building C3, and Minor Construction Work Single Grade and licensed as a General Builder Class 2.

(d) Homeland Construction Pte. Ltd. (“**HLC**”)

HLC is a private limited company incorporated in Singapore. As at the Latest Practicable Date, HLC has a paid-up share capital of S\$1,000,000 comprising 1,000,000 shares. HLC is a wholly-owned subsidiary of RLC, which is in turn wholly-owned by Mr. Wang as disclosed above. Mr. Wang is also a director of HLC.

Accordingly, HLC is deemed an “interested person” for the purposes of Chapter 9 of the Catalyst Rules. Any transactions entered into between the Group and HLC, will be regarded as interested person transactions, and will be subject to Chapter 9 of the Catalyst Rules.

HLC is principally engaged in the provision of construction materials in Singapore.

(collectively, the “**Mandated Interested Persons**”)

4.4 Categories and nature of the Mandated Transactions under the IPT Mandate

It is envisaged that the Group, in the ordinary course of business, will have transactions with the Mandated Interested Persons from time to time. The Group therefore wishes to obtain Shareholders’ approval for the IPT Mandate, under which the Group may enter into recurrent transactions of a trading or revenue nature or those necessary for its day-to-day operations with the Mandated Interested Persons in respect of the following (collectively, the “**Mandated Transactions**”):

(a) appointing a Mandated Interested Person as main contractor for property development projects undertaken by the Group

All the construction works of the Group’s property development projects are outsourced to companies which provide main contractor services. These main contractors may also be involved in the design of the property development projects, for example design-and-build projects. For any project, a project team (comprising quantity surveyors, architects, engineers and other relevant professionals) will usually be engaged to determine the design, level of difficulties and costing of a property development, and outsource the entire construction work on a turnkey basis to a main contractor. As RLC, RLB and Kay-Link each has the required licences, track records and experience to act as main contractor of our property development projects, the Group may engage them as the main contractor for property development projects undertaken by the Group.

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- (b) engage Mandated Interested Persons to provide fitting-out and general construction services (not as comprehensive as main contractor) and/or materials to the Group:

Services contemplated under this category includes:

- (i) provision of piling, heavy lifting, haulage and erection services;
- (ii) rental of piling equipment, cranes and heavy machinery;
- (iii) supply of construction materials such as concrete and rebars, precast, stores, spares and miscellaneous construction related items; and
- (iv) provision of such other services which are incidental to or in connection with the provision of the services described in paragraph (a) and sub-paragraphs (i) to (iii) above, which may include but not limited to additions and alterations or upgrading, structural repairs, stone settings, cement works, roofing works, precast concrete components, and scaffolding works.

4.5 Methods and Procedures for the Mandated Transactions

4.5.1 Methods and Procedures

To ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will implement the following methods and procedures for the review and approval of the Mandated Transactions under the IPT Mandate.

All Mandated Transactions shall be conducted in accordance with the Group's usual business practices and policies.

- (a) Appointment of Mandated Interested Person as main contractor of a property development project

At the commencement of each property development project, the Group will appoint a project team which may be an independent multi-discipline professional property development project company or form an independent project team which may comprise independent third-party professionals such as quantity surveyors, consultants, architects and engineers (the “**Independent Project Team**”).

The responsibilities of the Independent Project Team include, *inter alia*:

- (i) nominating and shortlisting main contractors;
- (ii) preparing tender documents and inviting the shortlisted main contractors to provide quotations based on the tender documents provided; and
- (iii) evaluating the quotations submitted by the main contractors.

In the event that the Independent Project Team recommends the award of the main contractor contract to a Mandated Interested Person, the Company will seek the prior approval of the Audit Committee before awarding the contract to the Mandated Interested Person. The approval shall be subject to:

- (i) declaration of independence of the members of the Independent Project Team;

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- (ii) the completion of a quotation evaluation report prepared by the Independent Project Team, detailing their review of the quotations received, including summaries and comparison of cost breakdown, recent track record, the size of the construction team, the qualifications of the key construction team members, duration and payment milestones;
 - (iii) the quotation evaluation report contains quotations from at least two unrelated third parties. The overall terms of the contract to be awarded to the Mandated Interested Person shall not be more favourable to the Mandated Interested Person as compared to the unrelated third parties;
 - (iv) in the event that the quotation evaluation report contains less than two quotations from unrelated third parties, the relevant Mandated Interested Person shall provide two of its main contractor quotations offered to unrelated third parties, for substantially similar projects and contemporaneous in time (in any event not more than two years), for review by the Independent Project Team. The overall terms of the contract offered by the Mandated Interested Person to the Group shall not be less favourable than the terms offered by the same Mandated Interested Person to such unrelated third parties; and
 - (v) the Mandated Interested Person continues to hold the relevant qualification(s) and licence(s).
- (b) For engaging the Mandated Interested Persons for the provision of fitting out and general construction services and/or materials

When the Group determines that it requires fitting out and general construction services and/or materials which may be provided by the Mandated Interested Persons, the project development department shall obtain quotations from the Mandated Interested Persons and at least two other comparative quotations from unrelated third party suppliers, for similar or substantially similar services and/or materials.

The terms of the contract to be awarded to the Mandated Interested Person shall not be more favourable to the Mandated Interested Person as compared to the quotation from unrelated third party suppliers.

In the event that the Group receives less than two quotations from unrelated third party suppliers, the relevant Mandated Interested Person shall provide two comparative quotations offered to unrelated third parties, for substantially similar services and/or materials, and contemporaneous in time (in any event not more than two years), for review by the project development department. The quotation offered by the Mandated Interested Person to the Group shall not be less favourable than the terms offered by the same Mandated Interested Person to such unrelated third parties.

4.5.2 Approval threshold for Mandated Transactions with Mandated Interested Person

- (a) For appointment of Mandated Interested Persons as main contractor of a property development project.
- Given the low frequency and the high transaction value of such appointments, the prior approval of the Audit Committee shall be required for all such Mandated Transactions (excluding variation orders which will be reviewed and approved by the Independent Project Team).
- (b) For engaging the Mandated Interested Persons for the provision of fitting out and general construction services and/or materials.

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Where the value of each transaction is equal to or less than S\$100,000 or three per cent. (3.0%) of the Group's latest audited NTA (whichever is higher), the transaction shall require the prior approval of any two of the Group's General Manager, Chief Executive Officer ("**CEO**") or Chief Financial Officer ("**CFO**") or their equivalents, who has no interest in the transaction.

In the event that the aggregate value of such transactions with the same Mandated Interested Person in the current financial year is equal to or exceeds three per cent (3%) of the Group's latest audited NTA, all subsequent transactions with the same Mandated Interested Person shall require the prior approval of the Audit Committee.

Where the value of each transaction is more than S\$100,000 or three per cent (3%) of the Group's latest audited NTA (whichever is higher), the transaction shall require the prior written approval of the Audit Committee.

The Audit Committee may at its discretion obtain independent advice.

If any of the approving personnel or any member of the Audit Committee has an interest in a Mandated Transaction, he or she will abstain from any review, deliberation or decision making in respect of that Mandated Transaction.

4.5.3 Periodic Review Procedures

The Company will also implement the following procedures for the identification of Mandated Interested Persons and the record of all interested person transactions (including Mandated Transactions):

- (a) the finance department of the Group ("**Group Finance Team**") will maintain a list of all Interested Person and their Associates (which is to be updated immediately if there are any changes) to enable identification of the Interested Persons. The list of Interested Persons shall be reviewed on a quarterly basis by the CFO (or in the absence of the CFO, the General Manager or equivalent) and be subject to such verifications or declarations as required by the Audit Committee for such period as determined by it. This list of the Interested Persons shall be disseminated to all staff of the Group that the Group Finance Team considers relevant;
- (b) the Group Finance Team will maintain a register of Mandated Transactions ("**IPT Register**") carried out with all existing and future Mandated Interested Persons pursuant to the IPT Mandate. The IPT Register will contain the key documents as reviewed by the Audit Committee. The IPT Register will also contain invoices and payment vouchers in relation to the Mandated Transactions. All subsequent variation orders relating to the main contractor contract, as recommended by the Independent Project Team, shall also be kept in the IPT Register, together with the other documents of all existing and future interested person transactions;
- (c) the CFO (or in the absence of the CFO, the General Manager or equivalent) shall review the IPT Register on a monthly basis;
- (d) the Audit Committee shall review the IPT Register on a quarterly basis (or such other more frequent basis as may be required or as the Audit Committee may deem necessary) to ascertain that the established methods and procedures to review and approve the Mandated Transactions have been complied with. Such review includes the examination of the transactions and its supporting documents or such other data deemed necessary by the Audit Committee. The Audit Committee may request for any additional information pertaining to the transactions under review from independent sources, advisers or valuers as it deems fit;

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- (e) the Company's annual internal audit plan shall incorporate a review of all interested person transactions (including the Mandated Transactions) entered into during the current financial year, including the established methods and procedures pursuant to the IPT Mandate. The Company's internal auditor will, on an annual basis, review the IPT Register to ascertain that the methods and procedures established for entering into the Mandated Transactions as set out in section 4.5 of this Circular have been adhered to. Any discrepancies or significant variances from the Group's usual business practices will be highlighted to the Audit Committee; and
- (f) if, during these reviews by the Audit Committee, the Audit Committee is of the view that the established methods and procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Company are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, to obtain a fresh Shareholders' general mandate for Mandated Transactions) to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders.

4.6 Validity Period of the IPT Mandate

The IPT Mandate is subject to independent Shareholders' approval at the EGM. If approved by the independent Shareholders at the EGM, the IPT Mandate will take effect from the date of the passing of the ordinary resolution as set out in the Notice of EGM in respect of the IPT Mandate, and will continue in force until the conclusion of the next annual general meeting of the Company (unless revoked or varied by the Company in general meeting) or the date by which the next annual general meeting is required by law to be held, whichever is earlier. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent annual general meeting, subject to satisfactory review by the Audit Committee of the continued relevance of the IPT Mandate and the continued sufficiency of the methods and procedures to ensure that the transactions with Mandated Interested Person will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4.7 Disclosure

The Company will announce the aggregate value of transactions conducted with the Mandated Interested Persons pursuant to the IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such reports.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Mandated Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues to be in force, in accordance with the requirements of Chapter 9 of the Catalist Rules.

The name of the Interested Persons and the corresponding aggregate value of the transactions will be presented in the following format:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions of less than S\$100,000 and transactions conducted under the IPT Mandate)	Aggregate value of all interested person transactions conducted under the IPT Mandate (excluding transactions less than S\$100,000)
Name of Interested Person		

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4.8 Advice of the Independent Financial Adviser to the Non-Interested Directors

Xandar Capital Pte Ltd, in accordance with Chapter 9 of the Catalist Rules, has been appointed as the independent financial adviser to the Non-Interested Directors in respect of the IPT Mandate.

Having considered, *inter alia*, the rationale and benefits of the IPT Mandate, the methods and procedures of the Company for determining the transaction terms of the Mandated Transactions and the role of the Audit Committee in enforcing the IPT Mandate, and subject to the considerations set out in the IFA Letter dated 13 July 2018, the IFA is of the opinion that the methods and procedures for determining the transaction terms of the Mandated Transactions as set out in section 4.5 of the Circular, if adhered to, are sufficient to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter is reproduced and appended as Appendix C to this Circular and Shareholders are advised to read the IFA Letter carefully.

4.9 Statement of the Audit Committee

Having reviewed the terms, rationale and benefit of the IPT Mandate, the Audit Committee (save for Mr. Wang ZhenWen who has abstained) confirms that it concurs with the view of the IFA and is of the opinion that the methods and procedures proposed by the Company for determining the transaction terms of the Mandated Transactions pursuant to the IPT Mandate as set out in section 4.5 of this Circular are sufficient to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

5. THE PROPOSED ADOPTION OF THE NEW RICH CAPITAL PERFORMANCE SHARE PLAN

5.1 The Proposed Adoption of the Performance Share Plan

The Company proposes to adopt the Performance Share Plan which will be subject to Shareholders' approval at the EGM. A summary of the rules of the Performance Share Plan is set out in section 5.3 below. Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in the section entitled "Rules of the Rich Capital Performance Share Plan" as set out in Appendix A of this Circular.

Subject to the independent Shareholders' approval being obtained for the Performance Share Plan, an application will be made to the SGX-ST by the Company through its Sponsor for the approval of the listing and quotation of the New Shares on the Catalist to be allotted and issued pursuant to the Performance Share Plan. An appropriate announcement on receipt of the listing and quotation notice, if granted, will be made in due course. The Performance Share Plan is conditional upon the grant of the listing and quotation notice by the SGX-ST and the conditions in the listing and quotation notice being fulfilled.

5.2 Rationale of the Performance Share Plan

The Board of Directors is proposing to implement the Performance Share Plan to complement the Employee Share Option Scheme. With both the Performance Share Plan and Employee Share Option Scheme in place, the Company will have a more comprehensive and flexible set of remuneration tools to better motivate, retain and recruit talent.

Unlike the Options granted under the Employee Share Option Scheme, the Performance Share Plan contemplates the award of fully-paid Shares to participants after certain pre-determined benchmarks have been met. Although the Company may, where appropriate, continue to distribute cash bonuses to the employees of the Group and Non-executive Directors, the Company believes that the Performance Share Plan will be more effective than pure cash bonuses in motivating employees of the Group to work towards pre-determined goals.

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The Performance Share Plan is based on the principle of pay-for-performance and is designed to enable the Company to reward, retain and motivate employees of the Group to achieve superior performance. The purpose of adopting the Performance Share Plan in addition to the Employee Share Option Scheme is to give the Company greater flexibility to align the interests of employees of the Group, especially key executives, with the interests of Shareholders.

The objectives of the Performance Share Plan are as follows:

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

5.3 Summary of the Performance Share Plan

The following is a summary of the rules of the Performance Share Plan:

5.3.1 Participants

The Performance Share Plan allows for participation by full-time employees of the Group (including the Executive Directors) and Non-Executive Directors (including Independent Directors), including those who may be Controlling Shareholders, who have attained the age of 21 years and above on or before the relevant date of grant of the Award, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors.

Persons who are Controlling Shareholders or their Associates are permitted to participate in the Performance Share Plan subject to them meeting the eligibility criteria set out above and satisfying the requirements under the Catalist Rules. Pursuant to Rule 852 of the Catalist Rules, participation in the Performance Share Plan by Controlling Shareholders and their Associates must be approved by independent Shareholders of the Company and a separate resolution must be passed for each such person and to approve the actual number and terms of Awards to be granted to such person.

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

5.3.2 Management of the Performance Share Plan

The Performance Share Plan shall be managed by the Remuneration Committee, which has the absolute discretion to determine persons who will be eligible to participate in the Performance Share Plan and in its general administration. However, in compliance with the requirements of the Catalist Rules, a participant who is a member of the Remuneration Committee shall not be involved in any deliberation or decision in respect of Awards (as the case may be) to be granted to or held by that participant.

The Board is responsible for reviewing and approving remuneration packages of the key executives. The Remuneration Committee will recommend to the Board a framework of remuneration for the Directors and key executives and determine specific remuneration packages for each Executive Director. The Board and Remuneration Committee aim to build a capable and

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committed management team and workforce for the Group, through focused management and progressive policies and competitive remuneration packages which can attract and retain a pool of talented executive officers to meet the current and future growth of the Group.

The Remuneration Committee will be responsible for determining the terms of grant of Awards (and variation thereof) to the Directors. However, a participant who is a member of the Remuneration Committee shall not be involved in any deliberation or decision in respect of Awards (as the case may be) to be granted to or held by such member.

5.3.3 Size of the Performance Share Plan

The (a) total number of New Shares which may be issued pursuant to Awards granted on any date; and (b) total number of existing Shares which may be purchased from the market for delivery pursuant to Awards granted under the Performance Share Plan, when added to the number of New Shares issued and issuable in respect of all Awards granted under the Performance Share Plan (including the Employee Share Option Scheme and any other share option schemes of the Company), shall not exceed fifteen per cent (15%) of the number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) on the day preceding that date of grant of the relevant Awards.

(a) Limitation on size of the Performance Share Plan for Independent Directors

The total number of New Shares which may be issued pursuant to the Performance Share Plan to Independent Directors shall not exceed five per cent (5%) of the total number of Shares available under the Performance Share Plan.

(b) Limitation on size of the Performance Share Plan for Controlling Shareholders

- (i) The aggregate number of Shares issued and issuable and/or transferred and transferable in respect of all Awards granted pursuant to the Performance Share Plan available to all Controlling Shareholders and their Associates shall not exceed twenty-five per cent (25%) of the Shares available under the Performance Share Plan.
- (ii) The number of Shares issued and issuable and/or transferred and transferable in respect of all Awards granted pursuant to the Performance Share Plan available to each Controlling Shareholder or each of his Associates shall not exceed ten per cent (10%) of the Shares available under the Performance Share Plan.

To enjoy greater flexibility in structuring remuneration and compensation packages, the Company believes that it should have a sufficient number of Shares to accommodate Awards issued under the Performance Share Plan. Taking into consideration the size of the post-Placement share capital of the Company as well as the number of eligible participants in the Performance Share Plan, the Directors believe that such limit is necessary to accommodate the existing number of participants to whom Awards may be granted under the Performance Share Plan annually over the 10-year period of the Performance Share Plan, or continued beyond the stipulated period with the approval of Shareholders in a general meeting and of any relevant authorities which may then be required, so as to create a meaningful compensation for the participants' contributions.

5.3.4 Awards Entitlement

Awards represent the right of a participant to receive fully-paid Shares free of charge. Awards granted under the Performance Share Plan may be time-based or performance-related as set out above.

In respect of time-based Awards, a participant is entitled to receive fully-paid Shares free of charge, upon the expiry of the prescribed vesting periods.

In the case of performance-related Awards, a participant is entitled to receive fully-paid Shares free of charge subject to certain prescribed performance targets being met.

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The vesting periods of Awards (whether time-based or performance-related) will be determined by the Remuneration Committee and may not be subject to such time restrictions before vesting.

The selection of a participant, the type of Award (whether time-based or performance-related), the number of Award Shares to be granted to him, and the prescribed vesting period shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account:

- (a) in respect of a participant being an employee of the Group, criteria such as his rank, job performance, potential for future development and his contribution to the success and development of the Group; and
- (b) in respect of a participant being a Non-Executive Director, criteria such as his contribution to the success and development of the Group.

In addition, for performance-related Awards, the extent of effort required to achieve the performance target(s) within the performance period shall also be considered.

The Remuneration Committee shall decide, in relation to each Award (whether time-based or performance related) to be granted to a participant:

- (a) the date on which the Award is to be granted;
- (b) the number of Award Shares;
- (c) the prescribed vesting period(s); and
- (d) the extent to which Award Shares shall be released at the end of each prescribed Vesting Period.

In the case of performance-related Awards, the Remuneration Committee shall also decide on:

- (a) the prescribed performance target(s);
- (b) the performance period during which the prescribed performance target(s) are to be satisfied; and
- (c) the extent to which Award Shares shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period.

5.3.5 Grant of Awards

Awards may be granted at any time during the period when the Performance Share Plan is in force. An Award letter confirming the Award and specifying, amongst others, in relation to a performance-related Award, the prescribed performance target(s) and the performance period during which the prescribed performance target(s) are to be satisfied, will be sent to each participant as soon as is reasonably practicable after making an Award.

5.3.6 Vesting of Awards

Special provisions for the vesting and lapsing of Awards (some at the discretion of the Remuneration Committee) under certain circumstances include:

- (a) a participant, being an employee of the Group, ceasing for any reason whatsoever, to be in the employment of a company in the Group or in the event the company by which the participant is employed ceases to be a company in the Group;

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- (b) a participant, being a Non-executive Director, ceasing to be a director of a company in the Group, for any reason whatsoever;
- (c) upon the bankruptcy of the participant;
- (d) ill health, injury, disability or death of a participant;
- (e) a participant committing any breach of any of the terms of his Award;
- (f) misconduct on the part of a participant as determined by the Committee in its discretion;
- (g) a general offer being made of all or any part of the Shares;
- (h) a scheme of arrangement or compromise between the Company and the Shareholders being sanctioned by the Court under the Companies Act;
- (i) an order for the compulsory winding-up of the Company being made;
- (j) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made; and/or
- (k) any other event approved by the Committee.

Upon the occurrence of any of the events specified in paragraphs (g) to (j) above, the Remuneration Committee may consider, in its absolute discretion, whether or not to release any Award. If the Remuneration Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Remuneration Committee will have regard to the proportion of the vesting period(s) which has elapsed and the extent to which the prescribed performance target(s) (if any) has been satisfied.

Upon the occurrence of any of the events specified in paragraphs (a) to (f) above, an Award then held by a participant shall, subject as provided in the rules of the Performance Share Plan and to the extent not yet released, immediately become void and cease to have effect and the participant shall have no claim whatsoever against the Company.

The Company will have the flexibility to deliver Award Shares to participants upon the vesting of their Awards by way of:

- (a) an issue of New Shares; and/or
- (b) the purchase of existing Shares on behalf of the participants.

It is the intention of the Company that Award Shares will typically be delivered to participants upon the vesting of their Awards by way of an issue of New Shares. However, the Company anticipates that the Company may, in very limited circumstances, purchase existing Shares on behalf of the participants upon the vesting of their Awards. These circumstances include situations when the Shares are undervalued or when it otherwise makes economic sense to purchase existing Shares.

New Shares, when allotted and issued, and existing Shares, when transferred to the participants upon the release of Awards shall be subject to all the provisions of the Constitution and shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions on the record date of which falls on or before the relevant vesting date of the Shares which are the subject of the Awards. For such purposes, record date means the date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.

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Shares which are the subject of:

- (a) a time-based Award shall vest upon the expiry of each vesting period in relation to such Award and the Company shall release to the relevant participant the Award Shares to which his Award relates on the vesting date; and
- (b) a performance-related Award shall be vested with a participant on the vesting date, which shall be a Market Day falling as soon as practicable after the review by the Remuneration Committee of the performance target(s) prescribed in respect of such Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied, and, on the vesting date, the Committee will procure the allotment or transfer to each participant of the number of Award Shares so determined.

For the purposes of determining if performance target(s) in respect of performance-related Awards have been achieved, the Remuneration Committee has the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Remuneration Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events. The Remuneration Committee also has the discretion to amend the performance target(s) if the Remuneration Committee decides that a changed performance target would be a fairer measure of performance, or to waive the performance target where the participant has achieved a level of performance that the Remuneration Committee considers satisfactory notwithstanding that the performance target has not been fulfilled.

5.3.7 Adjustments and Alterations under the Performance Share Plan

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

- (a) the class and/or number of Award Shares to the extent not yet vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the Performance Share Plan,

may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate. However, any adjustment shall be made in such a way that a participant will not receive a benefit that a Shareholder does not receive.

Unless the Remuneration Committee considers an adjustment to be appropriate, (a) any issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued shares purchased or acquired by the Company by way of a market purchase of such shares undertaken by the Company on the SGX-ST during the period when a share buy-back mandate granted by the Shareholders (including any renewal of such mandate) is in force; (b) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to the any share option scheme or Performance Share Plan approved by the Shareholders in general meeting, including the Employee Share Option Scheme and the Performance Share Plan; and (c) any issue of Shares arising from the exercise of options or the subscription rights of any warrants or the conversion of any loan stock or any securities convertible into Shares by the Company shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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5.3.8 Modifications to the Performance Share Plan

The Performance Share Plan may be modified and/or altered from time to time by the Remuneration Committee, subject to, *inter alia*, compliance with the Catalist Rules and the prior approval of the Shareholders and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of participants under the Performance Share Plan who, if their Awards were released to them, would thereby become entitled to not less than seventy-five per cent (75%) of the aggregate number of all the Shares which would be issued upon exercise in full of all outstanding Awards under the Performance Share Plan.

No alteration shall be made to certain rules of the Performance Share Plan to the advantage of the holders of the Awards, as the case may be, except with the prior approval of the Shareholders in general meeting.

5.3.9 Duration of the Performance Share Plan

The Performance Share Plan shall continue in operation at the discretion of the Remuneration Committee for a maximum period of ten (10) years commencing on the date on which the Performance Share Plan is adopted by the Company in general meeting, provided that the Performance Share Plan may continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Performance Share Plan may be terminated at any time by the Remuneration Committee and by resolution of the Company in general meeting, subject to all relevant approvals which may be required being obtained. The termination of the Performance Share Plan shall not affect Awards which have been granted in accordance with the Performance Share Plan.

5.4 Financial effects of the Performance Share Plan

Details of the costs to the Company of granting Awards under the Performance Share Plan and the allotment and issue of the New Shares would be as follows:–

5.4.1 Share Capital

The Performance Share Plan will result in an increase in the number of issued Shares to the extent that New Shares are allotted and issued upon the vesting and release of the Awards under the Performance Share Plan. The number of New Shares issued will depend on, *inter alia*, the size of the Awards granted under the Performance Share Plan.

5.4.2 EPS

The Performance Share Plan will have a dilutive impact on the Company's consolidated EPS following the increase in the number of issued Shares of the Company to the extent that New Shares are allotted and issued pursuant to the vesting and release of Awards under the Performance Share Plan.

The Performance Share Plan will result in a charge to earnings equivalent to the fair value of the Awards at the date of grant over the period from the date of grant of the Awards to the vesting date.

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5.4.3 NTA

The grant of Awards under the Performance Share Plan will result in a charge to the Company's and Group's income statements, which is equal to the fair value of the Awards over the period from the date of grant of the Awards to the date of vesting and release of the Awards.

If New Shares are issued to the Participants under the Performance Share Plan, the NTA of the Company and the Group would decrease by the amount charged. However, if instead of issuing New Shares, existing Shares are purchased for delivery to the Participants, the consolidated NTA of the Company would decrease by the cost of the Shares purchased.

5.4.4 Potential Cost of granting Awards under the Performance Share Plan to the Company

The accounting rules in the Singapore Financial Reporting Standards requires the fair value of employee services received in exchange for the grant of the Shares to be recognised as an expense. For equity-settled share-based payment transactions, the total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of the each Share granted at the grant date and the number of Shares vested by the vesting date, with a corresponding increase in equity.

Before the end of the vesting period, at each balance sheet date, the entity revises its estimates of the number of Shares that are expected to vest by the vesting date and recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement would be made.

The expense recognised in the income statement depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a "market condition". If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the date of grant, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

However, if the performance target is not a market condition, the fair value per Share of the Awards granted at the date of grant is used to compute the expense to be recognized in the income statement at the end of each financial year, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition and if the Awards do not ultimately vest, the amount charged to the income statement would be reversed at the end of the vesting period.

5.5 Disclosures in Annual Reports

The Company shall make the following disclosures in its annual report to Shareholders for so long as the Performance Share Plan continues in operation:

- (a) the names of the members of the committee administering the Performance Share Plan;
- (b) information as required in the table below for the following participants:
 - (i) Directors;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in (i) and (ii) above) who receive Awards comprising Shares which, in aggregate, represent five per cent (5%) or more of the total number of Shares available under the Performance Share Plan or the total number of existing Shares purchased for delivery of released Awards under the Performance Share Plan.

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Name of participants	Number of Shares granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the Performance Share Plan to the end of the financial year under review	Aggregate number of Shares comprised in Awards vested during the financial year under review	Aggregate number of Shares comprised in Awards not released as at the end of the financial year under review
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- (c) in relation to the Awards granted under the Performance Share Plan, the following particulars:
- (i) name of participant;
 - (ii) the aggregate number of Shares comprised in Awards granted during the financial year under review (including terms);
 - (iii) the aggregate number of Shares comprised in Awards granted since the commencement of the Performance Share Plan to the end of the financial year under review;
 - (iv) the aggregate number of Shares comprised in Awards vested since the commencement of the Performance Share Plan to the end of the financial year under review;
 - (v) the aggregate number of Shares comprised in Awards outstanding as at the end of the financial year under review; and
 - (vi) a statement that the directors and employees of the parent company (if any) and its subsidiaries are not eligible to participate in the Performance Share Plan.

If any of the disclosures above is not applicable, an appropriate negative statement will be included in the annual report.

6. THE PROPOSED ADOPTION OF THE NEW RICH CAPITAL EMPLOYEE SHARE OPTION SCHEME

6.1 The Proposed Adoption of the Employee Share Option Scheme

The Company proposes to adopt the Employee Share Option Scheme which will be subject to Shareholders' approval at the EGM. A summary of the rules of the Employee Share Option Scheme is set out in section 6.3 below. Capitalised terms as used throughout this section, unless otherwise defined, shall bear the meanings as defined in the section entitled "Rules of the Rich Capital Employee Share Option Scheme" as set out in Appendix B of this Circular.

Subject to separate independent Shareholders' approval being obtained for the Employee Share Option Scheme, an application will be made to the SGX-ST by the Company through its Sponsor for the listing and quotation of the New Shares on the Catalist to be allotted and issued pursuant to the Employee Share Option Scheme. An appropriate announcement on receipt of the listing and quotation notice, if granted, will be made in due course. The Employee Share Option Scheme is conditional upon the grant of the listing and quotation notice by the SGX-ST and the conditions in the listing and quotation notice being fulfilled.

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6.2 Rationale for the Employee Share Option Scheme

The purpose of the Employee Share Option Scheme is to provide an opportunity for Directors (including Non-Executive Directors) and employees to participate in the equity of the Company, so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group. The Company believes that the implementation of the Employee Share Option Scheme will enable the Company to structure a competitive remuneration package, which is designed as an additional incentive tool to reward and retain employees and Directors, as well as to achieve the following objectives:

- (a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees whose contributions are essential to the long-term growth and profitability of the Group;
- (c) to instil loyalty to, and a stronger identification by participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of participants with the interests of the Shareholders.

6.3 Summary of the Employee Share Option Scheme

6.3.1 Participants

The Employee Share Option Scheme allows for participation by confirmed employees of the Group (including the Executive Directors) and Non-executive Directors (including Independent Directors), including those who may be Controlling Shareholders, who have attained the age of 21 years on or before the relevant date of grant of the Option, provided that none of them shall be an undischarged bankrupt or have entered into a composition with his creditors.

Persons who are Controlling Shareholders or their Associates are permitted to participate in the Employee Share Option Scheme subject to them meeting the eligibility criteria set out above and satisfying the requirements under the Catalist Rules. Pursuant to Rule 852 of the Catalist Rules, participation in the Employee Share Option Scheme by Controlling Shareholders and their Associates must be approved by independent Shareholders of the Company and a separate resolution must be passed for each such person and to approve the actual number and terms of Options to be granted to such person.

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

6.3.2 Administration of the Employee Share Option Scheme

The Employee Share Option Scheme shall be administered by a committee comprising of members of the Remuneration Committee (the “**ESOS Committee**”), with powers to determine, *inter alia*, the following:

- (a) persons to be granted Options;
- (b) number of Options to be offered; and
- (c) recommendations for modifications to the Employee Share Option Scheme.

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However, in compliance with the requirement of the Catalyst Rules, a participant of the Employee Share Option Scheme who is a member of the ESOS Committee will not be involved in any deliberation or decision in respect of Options to be granted to that participant.

6.3.3 Size of the Employee Share Option Scheme

The total number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of all Options granted under the Employee Share Option Scheme (including the Performance Share Plan and any other share option schemes of the Company) shall not exceed fifteen per cent (15%) of the number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) on the day preceding the date of the relevant grant.

(a) Limitation on size of the Employee Share Option Scheme for Independent Directors

The total number of new Shares which may be issued pursuant to the Employee Share Option Scheme to Independent Directors shall not exceed five per cent (5%) of the total number of Shares available under the Employee Share Option Scheme.

(b) Limitation on size of scheme for Controlling Shareholders

- (i) The aggregate number of Shares issued and issuable and/or transferred and transferable in respect of all Options granted pursuant to the Employee Share Option Scheme available to all Controlling Shareholders and their Associates shall not exceed twenty-five per cent (25%) of the Shares available under the Employee Share Option Scheme.
- (ii) The number of Shares issued and issuable and/or transferred and transferable in respect of all Options granted pursuant to the Employee Share Option Scheme available to each Controlling Shareholder or each of his Associates shall not exceed ten per cent (10%) of the Shares available under the Employee Share Option Scheme.

The Directors believe that these limits provide the Company sufficient flexibility to decide upon the number of Option Shares to offer to the employees of the Group under the Employee Share Option Scheme. The number of eligible participants is expected to grow over the years. The Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. The employee base and the number of eligible participants will increase as a result. The number of Options offered must also be significant enough to serve as a meaningful reward for contribution to the Group. The Committee shall exercise its discretion in deciding the number of Shares to be granted to each employee under the Employee Share Option Scheme which will depend on the performance and value of the employee to the Group.

6.3.4 Options Entitlements

The number of Option Shares to be offered to a participant shall be determined by the Committee, in their absolute discretion. The Committee shall consider criteria such as rank and responsibilities within the Group, performance, years of service/appointment and potential for future development of that participant and the performance of the Company.

6.3.5 Options, Exercise Period and Exercise Price

The Options that are granted under the Employee Share Option Scheme may have exercise prices that are, at the discretion of the Committee:

- (a) set at a discount to a price (the “**Market Price**”) equal to the average of the last dealt prices for the Shares on the SGX-ST for the five (5) consecutive Market Days immediately preceding the relevant date of grant of the relevant Option of a Share (the “**Incentive Option**”), provided that:

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- (i) the maximum discount shall not exceed twenty per cent (20%) of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
- (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Employee Share Option Scheme at a discount not exceeding the maximum discount as aforesaid,

in which event, such Options which are granted at a discount may be exercised only after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant; or

- (b) fixed at the Market Price (the “**Market Price Option**”). Market Price Options may be exercised after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant.

6.3.6 Rights of Shares arising from the exercise of Options

New Shares arising from the exercise of Options, when allotted and issued shall be subject to all the provisions of the Constitution and shall rank 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 date upon which such exercise occurred, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

6.3.7 Duration of the Employee Share Option Scheme

The Employee Share Option Scheme shall continue in operation for a maximum period of ten (10) years commencing on the date on which the Employee Share Option Scheme is adopted by the Company in general meeting, provided that the Employee Share Option Scheme may continue for any further period thereafter with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

6.3.8 Adjustments and Alterations under the Employee Share Option Scheme

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

- (a) the exercise price of the Shares, class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the class and/or number of Shares over which Options may be granted under the Employee Share Option Scheme,

may, at the option of the ESOS Committee, be adjusted in such manner as the Committee may determine to be appropriate. However, any adjustment shall be made in such a way that a participant will not receive a benefit that a Shareholder does not receive.

Unless the ESOS Committee considers an adjustment to be appropriate, any issue of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued shares purchased or acquired by the Company by way of a market purchase of such shares undertaken by the Company on the SGX-ST during the period when a share buy-back mandate granted by the Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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6.3.9 Modifications to the Employee Share Option Scheme

The Employee Share Option Scheme may be modified and/or altered from time to time by a resolution of the ESOS Committee, subject to the compliance with the requirements of the Catalist Rules, the prior approval of the Shareholders and the requirements of any other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to Options granted prior to such modification or alteration except with the written consent of such number of participants under the Employee Share Option Scheme who, if they exercised their Options in full, would thereby become entitled to not less than seventy-five per cent (75%) of the number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options under the Employee Share Option Scheme.

No alteration to certain rules of the Employee Share Option Scheme which would be to the advantage of participants under the Employee Share Option Scheme, such as the repricing of the exercise price of the Options and the replacement of existing Options, shall be made except with the prior approval of the Shareholders in general meeting.

6.4 Grant of Incentive Options with a discounted exercise price

The ability to offer Options to participants of the Employee Share Option Scheme with exercise prices set at a discount to the prevailing market prices of the Shares will operate as a means to recognise the performance of participants. This would motivate them to continue to excel while encouraging them to focus more on improving the profitability and return of the Group above a certain level, which will benefit all Shareholders when these are eventually reflected through share price appreciation. Incentive Options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered Incentive Options, as only employees who have made outstanding contributions to the success and development of the Group would be granted Incentive Options.

The flexibility to grant Options with discounted prices is also intended to cater to situations where the stock market performance has overrun the general market conditions. In such events, the ESOS Committee will have absolute discretion to:

- (a) grant Options set at a discount to Market Price of a Share (subject to a maximum limit of twenty per cent (20%)); and
- (b) determine the participants to whom, and the Options to which, such reduction in exercise prices will apply.

In determining whether to give a discount and the quantum of the discount, the ESOS Committee shall be at liberty to consider factors including the performance of the Company, the Group, the performance of the participant concerned, the contribution of the participant to the success and development of the Group and the prevailing market conditions. The ESOS Committee will determine on a case-by-case basis whether a discount will be given, and if so, the quantum of the discount, taking into account the objective that is desired to be achieved by the Company and the prevailing market conditions. As the actual discount given will depend on the relevant circumstances, the extent of the discount may vary from one case to another, and from time to time, subject to a maximum discount of twenty per cent (20%) of the Market Price of a Share. The discretion to grant Incentive Options will, however, be used judiciously.

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6.5 Financial effects of the Employee Share Option Scheme

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

6.5.1 Share Capital

The Employee Share Option Scheme will result in an increase in the issued share capital of the Company and the number of issued Shares to the extent that New Shares are allotted and issued pursuant to the exercise of the Option(s) granted under the Employee Share Option Scheme. This will in turn depend on, *inter alia*, the number of Shares comprised in the Option(s) granted, the number of Option(s) that are accepted and exercised and the exercise price of the Shares comprised in the Option(s) upon the exercise of the Option(s) granted under the Employee Share Option Scheme. In any case, the Employee Share Option Scheme provides that the number of Shares to be issued or transferred under the Employee Share Option Scheme, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, will be subject to the maximum limit of 15% of the Company's total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings) from time to time.

If instead of issuing new Shares to Grantees, existing Shares are purchased for delivery to Grantees, the Employee Share Option Scheme will have no impact on our Company's issued share capital.

6.5.2 EPS

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

Outstanding Options without being exercised are dilutive to the calculation of diluted EPS when the exercise price of the issue of ordinary Shares is less than the prevailing market price during the period. Options have a dilutive effect only when the prevailing market price during the period exceeds the exercise price of the Options.

6.5.3 NTA

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

6.5.4 Cost of Options granted under the Employee Share Option Scheme to the Company

Any Options granted under the Employee Share Option Scheme would have a fair value. In the event that such Options are granted at prices below the fair value of the Options, there will be a cost to the Company. The amounts of such costs may be more significant in the case of Incentive Options, where such Options are granted with exercise prices set at a discount to the prevailing market price of the Shares.

In addition to the impact on the Company's consolidated EPS and consolidated NTA as described above, the cost to the Company of granting Options under the Employee Share Option Scheme would be as follows:

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

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- (b) the grant of Options under the Employee Share Option Scheme will have an impact on the Company's reported profit under the FRS 102, "Share-based payment" as Share-based payment requires the recognition of an expense in respect of Options granted under the Employee Share Option Scheme. The expense will be based on the fair value of the Options at the date of grant (as determined by an option pricing model) and will be recognised over the vesting period.

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

6.5.5 Disclosure Requirements

Rule 704(32) of the Catalist Rules states that an issuer must immediately announce any grant of options or shares. The announcement must be made on the date of grant and provide details of the grant, including the following:

- (a) date of grant;
- (b) exercise price of options granted;
- (c) number of options or shares granted;
- (d) market price of its securities on the date of grant;
- (e) number of options or shares granted to each director and controlling shareholder (and each of their associates), if any; and
- (f) validity period of the options.

In addition, the Company shall, for so long as the Employee Share Option Scheme continues in operation, make the following disclosure in its annual report:

- (a) the names of the members of the ESOS Committee administering the Employee Share Option Scheme;
- (b) the information required in the table below for the following participants (which for avoidance of doubt, shall include participants who have exercised all their Options in any particular financial year):
 - (i) participants who are Directors of the Company;
 - (ii) participants who are Controlling Shareholders and their Associates; and
 - (iii) participants, other than those in (i) and (ii) above, who receive five per cent (5%) or more of the total number of Options available under the Employee Share Option Scheme;
- (c) the number and proportion of Options granted at a discount during the financial year under review in respect of every ten per cent (10%) discount range, up to the maximum quantum of discount granted, which is twenty per cent (20%) of the market price of the Shares (being a price equal to the volume-weighted average price of all trades for the Shares on the SGX-ST over the 5 (five) consecutive Market Days immediately preceding the date of grant of that Option, as determined by the ESOS Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices); and
- (d) any other information required to be so disclosed pursuant to the Catalist Rules and all other applicable laws and requirements.

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If any of the disclosures above is not applicable, an appropriate negative statement will be included in the annual report.

7. THE PROPOSED PARTICIPATION BY EMPLOYEES AND NON-EXECUTIVE DIRECTORS IN THE EMPLOYEE SHARE OPTION SCHEME AND THE PERFORMANCE SHARE PLAN

7.1 Rationale for participation by employees of the Group in the Employee Share Option Scheme and the Performance Share Plan

The extension of the Employee Share Option Scheme and/or the Performance Share Plan to employees of the Group allows the Company to have a fair and equitable system to reward directors and employees of the Company and/or Subsidiaries who have made and who continue to make significant contributions to the long-term growth of the Group.

The Company believes that the grant of Options and/or Awards to the employees of the Group will enable the Company to attract, retain and provide incentives to its participants to produce higher standards of performance as well as encourage greater dedication and loyalty to the Group. This would enable the Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of the Group.

7.2 Rationale for participation by Non-Executive Directors (including Independent Directors) in the Employee Share Option Scheme and the Performance Share Plan

Although Non-Executive Directors are not involved in the day-to-day running of the operations of the Group, they play an invaluable role in furthering the business interests of the Group by contributing their experience and expertise. The participation by Non-Executive Directors in the Employee Share Option Scheme and/or and the Performance Share Plan will provide the Company with a further avenue to acknowledge and recognise their services and contributions to the Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. For instance, Non-Executive Directors may bring strategic or other value to the Company which may be difficult to quantify in monetary terms. The grant of Options and/or Awards to Non-Executive Directors will allow the Company to attract and retain experienced and qualified persons from different professional backgrounds to join the Company as Non-Executive Directors, and to motivate the existing Independent Directors to take extra efforts to promote the interests of the Company and/or the Group.

In deciding whether to grant Options and/or Awards to Non-Executive Directors, the Remuneration Committee and the ESOS Committee will take into consideration, among other things, the services and contributions made to the growth, development and success of the Group and the years of service of the Non-Executive Directors. The Remuneration Committee and the ESOS Committee may also, where it considers relevant, take into account other factors such as the economic conditions and the Company's performance.

In order to minimise any potential conflict of interests and not to compromise the independence of the Non-Executive Directors, the Company intends to grant only a nominal number of Options under the Employee Share Option Scheme and/or Awards under the Performance Share Plan to such Non-Executive Directors. In addition, in the event that any conflict of interests arises in any matter to be decided by the Board, the Company shall procure that the relevant Non-Executive Directors abstain from voting on such matter at the Board meeting.

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8. DISCLOSURE OF SHAREHOLDINGS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares of the Company are as follows:

Interests of Directors

Name of Director	Number of Shares*					
	Direct Interest	%*	Deemed Interest	%*	Total Interest	%*
Wang ZhenWen ⁽¹⁾	2,168,079,900	29.53	578,000	0.01	2,168,657,900	29.54
Giang Sovann	3,000,000	0.04	-	-	3,000,000	0.04
Soong Kar Leong	-	-	-	-	-	-
James Kho Chung Wah	-	-	-	-	-	-
Chow Wen Kwan	-	-	-	-	-	-

Interests of Substantial Shareholders

Name of Substantial Shareholder	Number of Shares*					
	Direct Interest	%*	Deemed Interest	%*	Total Interest	%*
Lim Soon Fang ⁽²⁾	131,000,000	1.78	1,320,000,000	17.98	1,451,000,000	19.76
Oh Keh Yew	371,549,900	5.06	-	-	371,549,900	5.06

Notes:

(*) Based on 7,342,671,467 Shares issued as at Latest Practicable Date.

(1) Wang ZhenWen is deemed to be interested in the 578,000 Shares held by his wife, Bai FengMei, by virtue of Section 4 of the SFA.

(2) Lim Soon Fang is deemed to be interested in the 1,320,000,000 Shares held by Maybank Kim Eng Securities Pte. Ltd.

Save as disclosed in this Circular, and based on the information available to the Company as at the Latest Practicable Date, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Corporate Actions.

9. EXTRAORDINARY GENERAL MEETING

The Board is convening an EGM to be held at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place) on 30 July 2018 at Meyer & Frankel Rooms, Level 3 of Grand Mercure Singapore Roxy, 50 East Coast Road, Roxy Square, Singapore 428769 to seek the approval of the Shareholders for the ordinary resolutions proposed in relation to the Proposed Renewal of the Share Issue Mandate, Proposed Adoption of the Share Buy-Back Mandate, Proposed Adoption of the IPT Mandate, Proposed Adoption of the New Rich Capital Performance Share Plan and Proposed Adoption of the New Rich Capital Employee Share Option Scheme. The Notice of EGM is set out at page EGM-1 of this Circular.

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10. ABSTENTION FROM VOTING

- 10.1 Mr. Wang shall abstain from voting at the EGM in respect of Ordinary Resolution 2 relating to the Proposed Adoption of the Share Buy-Back Mandate, for reasons as further elaborated in section 3.10.6 above, and will not accept nominations as proxies or otherwise for voting in respect of the said Ordinary Resolution 2 at the EGM unless specific instructions as to voting are given.
- 10.2 In accordance with Rule 919 and Rule 921(7) of the Catalist Rules, interested persons and their associates are prohibited from voting on a resolution in relation to a matter in respect of which such persons are interested in the EGM, and will not accept appointments as proxies unless specific instructions as to voting are given.
- 10.3 As at the Latest Practicable Date, Mr. Wang has an aggregate interest in 29.54% of the Shares in the Company. RLC, RLB, Kay-Link and HLC are considered to be Associates of Mr. Wang. Accordingly, Mr. Wang (i) will abstain, and will procure his Associates to abstain from voting at the EGM on the Proposed Adoption of the IPT Mandate; and (ii) will not, and will procure that his Associates will not, accept appointments as proxies in relation to the Proposed Adoption of the IPT Mandate unless specific instructions as to voting are given.

Save for Mr. Wang ZhenWen, the other members in the Audit Committee being the Independent Directors are not required to abstain from making any recommendations and voting as members of the Audit Committee in connection with the Proposed Adoption of the IPT Mandate.

Save as disclosed herein, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Adoption of the IPT Mandate.

- 10.4 Rule 858 of the Catalist Rules states that Shareholders who are entitled to participate in the Employee Share Option Scheme and the Performance Share Plan shall abstain from voting at the EGM in respect of the Proposed Adoption of the Employee Share Option Scheme and the Proposed Adoption of the Performance Share Plan. Such Shareholders (i) shall procure his Associates to abstain from voting at the EGM on the Proposed Adoption of the Employee Share Option Scheme and the Proposed Adoption of the Performance Share Plan; and (ii) shall not, and shall procure that his Associates will not, accept appointments as proxies in relation to the Proposed Adoption of the Employee Share Option Scheme and the Proposed Adoption of the Performance Share Plan unless specific instructions as to voting are given.
- 10.5 All the Directors will be eligible to participate in the Employee Share Option Scheme and the Performance Share Plan. Therefore, the Directors (who are also Shareholders) (i) shall abstain and shall procure his Associates to abstain from voting at the EGM on the Proposed Adoption of the Employee Share Option Scheme and the Proposed Adoption of the Performance Share Plan; and (ii) shall not, and shall procure that his Associates will not, accept appointments as proxies in relation to the Proposed Adoption of the Employee Share Option Scheme and the Proposed Adoption of the Performance Share Plan unless specific instructions as to voting are given.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 not later than 48 hours before the time fixed for the EGM or any postponement or adjournment thereof. The appointment of a proxy or proxies by a Shareholder does not preclude him from attending and voting in person at the EGM if he wishes to do so.

In view of Section 130D of the Companies Act, a Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register 72 hours before the time fixed for the EGM or any adjournment thereof.

LETTER TO SHAREHOLDERS

12. DIRECTORS' RECOMMENDATIONS

- 12.1 Mr. Wang ZhenWen has abstained from making any recommendations to Shareholders on the resolutions relating to the IPT Mandate and the Proposed Adoption of the Share Buy-Back Mandate.
- 12.2 Having considered, *inter alia*, the terms, rationale and benefits of the IPT Mandate, the recommendation of the IFA as set out in the Appendix C, and the statement of the Audit Committee set out in section 4.9 above, the Non-Interested Directors are of the view that it would be beneficial to and in the interests of the Company to adopt the IPT Mandate. Accordingly, they recommend that independent Shareholders vote in favour of the ordinary resolution to adopt the IPT Mandate as set out in the Notice of the EGM on page EGM-1 of this Circular.
- 12.3 All of the Directors are eligible to participate in, and are therefore interested in the Employee Share Option Scheme and the Performance Share Plan. Accordingly, all of the Directors have abstained from making any recommendations to Shareholders in respect of the Employee Share Option Scheme and/or and the Performance Share Plan.
- 12.4 Having considered, *inter alia*, the terms, rationale and benefits of the Proposed Renewal of the Share Issue Mandate and the Proposed Adoption of the Share Buy-Back Mandate, the Directors (save for Mr. Wang ZhenWen who has abstained from making any recommendation to Shareholders on the Proposed Adoption of the Share Buy-Back Mandate) are of the opinion that the Proposed Renewal of the Share Issue Mandate and the Proposed Adoption of the Share Buy-Back Mandate are in the best interests of the Company. Accordingly, the Directors (save for Mr. Wang ZhenWen who has abstained from making any recommendation to Shareholders on the Proposed Adoption of the Share Buy-Back Mandate) recommend that the Shareholders vote in favour of the aforementioned resolutions, as set out in the Notice of the EGM on page EGM-1 of this Circular.
- 12.5 Shareholders are advised to read this Circular in its entirety and for those who may require advice in the context of their specific investment, to consult their respective stockbroker, bank manager, solicitor, accountant or other professional adviser.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Corporate Actions, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

14. IFA'S CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter and all references thereto, in the form and context in which they appear in this Circular.

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15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution;
- (b) the IFA Letter;
- (c) the Performance Share Plan;
- (d) the Employee Share Option Scheme; and
- (e) the IFA's letter of consent.

Yours faithfully,
For and on behalf of the Board of Directors
RICH CAPITAL HOLDINGS LIMITED

Soong Kar Leong
Executive Director

APPENDIX A – PERFORMANCE SHARE PLAN

RICH CAPITAL HOLDINGS LIMITED

(incorporated in the Republic of Singapore)

Company Registration No. 199801660M

APPENDIX A: RULES OF THE RICH CAPITAL PERFORMANCE SHARE PLAN

1. NAME OF THE PLAN

The plan (as defined below) shall be called the “**Rich Capital Performance Share Plan**”.

2. DEFINITIONS

2.1 In the plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“ Adoption Date ”	:	The date on which the PSP is adopted by the Company in general meeting
“ Associate ”	:	Has the meaning ascribed to it in the Rules of Catalist
“ Auditors ”	:	The auditors for the time being of the Company
“ Award ”	:	A contingent award of Shares granted under Rule 5
“ Award Letter ”	:	A letter in such form as the Committee shall approve an Award granted to a Participant by the Committee
“ Board ”	:	The board of directors of the Company
“ Catalist ”	:	The sponsor-supervised listing platform of the SGX-ST;
“ Catalist Rules ”	:	Any or all of the rules in the SGX-ST Listing Manual Section B: Rules of Catalist, as the case may be, as amended, supplemented or modified from time to time;
“ CDP ”	:	The Central Depository (Pte) Limited
“ Committee ”	:	The remuneration committee of the Board, or such committee comprising of Directors duly authorised and appointed by the Board to administer the PSP
“ Companies Act ”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“ Company ”	:	Rich Capital Holdings Limited
“ Constitution ”	:	The Constitution of the Company, as amended or modified from time to time
“ Control ”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company

APPENDIX A – PERFORMANCE SHARE PLAN

“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the number of all voting shares in a company; or (b) in fact exercises control over a company, unless otherwise determined
“Date of Grant”	:	In relation to an Award, the date on which the Award is granted pursuant to Rule 5
“Director”	:	A person holding office as a director for the time being of the Company and/or any of its Subsidiaries, as the case may be
“Executive Director”	:	A director for the time being of the Company and/or any of its Subsidiaries, holding office in an executive capacity in the Company and/or such Subsidiary
“Group”	:	The Company and its Subsidiaries
“Group Employee”	:	An employee of the Group (including any Group Executive Director) selected by the Committee to participate in the PSP in accordance with Rule 4
“Independent Director”	:	An independent director from time to time of the Company and/or any of its Subsidiaries
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Non-executive Director”	:	A director (other than an Executive Director) from time to time of the Company and/or any of our Subsidiaries
“Participant”	:	The holder of an Award
“Performance Condition”	:	In relation to a Performance-related Award, the condition specified on the Date of Grant in relation to that Award
“Performance-related Award”	:	An Award in relation to which a Performance Condition is specified
“Performance Period”	:	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Date of Grant, during which the Performance Condition is to be satisfied
“PSP”	:	The Rich Capital Performance Share Plan, as the same may be modified or altered from time to time
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)

APPENDIX A – PERFORMANCE SHARE PLAN

“Release”	:	In relation to an Award, the release at the end of the Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly
“Released Award”	:	An Award in respect of which the Vesting Period relating to that Award has ended and which has been released in accordance with Rule 7
“Rules”	:	Rules of the PSP
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore as may be amended, varied or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Securities Accounts”	:	The securities account maintained by a Depositor with CDP
“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Subsidiary”	:	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
“Trading Day”	:	A day on which the Shares are traded on the SGX-ST
“Treasury shares”	:	Treasury shares shall have the meaning ascribed to it in Section 4 of the Companies Act
“Vesting”	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7
“Vesting Period”	:	In relation to an Award, a period or periods, the duration of which is to be determined by the Committee at the Date of Grant
“S\$”	:	Singapore dollars
“%” or “per cent”	:	Per centum or percentage

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- 2.2 The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.4 Any reference in the PSP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in the PSP shall have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless the context otherwise requires.
- 2.5 Any reference to a time of a day in the PSP is a reference to Singapore time.

3. OBJECTIVES OF THE PSP

- 3.1 The PSP is a performance incentive plan which will form an integral part of the Group’s incentive compensation program.
- 3.2 The objectives of the PSP are as follows:
- (a) provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
 - (b) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
 - (c) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
 - (d) make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long-term growth and profitability of the Group.

4. ELIGIBILITY

- 4.1 Any person shall be eligible to participate in the PSP at the absolute discretion of the Committee if at the Date of Grant such person must:
- (a) be confirmed in his/her employment with the Group;
 - (b) he/she shall have attained the age of 21 years; and
 - (c) he/she shall not be an undischarged bankrupt and must not have entered into a composition with his creditors.
- 4.2 Non-executive Directors (including Independent Directors) who satisfy the eligibility requirements in Rule 4.1(b) and (c) shall also be eligible to participate in the PSP.
- 4.3 Subject to the absolute discretion of the Committee, Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the PSP, provided that (a) the participation of each Controlling Shareholder or his Associate prior to the first grant of an Award to him is specifically approved by independent Shareholders in general meeting by a separate resolution, and (b) each grant of an Award, including the actual number and terms of the Award to

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be granted to each Controlling Shareholder or his Associate only be effected with the specific prior approval of independent Shareholders in general meeting by a separate resolution. The Company will at such time provide the rationale and justification for any proposal to grant any Award to a Controlling Shareholder or his Associate.

- 4.4 The eligibility of Participants to participate in the PSP, and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the PSP and the Vesting Period shall be determined at the absolute discretion of the Committee, which shall take into account:
- (a) the financial performance of the Group;
 - (b) in respect of a Participant being a Group Employee, criteria such as his/her rank, job performance, potential for future development and his/her contribution to the success and development of the Group; and
 - (c) in respect of a Participant being a Non-executive Director, criteria such as his contribution to the success and development of the Group.

In addition, for Performance-related Awards, the extent of effort required to achieve the Performance Condition within the Performance Period shall also be considered.

- 4.5 A Director shall not be involved in the Committee's deliberations and decisions in respect of Awards to be granted to that Director or his Associate.
- 4.6 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the PSP may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. GRANT OF AWARDS

- 5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Employees as the Committee may select in its absolute discretion, at any time during the period when the PSP is in force.
- 5.2 The Committee shall decide, in its absolute discretion, in relation to each Award:
- (a) the Participant;
 - (b) the Date of Grant;
 - (c) the number of Shares which are the subject of the Award;
 - (d) the prescribed Vesting Period(s);
 - (e) the extent to which Shares which are the subject of that Award shall be Released at the end of each prescribed Vesting Period; and
 - (f) in the case of a Performance-related Award, the Performance Period and the Performance Condition,

PROVIDED THAT any grant of an Award to Non-Executive Directors will be subject to and shall comply with the provisions of Section 76 of the Companies Act.

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

- (a) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company; or
- (b) in the case of a Performance-related Award, if anything happens which causes the Committee to conclude that:
 - (i) a changed Performance Condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
 - (ii) the Performance Condition should be waived as the Participant has achieved a level of performance that the Committee considers satisfactory notwithstanding that the Performance Condition may not have been fulfilled,

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

5.4 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:

- (a) the Date of Grant;
- (b) the number of Shares which are the subject of the Award;
- (c) the prescribed Vesting Period(s);
- (d) the extent to which Shares which are the subject of that Award shall be released at the end of each prescribed Vesting Period; and
- (e) in the case of a Performance-related Award, the Performance Period and the Performance Condition.

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

5.6 An Award or Released Award shall be personal to the Participant to whom it is granted and no Award or Released Award or any rights thereunder shall not be transferred, charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award, that Award or Released Award shall immediately lapse.

6. EVENTS PRIOR TO THE VESTING DATE

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

- (a) a Participant, being a Group Employee, ceasing for any reason whatsoever, to be in the employment of the Company and/or the relevant Subsidiary or in the event the company by which the Group Employee is employed ceases to be a company in the Group;
- (b) a Participant, being a Non-executive Director, ceasing to be a director of the Company and/or the relevant Subsidiary, as the case may be, for any reason whatsoever;

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- (c) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Award;
- (d) ill health, injury, disability or death of a Participant;
- (e) a Participant commits any breach of any of the terms of his Award;
- (f) misconduct on the part of a Participant as determined by the Company in its discretion;
- (g) a take-over, winding-up or reconstruction of the Company; and/or
- (h) any other event approved by the Committee.

For the purpose of Rule 6.1(a) above, a Group Employee shall be deemed to have ceased to be in the employment of the Company or the Subsidiary (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 Group Employee has (with the consent of the Company or the Subsidiary (as the case may be) withdrawn such notice.

For the purpose of Rule 6.1(b) above, a Participant shall be deemed to have ceased to be a Non-executive Director as at the date the notice of resignation of or termination of directorship, as the case may be, is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 6.2 The Committee may in its absolute discretion and on such terms and conditions as it deems fit, preserve all or any part of any Award notwithstanding the provisions of any other Rules including Rules 6.1 and 7.1. Further to such exercise of discretion, the Awards shall be deemed not to have become void nor cease to have effect in accordance with the relevant provisions in Rule 6.1.
- 6.3 Without prejudice to the provisions of Rules 5.3 and 7.1, to the extent of an Award yet to be Released, if any of the following occurs:
- (a) a general offer (whether conditional or unconditional) being made for all or any part of the Shares;
 - (b) a scheme of an arrangement or compromise between the Company and its Shareholders being sanctioned by the Court under the Companies Act;
 - (c) an order for the compulsory winding-up of the Company is made; or
 - (d) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Committee may consider, at its discretion, whether or not to Release such Award. If the Committee decides to Release such Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Vesting Period(s) which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. Where such Award is Released, the Committee will, as soon as practicable after such Release, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

7. RELEASE OF AWARDS

- 7.1 (a) In relation to each Performance-related Award, as soon as reasonably practicable after the end of the relevant Performance Period, the Committee shall review the Performance Condition specified in respect of that Award and determine whether it has been satisfied and, if so, the extent to which it has been satisfied. If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or if the relevant Participant

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(being a Group Employee) has not continued to be a Group Employee from the Date of Grant up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rule 7 (save for this Rule 7.1(a)) shall be of no effect.

The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and, in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events.

Subject to:

- (i) (in relation to a Performance-related Award) the Committee having determined that the Performance Condition has been satisfied;
- (ii) the relevant Participant (being a Group Employee) having continued to be a Group Employee from the Date of Grant up to the end of the relevant Vesting Period;
- (iii) the Committee being of the opinion that the job performance of the relevant Participant has been satisfactory;
- (iv) such consents (including any approvals required by the SGX-ST) as may be necessary;
- (v) compliance with the terms of the Award, the PSP and the Constitution;
- (vi) where Shares are to be allotted or transferred on the release of an Award, the Participant having a securities account with CDP and compliance with the applicable requirements of CDP; and
- (vii) where Shares are to be allotted on the release of an Award, the Company being satisfied that the Shares which are the subject of the Released Award will be listed for quotation on the SGX-ST,

upon the expiry of each Vesting Period in relation to an Award, the Company shall Release to the relevant Participant the Shares to which his Award relates on the Vesting Date.

- (b) Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Market Day falling as soon as practicable after the Release of such Award in accordance with Rule 7.1(a) and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- (c) Where Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for the listing and quotation of such Shares.

7.2 Shares which are allotted or transferred on the Release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.

7.3 Shares allotted and issued, and existing Shares procured by the Company on behalf of the Participants for transfer, upon the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution; and

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- (b) rank for any dividend, right, allotment or other distribution on the Record Date of which is on or after the relevant Vesting Date and (subject as aforesaid) will rank *e* in all respects with the Shares then existing.

8. LIMITATION ON THE SIZE OF THE PSP

- 8.1 The aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the PSP on any date, when added to the number of Shares issued and issuable and/or transferred and transferrable in respect of (a) all Awards granted under the PSP, and (b) all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 15% of the number of all issued Shares (excluding Treasury Shares and Subsidiary Holdings) on the day preceding that date.
- 8.2 The total number of new Shares which may be issued pursuant to the PSP to Non-executive Directors shall not exceed five per cent (5%) of the total number of Shares available under the PSP.
- 8.3 The aggregate number of Shares issued and issuable and/or transferred and transferable in respect of all Awards granted pursuant to the PSP available to all Controlling Shareholders and their Associates shall not exceed twenty-five per cent (25%) of the Shares available under the PSP.
- 8.4 The number of Shares issued and issuable and/or transferred and transferable in respect of all Awards granted pursuant to the PSP available to each Controlling Shareholder or each of his Associates shall not exceed ten per cent (10%) of the Shares available under the PSP.

9. ADJUSTMENT EVENTS

- 9.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction, sub-division, consolidation, distribution or otherwise) shall take place, then:
 - (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested and the rights attached thereto; and/or
 - (b) the class and/or number of Shares in respect of which Awards may be granted under the PSP,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate, provided that any such adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

- 9.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.
- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4 Upon any adjustment being made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award and the date on which such adjustment shall take effect.

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- 9.5 Notwithstanding the provisions of Rule 9.1 or that no adjustment is required under the provisions of the PSP, the Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to in Rule 9.1 notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditors to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditors (acting only as experts and not as arbitrators) to be in their opinion appropriate.

10. ADMINISTRATION OF THE PSP

- 10.1 The PSP shall be administered by the Committee, in its absolute discretion, with such powers and duties as are conferred on it by the Committee, provided that no Director shall participate in any deliberation or decision in respect of Awards granted or to be granted to him or held by him.
- 10.2 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 PSP) for the implementation and administration of the PSP, to give effect to the provisions of the PSP and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit.
- 10.3 Any decision or determination of the Committee made pursuant to any provision of the PSP (other than a matter to be certified by the Auditors) shall be final, binding and conclusive.
- 10.4 The Company shall bear the costs of establishing and administering the PSP.

11. TAKE-OVER AND WINDING UP OF THE COMPANY

- 11.1 Notwithstanding Rule 7 but subject to Rule 11.5, in the event of a take-over being made for the Shares, a Participant shall (notwithstanding that the Vesting Period for the Award has not expired) be entitled to the Shares under the Awards if he has met the conditions specified for the vesting of, and release of Shares comprised in the Award which falls within the period commencing on the date on which such offer for a take-over of the Company is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST and the SIC, such expiry date is extended to a later date being a date falling not later than the expiry of the Vesting Period during which the conditions for the vesting of, and release of the Shares comprised in the Award are to be fulfilled; or
 - (b) the date of expiry of the Vesting Period during which the conditions for the vesting of, and release of the Shares comprised in the Award are to be fulfilled.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under any relevant regulatory provisions or legislation and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participant shall be obliged to fulfil the conditions for the vesting of, and release of the Shares comprised in the Award before the expiry of such specified date or the expiry date of the Vesting Period relating thereto, whichever is earlier, before an Award can be vested.

For the avoidance of doubt, the vesting of such Awards will not be affected by the take-over offer and the provisions of this Rule 11.1 shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared unconditional.

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- 11.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant who has fulfilled the conditions specified for the vesting of, and release of Shares comprised in the Award shall be entitled, notwithstanding the provisions under this Rule 11 but subject to Rule 11.5, to any Shares under the Awards so determined by the Committee to be vested and released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later. If under any relevant regulatory provisions or legislation, the relevant authority issues a notice of amalgamation, for the purposes of, or in connection with the amalgamation of the Company with another company or companies, each Participant who has fulfilled the conditions for the vesting of, and release of the Shares comprised in his Award shall be entitled, notwithstanding Rule 11 and the non-expiry of the Vesting Period for the Award but subject to Rule 11.5, to any Awards so determined by the Committee to be vested in him during the period commencing on the date upon which the notice of amalgamation is issued by the relevant authority and ending either on the expiry of sixty (60) days thereafter or the date upon which the amalgamation becomes effective, whichever is later.
- 11.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that Shares may have been vested in the Participants but not released, shall be deemed or become null and void.
- 11.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Shares under the Awards shall be released to the Participant for so long as, in the absolute determination by the Committee, the Participant has met the conditions specified for the vesting of, and release of Shares comprised in the Award two (2) business days prior to the proposed general meeting of the Company.
- 11.5 If in connection with the making of a general offer referred to in Rule 11.1 or the scheme referred to in Rule 11.2 or the winding-up referred to in Rule 11.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no release of Shares under the Award shall be made in such circumstances.
- 11.6 Notwithstanding anything in these Rules, the Committee may waive the full compliance of the conditions for the vesting of, and release of the Shares comprised in the Award on the part of the Participant upon the occurrence of any of the events provided in this Rule 11. As soon as reasonably practicable following any such event, the Committee may, acting in good faith and on fair and reasonable grounds, decide to vest some or all of the Shares which are the subject of any Award. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the conditions specified for the vesting of, and release of the Shares comprised in the Award, have been satisfied.

12. NOTICES

- 12.1 A Participant shall not by virtue of being granted any Award be entitled to receive copies of any notices or other documents sent by the Company to Shareholders of the Company.
- 12.2 Any notice or other communication between the Company and a Participant may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office and, in the case of the Participant, his address as notified by him to the Company from time to time.
- 12.3 Any notice or other communication sent by post:
- (a) by the Company shall be deemed to have been received 24 hours after the same was put in the post properly addressed and stamped and/or;

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- (b) by the Participant shall be deemed to have been received when the same is received by the Company at the registered office of the Company.

13. MODIFICATIONS TO THE PSP

- 13.1 Any or all the provisions of the PSP may be modified and/or altered at any time and from time to time by resolution of the Committee in compliance with Catalist Rules, except that:
- (a) no modification or alteration shall be made which would adversely affect the rights attached to any Award granted prior to such modification or alteration except with the prior consent in writing of such number of Participants who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would be entitled to not less than seventy-five per cent (75%) of the aggregate number of the Shares which would fall to be vested upon the Release of all outstanding Awards upon the expiry of all the Vesting Periods applicable to all such outstanding Awards;
 - (b) any modification or alteration which would be to the advantage of Participants under the PSP shall be subject to the prior approval of the Shareholders in general meeting;
 - (c) no modification or alteration to the definitions of “Associate”, “Board”, “Controlling Shareholders”, “Employee”, “Participant”, “Performance Period” and “Vesting Period” and the provisions of Rules 4, 5, 7, 8, 9, 10 and this Rule 13 shall be made to the advantage of Participants except with the prior approval of the Shareholders of the Company in general meeting; and
 - (d) no modification or alteration shall be made without the prior approval of any other regulatory or other relevant authorities or bodies as may be necessary.
- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the PSP in any way to the extent necessary to cause the PSP to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

14. TERMS OF EMPLOYMENT UNAFFECTED

Notwithstanding the provisions of any other Rule:

- (a) the PSP or any Award shall not form part of any contract of employment between the Company and/or any Subsidiary and/or any Group Employee and the rights and obligations of any individual under the terms of the office or employment with any such company shall not be affected by his participation in the PSP or any right which he may have to participate in it or any Award which he may be granted and the PSP 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 (whether lawful or not); and
- (b) the PSP shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Company and/or any Subsidiary directly or indirectly or give rise to any cause of action at law or in equity against any such company, its directors or employees.

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15. DURATION OF THE PSP

- 15.1 The PSP shall continue to be in operation at the discretion of the Board for a maximum period of ten (10) years commencing on the Adoption Date, provided always that the PSP may, subject to applicable laws and regulations, continue beyond the above stipulated period with the approval of the Shareholders of the Company by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 15.2 The PSP may be terminated at any time by the Committee and by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the PSP is so terminated, no further Awards shall be granted by the Company hereunder.
- 15.3 The termination of the PSP shall not affect Awards which have been granted, whether such Awards have been Released (whether fully or partially) or not.

16. ANNUAL REPORT DISCLOSURE

The Company shall make the following disclosures in its annual report to Shareholders for the duration of the PSP:

- (a) the names of the members of the Committee administering the Award;
- (b) information as required in the table below for the following Participants:
- (i) Participants who are Directors;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive Awards comprising Shares representing five per cent (5%) or more of the aggregate of:
 - (1) total number of Shares available under the PSP; and
 - (2) the total number of existing Shares purchased for delivery of Released Awards under the PSP.

Name of participants	Number of Shares granted during the financial year under review (including terms)	Aggregate number of Shares comprised in Awards granted since commencement of the PSP to the end of the financial year under review	Aggregate number of Shares comprised in Awards vested during the financial year under review	Aggregate number of Shares comprised in Awards not released as at the end of the financial year under review

- (c) in relation to the PSP, the following particulars:
- (i) name of Participant;
 - (ii) the aggregate number of Shares comprised in Awards granted during the financial year under review (including terms);
 - (iii) the aggregate number of Shares comprised in Awards granted since the commencement of the PSP to the end of the financial year under review;

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- (iv) the aggregate number of Shares comprised in Awards which have Vested since the commencement of the PSP to the end of the financial year under review;
- (v) the aggregate number of Shares comprised in Awards outstanding as at the end of the financial year under review; and
- (vi) a statement that the directors and employees of the parent company (if any) and its subsidiaries are not eligible to participate in the PSP.

If any of the disclosures above in the foregoing of this Rule 16 is not applicable, an appropriate negative statement will be included in the annual report.

17. ABSTENTION FROM VOTING

- 17.1 Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the PSP.
- 17.2 Participants may act as proxies of Shareholders of the Company in respect of the votes of such Shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

18. TAXES, COSTS AND EXPENSES OF THE PSP

- 18.1 Notwithstanding anything herein, each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.
- 18.2 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 the relevant Award. All taxes (including income tax) arising from the grant or Vesting of any Award under the PSP shall be borne by that 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 PSP.

19. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Company, its Directors or Group Employees or the Board shall not under any circumstances be held liable for any costs, losses, expenses liabilities or damages whatsoever and howsoever arising in respect of any matter under or in connection with the PSP, including but not limited to any delay or failure to issue, or procure the transfer of, the Shares or to apply for or procure the listing of new Shares on the SGX-ST in accordance with Rule 7.1(c) (and any other stock exchange on which the Shares are quoted or listed).

20. DISPUTES

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by the Auditors in accordance with the PSP) shall be referred to the Board and its decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the PSP or any Rule, regulation, procedure thereunder or as to any rights under the PSP).

APPENDIX A – PERFORMANCE SHARE PLAN

21. GOVERNING LAW

The PSP shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by being granted Awards in accordance with the PSP, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

RICH CAPITAL HOLDINGS LIMITED

(incorporated in the Republic of Singapore)

Company Registration No. 199801660M

APPENDIX B: RULES OF THE RICH CAPITAL EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

The Scheme (as defined below) shall be called the “**Rich Capital Employee Share Option Scheme**”.

2. DEFINITIONS

2.1 In the Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“ Adoption Date ”	:	The date on which the Employee Share Option Scheme is adopted by the Company in general meeting
“ Aggregate Subscription Cost ”	:	The total amount payable for Shares which may be acquired on the exercise of an Option
“ Associate ”	:	Has the meaning ascribed to it in the Catalist Rules
“ Auditors ”	:	The auditors of the Company for the time being
“ Catalist ”	:	The sponsor-supervised listing platform of the SGX-ST
“ Catalist Rules ”	:	Any or all of the rules in the SGX-ST Listing Manual Section B: Rules of Catalist, as the case may be, as amended, supplemented or modified from time to time
“ CDP ”	:	The Central Depository (Pte) Limited
“ Committee ”	:	The remuneration committee of the Board or such committee comprising of Directors duly authorised and appointed by the Board to administer the Scheme
“ Companies Act ”	:	The Companies Act, Chapter 50 of Singapore as amended, modified or supplemented from time to time
“ Company ”	:	Rich Capital Holdings Limited
“ Controlling Shareholder ”	:	A person who: (a) holds directly or indirectly 15% or more of the number of all voting shares in a company; or (b) in fact exercises control over a company, unless otherwise determined
“ CPF ”	:	Central Provident Fund
“ Date of Grant ”	:	In relation to an Option, the date on which the Option is granted pursuant to Rule 6

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

“Director”	:	A person holding office as a director for the time being of the Company and/or our Subsidiaries, as the case may be
“Executive Director”	:	A director for the time being of the Company and/or any of its subsidiaries, holding office in an executive capacity in the Company and/or such Subsidiary
“Exercise Period”	:	The period for the exercise of an Option, being a period commencing: (a) after the first anniversary of the Date of Grant of that Option and expiring on the tenth anniversary of such Date of Grant in the case of a Market Price Option; (b) after the second anniversary of the Date of Grant of that Option and expiring on the tenth anniversary of such Date of Grant in the case of an Incentive Option
“Exercise Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 7, as adjusted in accordance with Rule 12
“Group”	:	The Company and its subsidiaries
“Group Employees”	:	Employees of the Group (including any Group Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4
“Grantee”	:	The person to whom an offer of an Option is made
“Independent Director”	:	The independent directors from time to time of the Company and/or any of its subsidiaries
“Incentive Option”	:	An Option granted with the Exercise Price set at a discount to the Market Price
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Price”	:	A price equal to the volume-weighted average price of all trades for the Shares on the SGX-ST over the 5 (five) consecutive Trading Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
“Market Price Option”	:	An Option granted with the Exercise Price set at the Market Price
“Non-executive Director”	:	A director (other than an Executive Director) from time to time of the Company and/or any of our subsidiaries
“Option”	:	The right to subscribe for Shares granted or to be granted to a Group Employee pursuant to the Scheme and for the time subsisting

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

“Participant”	:	The holder of an Option
“Record Date”	:	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
“Scheme”	:	The Rich Capital Employee Share Option Scheme, as the same may be modified or altered from time to time
“Securities Account”	:	The securities account maintained by a Depositor with CDP
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore as may be amended, varied or supplemented from time to time
“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, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Subsidiary”	:	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
“Trading Day”	:	A day on which the Shares are traded on the SGX-ST
“Treasury shares”	:	Treasury shares shall have the meaning ascribed to it in Section 4 of the Companies Act
“S\$”	:	Singapore dollar
“%” 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 by Section 81SF of the SFA.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.
- 2.4 Any reference in the Employee Share Option Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in the Employee Share Option Scheme shall have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless the context otherwise requires.
- 2.5 Any reference to a time of a day in the Employee Share Option Scheme is a reference to Singapore time.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

3. OBJECTIVES OF THE SCHEME

- 3.1 The Employee Share Option Scheme is a share incentive plan. The purpose of the Employee Share Option Scheme is to provide an opportunity for Directors (including Non-executive Directors) and Group Employees to participate in the equity of the Company, so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group. The Company believes that the implementation of the Employee Share Option Scheme will enable the Company to structure a competitive remuneration package, which is designed as an additional incentive tool to reward and retain Group Employees and Directors, as well as to achieve the following objectives:
- (a) to recognise and reward past contributions and services;
 - (b) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
 - (c) to retain key employees whose contributions are essential to the long-term growth and profitability of the Group;
 - (d) to instil loyalty to, and a stronger identification by Participants with the long-term prosperity of, the Group;
 - (e) to attract potential employees with relevant skills to contribute to the Group and to create value for our Shareholders; and
 - (f) to align the interests of Participants with the interests of our Shareholders.

4. ELIGIBILITY

- 4.1 Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the Employee Share Option Scheme:
- (a) Group Employees;
 - (b) Executive Directors; and
 - (c) Non-executive Directors (including the Independent Directors) who, in the opinion of the Committee, have contributed or will contribute to the success of the Group,
- provided that, as at the Date of Grant, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors.
- 4.2 Subject to the absolute discretion of the Committee, Controlling Shareholders and their Associates who meet the criteria as set out in Rule 4.1 above are eligible to participate in the Employee Share Option Scheme, provided that (a) the participation of each Controlling Shareholder or his Associate prior to the first grant of an Option to him is specifically approved by independent Shareholders in a general meeting by a separate resolution, and (b) each grant of an Option, including the actual number and terms of the Option to be granted to each Controlling Shareholder or his Associate may only be effected with the specific prior approval of independent Shareholders in a general meeting by a separate resolution. The Company will at such time provide the rationale and justification for any proposal to grant any Option to a Controlling Shareholder or his Associate (including the rationale for any discount to the Market Price, if so proposed).
- 4.3 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

- 4.4 A Director shall not be involved in the Committee's deliberations and decisions in respect of Options to be granted to or held by that Director or his Associate.
- 4.5 The selection of Participants and the number of Shares in respect of which Options are to be offered to selected Participants shall be determined by the Committee, in its absolute discretion, taking into account criteria such as rank, scope of responsibilities, past performance, length of service, contribution to the success and development of the Group, potential for future development of the Participant and the prevailing market and economic conditions.
- 4.6 Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the terms of eligibility for participation in the Employee Share Option Scheme may be amended from time to time at the absolute discretion of the Committee.

5. OPTION ENTITLEMENT

Subject to Rule 4, Rule 11 and Rule 12, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Employee Share Option Scheme shall be determined at the discretion of the Committee, which would be exercised judiciously, who shall take into account criteria such as the rank and responsibilities within the Group, performance, years of service/appointment and potential for future development of the Grantee and the performance of the Company.

6. GRANT AND ACCEPTANCE OF OPTIONS

- 6.1 Subject as provided in Rule 11, the Committee may grant Options at any time during the period when the Employee Share Option Scheme is in force, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Options may only be granted on or after the second Market Day from the date on which such announcement is released.
- 6.2 The Letter of Offer to grant an Option shall be in, or substantially in, the form set out in Schedule A, subject to such modification as the Committee may from time to time determine.
- 6.3 An Option shall be personal to the person to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.
- 6.4 The grant of an Option under this Rule 6 shall be accepted by the Grantee within 30 days from the Date of Grant of that Option and, in any event, not later than 5.00 p.m. on the thirtieth day from such Date of Grant by completing, signing and returning the Acceptance Form in or substantially in the form set out in Schedule B, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration.
- 6.5 If a grant of an Option is not accepted in the manner as provided in Rule 6.4, such offer shall, upon the expiry of the 30-day period, automatically lapse and become null, void and of no effect.

7. EXERCISE PRICE

- 7.1 Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:
 - (a) a price equal to the Market Price; or

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

- (b) a price which is set at a discount to the Market Price, provided that:
 - (i) the maximum discount shall not exceed twenty per cent (20%) of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGXST); and
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Employee Share Option Scheme at a discount not exceeding the maximum discount as aforesaid.

7.2 The Company shall determine whether a discount will be given and the amount of discount to be awarded depending on the circumstances and on a case-by-case basis. In making such a determination, the Committee may take into consideration such factors as it may in its absolute discretion deem appropriate, including but not limited to:

- (a) the performance of the Group;
- (b) the years of service and individual performance of the eligible Employee (including an Executive Director) or the Non-executive Director (including an Independent Director);
- (c) the contribution or potential contribution of the eligible Employee (including an Executive Director) or the Non-executive Director (including an Independent Director) to the success and development of the Company and/or the Group; and
- (d) the prevailing market conditions.

8. OPTION PERIOD AND RIGHTS TO EXERCISE OPTIONS

8.1 Subject as provided in Rule 8 and Rule 9, a Market Price Option or an Incentive Option, as the case may be, shall be exercisable, in whole or in part, during the Exercise Period applicable to that Option.

8.2 An Option shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 8.3(b), where the Participant ceases at any time to be in the employment of any of the Group, for any reason whatsoever;
- (c) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Option; or
- (d) the company by which he is employed ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group.

For the purpose of Rule 8.2(b), the Participant shall be deemed to have ceased to be so employed as of the last day of his employment. For avoidance of doubt, no Option shall lapse pursuant to Rule 8.2(b) in the event of any transfer of employment of a Participant between companies in the Group.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

8.3 In any of the following events, namely:

- (a) where the Participant ceases at any time to be in the employment of the Group by reason of:
 - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (ii) redundancy;
 - (iii) retirement at or after the legal retirement age; or
 - (iv) retirement before the legal retirement age with the consent of the Board; or
- (b) where the Participant ceases at any time to be in the employment of any of the companies in the Group by reason of any other event approved in writing by the Board the Participant may exercise any Option:
 - (i) in the case where the cessation of employment or cessation to be a Director, as the case may be, occurs after the first day of the Exercise Period in respect of such Option, within the period of 18 months after the date of such cessation of employment or such cessation to be a director, as the case may be, or before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period the Option shall lapse; and
 - (ii) in the case where the cessation of employment or cessation to be a Director, as the case may be, occurs before the first day of the Exercise Period in respect of such Option, within the period of 18 months after the first day of the Exercise Period in respect of that Option, and upon expiry of such period the Option shall lapse.

8.4 If a Participant dies, whether or not while still in the employment of any of the companies in the Group and at the date of his death holds any unexercised Option, such Option shall continue to be exercisable by the duly appointed personal representatives of the Participant:

- (a) in the case where death occurs after the first day of the Exercise Period in respect of such Option, within the period of 18 months after the date of such cessation of employment or before the expiry of the Exercise Period in respect of that Option, whichever is earlier, and upon expiry of such period the Option shall lapse; and
- (b) in the case where the death occurs before the first day of the Exercise Period in respect of such Option, within the period of 18 months after the first day of the Exercise Period in respect of that Option, and upon expiry of such period, the Option shall lapse.

9. TAKE-OVER AND WINDING-UP OF COMPANY

9.1 Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in full or in part, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the officer and with the approvals of the Board and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the Exercise Period relating thereto); or
- (b) the date of expiry of the Exercise Period relating thereto,

whereupon the Option then remaining unexercised shall lapse.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

Provided always that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Exercise Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligations to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 8, remain exercisable until the expiry of the Exercise Period relating thereto.

29.8 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 8.1) shall be entitled, notwithstanding Rule 8 but subject to Rule 9.5, to exercise any Option then held by him, in respect of such number of Shares comprised in that Option during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null and void.

- 9.2 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 9.3 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 9.4) and thereupon, each Participant (or his personal representative) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the Aggregate Subscription Cost whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.
- 9.4 If in connection with the making of a general offer referred to in Rule 9.1 or the Employee Share Option Scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.5 If the events stipulated in this Rule 9 should occur, to the extent that an Option is not exercised within the periods referred to in this Rule 9, it shall lapse and become null and void.

10. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 10.1 Subject to Rule 8.1, an Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule C, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by payment in cash for the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, and the Aggregate Subscription Cost. All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

- 10.2 Subject to all such consents or other required action of any competent authority under any regulations or enactment for the time being in force as may be necessary and subject to the compliance with the terms of the Employee Share Option Scheme and the Constitution, the Company shall, within 10 Market Days after the exercise of an Option, allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit. 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 necessary.
- 10.3 Shares which are allotted on the exercise of an Option by a Participant shall be issued in the name of CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.
- 10.4 Shares allotted and issued on exercise of an Option shall:
- (a) be subject to all the provisions of the Constitution; and
 - (b) 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 date upon which such exercise occurred, and shall in all other respects rank *pari passu* with other existing Shares then in issue.
- 10.5 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

11. LIMITATION ON THE SIZE OF THE EMPLOYEE SHARE OPTION SCHEME

- 11.1 The total number of new Shares over which the Committee may grant Options on any date, when added to the number of new Shares issued and issuable in respect of all Options granted under the Employee Share Option Scheme, and all awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed fifteen per cent (15%) of the number of all issued Shares (excluding Treasury Shares and Subsidiary Holdings) on the day preceding that date.
- 11.2 Independent Shareholders must approve of the grant of options to Participants that, together with options already granted under the Employee Share Option Scheme, represents five per cent (5%) or more of the total number of options available under the Employee Share Option Scheme. A separate resolution must be passed for each such Participant and the resolution will approve the aggregate number of options to be made available for grant to such Participants.
- 11.3 The total number of new Shares which may be issued pursuant to the Employee Share Option Scheme to Non-executive Directors shall not exceed five per cent (5%) of the total number of Shares available under the Employee Share Option Scheme.
- 11.4 The aggregate number of Shares issued and issuable and/or transferred and transferable in respect of all Options granted pursuant to the Scheme available to all Controlling Shareholders and their Associates shall not exceed twenty-five per cent (25%) of the Shares available under the Employee Share Option Scheme.
- 11.5 The number of Shares issued and issuable and/or transferred and transferable in respect of all Options granted pursuant to the Scheme available to each Controlling Shareholder or each of his Associates shall not exceed ten per cent (10%) of the Shares available under the Employee Share Option Scheme.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

12. ADJUSTMENT EVENTS

12.1 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, sub-division, consolidation, distribution or otherwise) shall take place, then:

- (a) the Exercise Price of the Shares, class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the class and/or number of Shares over which Options may be granted under the Employee Share Option Scheme,

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

12.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

12.3 Notwithstanding the provisions of Rule 12.1:

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

12.4 Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the Exercise Price thereafter in effect and class and/or number of Shares thereafter to be issued on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

13. ADMINISTRATION OF THE EMPLOYEE SHARE OPTION SCHEME

13.1 The Employee Share Option Scheme shall be administered by the Committee in its absolute discretion, including determining, among others, the following:

- (a) persons to be granted Options;
- (b) number of Options to be offered; and
- (c) recommendations for modifications to the Employee Share Option Scheme,

provided that a Participant who is a member of the Committee shall not be involved in any deliberation or decision in respect of Options to be granted to him or held by him.

13.2 The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the Employee Share Option Scheme) for the implementation and administration of the Employee Share Option Scheme as they think fit. Any matter pertaining or pursuant to the Employee Share Option Scheme and any dispute and uncertainty as to the interpretation of the Employee Share Option Scheme, any rule, regulation or procedure thereunder or any rights under the Employee Share Option Scheme shall be determined by the Committee.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

- 13.3 Neither the Employee Share Option Scheme nor the grant of Options under the Employee Share Option Scheme shall impose on the Company or the Board any liability whatsoever in connection with:
- (a) the lapsing or early expiry of any Options pursuant to any provision of the Employee Share Option Scheme;
 - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Employee Share Option Scheme; and/or
 - (c) any decision or determination of the Committee made pursuant to any provision of the Employee Share Option Scheme.
- 13.4 Any decision or determination of the Committee made pursuant to any provision of the Employee Share Option Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive.

14. NOTICES

- 14.1 Any notice required to be given by a Participant to the Company shall be sent or made to the principal place of business 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.
- 14.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 14.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 14.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

15. MODIFICATIONS TO THE EMPLOYEE SHARE OPTION SCHEME

- 15.1 Any or all the provisions of the Employee Share Option Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (b) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than seventy-five per cent (75%) of the number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;
 - (c) any modification or alteration which would be to the advantage of Participants under the Employee Share Option Scheme shall be subject to the prior approval of the Shareholders in general meeting; and
 - (d) no modification or alteration shall be made except in compliance with the Catalist Rules and such other regulatory authorities as may be necessary.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

- 15.2 Notwithstanding anything to the contrary contained in Rule 15.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Employee Share Option Scheme in any way to the extent necessary to cause the Employee Share Option Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 15.3 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants, however inadvertent omission to give notice to any individual Participant(s) shall not invalidate any such modifications or alterations if they have been made known to all employees of the Company via internal communications.

16. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the Employee Share Option Scheme, 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 for any reason.

17. DURATION OF THE EMPLOYEE SHARE OPTION SCHEME

- 17.1 The Employee Share Option Scheme shall continue to be in force at the discretion of the Board, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Employee Share Option Scheme may, subject to applicable laws and regulations, continue beyond the above stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 17.2 The Employee Share Option Scheme may be terminated at any time by the Board, at the discretion of the Board, or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Employee Share Option Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 17.3 The termination of the Employee Share Option Scheme shall not affect Options which have been granted and accepted as provided in Rule 6.4, whether such Options have been exercised (whether fully or partially) or not.

18. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Employee Share Option Scheme shall be borne by that Participant.

19. COSTS AND EXPENSES OF THE EMPLOYEE SHARE OPTION SCHEME

- 19.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.
- 19.2 Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Employee Share Option Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Employee Share Option Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

20. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Directors, the Board and/or the Company shall not under any circumstances be held liable for any costs, losses, expenses liabilities and/or 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 new Shares on the SGX-ST in accordance with Rule 10.2 (and any other stock exchange on which the Shares are quoted or listed).

21. DISCLOSURE IN ANNUAL REPORT

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Employee Share Option Scheme continues in operation:

- (a) the names of the members of the Committee administering the Scheme;
- (b) the information in respect of Options granted to the following Participants in the table set out below:
 - (i) Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who receive five per cent (5%) or more of the total number of Shares comprised in Options available under the Employee Share Option Scheme.

Name of Participant	Number of Shares comprised in Options granted during financial year under review (including terms)	Aggregate number of Shares comprised in Options granted since commencement of Scheme to end of financial year under review	Aggregate number of Shares comprised in Options exercised since commencement of Scheme to end of financial year under review	Aggregate number of Shares comprised in Options outstanding as at end of financial year under review

- (c) the number and proportion of Options granted at a discount during the financial year under review in respect of every ten per cent (10%) discount range, up to the maximum quantum of discount granted, which is twenty per cent (20%) of the market price of the Shares (being a price equal to the volume-weighted average price of all trades for the Shares on the SGX-ST over the 5 (five) consecutive Market Days immediately preceding the date of grant of that Option, as determined by the ESOS Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices); and
- (d) any other information required to be so disclosed pursuant to the Catalist Rules and all other applicable laws and requirements.

If any of the disclosures above is not applicable, an appropriate negative statement will be included in the annual report.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

22. ABSTENTION FROM VOTING

- 42.1 Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Employee Share Option Scheme.
- 42.2 Participants may act as proxies of Shareholders of the Company in respect of the votes of such Shareholders in relation to any such resolution provided that specific instructions have been given in the proxy forms on how the votes are to be cast in respect of the resolution.

23. DISPUTES

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by Auditors in accordance with Employee Share Option Scheme) shall be referred to the Committee and its decision shall be final and binding in all respects (including any decisions pertaining to disputes as to interpretation of the Employee Share Option Scheme or any rule, regulation, procedure thereunder or as to any rights under the Employee Share Option Scheme).

24. GOVERNING LAW

The Employee Share Option Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Employee Share Option Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

SCHEDULE A – THE EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No. _____

Date. _____

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear [Sir/Madam]

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

Yours faithfully,

For and on behalf of
RICH CAPITAL HOLDINGS LIMITED

Name:
Designation:

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

SCHEDULE B – THE EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No. _____

Date. _____

To: The Committee,
Employee Share Option Scheme

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

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

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

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

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

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

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

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

Please print in block letters

Name in full	:	
Designation	:	
Address	:	
Nationality	:	
*NRIC / Passport Number	:	
Signature	:	
Date	:	

* Please delete accordingly

Notes:

1. An Option may be exercised, in whole or in part, provided that an Option may be exercised In part only in respect of 100 Shares or any multiple thereof.
2. The Exercise Notice must be forwarded to the Committee in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

SCHEDULE C – THE EMPLOYEE SHARE OPTION SCHEME

EXERCISE NOTICE

Serial No. _____

Private and Confidential

To: The Committee,
Employee Share Option Scheme

Total number of ordinary shares in the capital of
the Company ("**Shares**") offered at S\$ _____
per Share under the Scheme on _____
(Date of Grant) :

Number of Shares previously allotted and issued or
transferred thereunder :

Outstanding balance of Shares to be allotted and
issued or transferred thereunder :

Number of Shares now to be subscribed :

1. Pursuant to your Letter of Offer dated _____ (Date of Grant) and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares (in multiples of 100) in Rich Capital Holdings Limited (the "**Company**") at the Exercise Price of S\$ _____ per Share.
2. I hereby request the Company to allot and issue or transfer the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited ("**CDP**") to the credit of my Securities Account with CDP or my securities sub-account with a Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP. I further agree to bear such fees or other charges as may be imposed by CDP ("**CDP charges**") in respect thereof:

*(a) Direct Securities Account Number : _____

Or

*(b) Securities Sub-Account Number : _____

Name of Depository Agent : _____
3. I enclose a *cheque/cashier's order/bank draft/postal order with number _____ of S\$ _____ in payment for the subscription of the total number of the said Shares and *CDP charges of S\$ _____.
4. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Employee Share Option Scheme (as the same may be from time to time amended) and the Constitution.
5. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

APPENDIX B – EMPLOYEE SHARE OPTION SCHEME

Please print in block letters

Name in full	:	
Designation	:	
Address	:	
Nationality	:	
*NRIC / Passport Number	:	
Signature	:	
Date	:	

* Please delete accordingly

Notes:

1. An Option may be exercised, in whole or in part, provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.
2. The Exercise Notice must be forwarded to the Committee in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of the Option.



13 July 2018

Rich Capital Holdings Limited

80 Robinson Road

#02-00

Singapore 068898

Attention: The Non-Interested Directors

Dear Sirs

PROPOSED ADOPTION OF THE GENERAL MANDATE FOR RECURRENT INTERESTED PERSON TRANSACTIONS

For the purpose of this letter, capitalised terms not otherwise defined shall have the meanings given to them in the circular to Shareholders of Rich Capital Holdings Limited dated 13 July 2018.

1. INTRODUCTION

Rich Capital Holdings Limited (the “**Company**”) is proposing to adopt a general mandate (the “**IPT Mandate**”) pursuant to Chapter 9 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”) for recurrent interested person transactions with certain interested persons.

The Company has identified four interested persons, namely, (a) Rich-Link Construction Pte. Ltd. (“**RLC**”), Rich-Link Builders Pte. Ltd. (“**RLB**”), Kay-Link Construction Pte. Ltd. (“**Kay-Link**”) and Homeland Construction Pte. Ltd. (“**HLC**”) (collectively, the “**Mandated Interested Persons**” and individually, a “**Mandated Interested Person**”), and anticipated two categories of transactions with such Mandated Interested Persons, namely, appointment of the Mandated Interested Person as the main contractor for property development projects undertaken by the Company, its subsidiaries or controlled associated companies (collectively, the “**Group**”); or (b) the engagement of any of the Mandated Interested Persons for provision of fitting-out and general construction services and materials to the Group (the “**Mandated Transactions**”).

Further information of the classes of Mandated Interested Persons and the categories of Mandated Transactions are detailed in sections 4.3 and 4.4 of the Circular.

As it is likely that the Mandated Transactions will occur with some degree of frequency and may arise at any time, in view of the time-sensitive and/or recurrent nature of the Mandated Transactions which are commercial transactions, the IPT Mandate will enable the Group to enter into the Mandated Transactions in its normal course of business, provided that an independent financial adviser opines that the methods and procedures set out in the IPT Mandate are sufficient to ensure that all such Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Page 1 of 6

Xandar Capital Pte. Ltd. 威豪金融 (私人) 有限公司 (Registration No. 200002789M)

Address 地址 3 Shenton Way #24-02 Shenton House Singapore 068805 珊顿道 3 号, 珊顿大厦 24-02, 新加坡邮区 068805

Tel 电话 (65) 6319 4950 Fax 传真 (65) 6227 3936 Website 网址 <http://www.xandarcapital.com>



To comply with the requirements of Chapter 9 of the Catalist Rules, Xandar Capital Pte. Ltd. ("**Xandar Capital**") has been appointed as the independent financial adviser to provide an opinion on whether the method and procedures as set out in the Circular are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This letter has been prepared for the use of the directors of the Company, who as at the Latest Practicable Date are deemed to be independent for the purposes of the IPT Mandate (the "**Non-Interested Directors**"), and to be incorporated as an appendix to the Circular.

2. TERMS OF REFERENCE

Xandar Capital has, in accordance with Chapter 9 of the Catalist Rules, been appointed as the independent financial adviser to the Non-Interested Directors to provide an opinion on whether the methods and procedures for determining the transaction terms of the Mandated Transactions are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. We do not, by this letter (this "**IFA Letter**"), make any representation or warranty in relation to the merits of the IPT Mandate.

We are not and were not involved in any aspect of the negotiations pertaining to the IPT Mandate or the Mandated Transactions contemplated under the IPT Mandate, nor were we involved in the deliberations leading up to the decision of the Directors to consider the adoption of the IPT Mandate or to enter into the Mandated Transactions contemplated under the IPT Mandate. We have also not conducted any review of the business, operations or financial condition of the Group and/or the Mandated Interested Persons. Our evaluation is limited to the methods and procedures set up by the Company for determining the transaction terms for Mandated Transactions.

We have not taken into account the legal, strategic, commercial or financial merits and/or risks of the IPT Mandate. Our terms of reference do not require us to evaluate or comment on the rationale for, strategic, commercial or financial merits and/or risks of the IPT Mandate or the Mandated Transactions contemplated under the IPT Mandate. We do not, by this IFA Letter, warrant the merits of the IPT Mandate or the Mandated Transactions contemplated under the IPT Mandate, other than to form our opinion for the purposes as stated above. Such evaluation shall remain the sole responsibility of the Directors, although we may draw upon their views (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

We have not relied upon any financial projections or forecasts in respect of the Company. We are not required to express and we do not express any view on the growth prospects and earnings potential of the Company in connection with our opinion herein. We are also not expressing any view herein as to the prices at which the shares of the Company may trade in the absence of the IPT Mandate or if the Mandated Transactions are not effected.

We are not required nor authorised to obtain, and we have not obtained, any quotation or transacted prices or terms from unrelated third parties for transactions or contracts similar to those which are to be covered by the IPT Mandate, and therefore are not able to, and

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will not compare the Mandated Transactions to similar transactions or contracts with unrelated third parties.

We are not required to conduct and have not conducted any review of the historical or current interested person transactions carried out by the Group. Accordingly, we do not express any opinion on whether such interested person transactions were or are in compliance with the methods and procedures set out under the IPT Mandate. The implementation of such methods and procedures is the responsibility of the Directors.

In the course of our evaluation, we have held discussions with certain directors and the management of the Company and have examined publicly available information as well as information provided and representations made to us by the management of the Company, including the Circular. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. Nonetheless, we have made reasonable enquiries and used our judgement in assessing such information and have found no reason to doubt the accuracy and reliability of such information. The Directors have jointly and severally accepted full responsibility for the accuracy, completeness and adequacy of all such information and representations as provided and made by the management of the Company as contained herein.

The Directors have confirmed that to the best of their knowledge and belief, the information provided to us (whether written or verbal) as well as the information contained in the Circular constitutes a full and true disclosure, in all material respects, of all material facts relating to the IPT Mandate, and there is no material information the omission of which would make any of the information contained herein or in the Circular inaccurate, incomplete or misleading in any material aspect. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry.

Our opinion as set forth in this IFA Letter are based on our analysis of the information provided in the Circular as well as the information provided to us by the Company, as of the Latest Practicable Date. Accordingly, our opinion shall not take into account any event or condition which occur after the Latest Practicable Date.

In arriving at our opinion, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisors immediately.

The Company has been separately advised by its own advisors in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).



3. EVALUATION OF THE METHODS AND PROCEDURES FOR THE MANDATED TRANSACTIONS UNDER THE IPT MANDATE

In evaluating and arriving at our opinion on whether the methods and procedures for the Mandated Transactions, as set out in section 4.5 of the Circular, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, we have taken into consideration the following:

- (a) the rationale for and benefit of the IPT Mandate as set out in section 4.2 of the Circular;
- (b) the classes of Mandated Interested Persons as set out in section 4.3 of the Circular, all of which are Singapore-incorporated entities and principally engaged in the construction industry;
- (c) the categories and nature of the Mandated Transactions to be covered by the IPT Mandate as set out in section 4.4 of the Circular, which are provision of construction-related services and/or materials; and
- (d) the method and procedures for the Mandated Transactions under the IPT Mandate as set out in section 4.5 of the Circular provides for appointment of independent project team (for appointment of main contractor), comparison of quotations from Mandated Interested Persons with those from unrelated third parties, comparison of quotations offered by Mandated Interested Persons to unrelated third parties when comparison quotations from unrelated third parties are not available, approval(s) to be obtained from personnel and/or authority independent of the Mandated Interested Persons (including Audit Committee), and periodic reviews by Audit Committee and internal auditors.

4. ROLE OF AUDIT COMMITTEE

We note that the Audit Committee has the following role in relation to the IPT Mandate:

- (a) the Audit Committee is the sole approving authority for appointment of Mandated Interested Person as main contractor which generally is of high transaction value;
- (b) the Audit Committee is also the approving authority for Mandated Transaction which is equals to or exceeds S\$100,000 or three per cent. (3.0%) of the Group's latest audited NTA (whichever higher);
- (c) the Audit Committee will review the IPT Register quarterly to ensure that the Mandated Transactions are carried out in accordance with methods and procedures set out in the IPT Mandate;
- (d) the Group's internal auditor will report its findings (which includes a review of all interested person transactions) to the Audit Committee annually; and



- (e) if during the reviews, the Audit Committee is of the view that the methods and procedures have been inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, it will take such actions as it deems appropriate and/or to establish additional procedures as necessary (such as, obtaining a fresh mandate for the Mandated Transactions) to ensure that the Mandated Transactions will be conducted based on normal commercial terms and, will not be prejudicial to the interests of the Company and its minority Shareholders.

5. VALIDITY PERIOD OF THE IPT MANDATE

As set out in section 4.6 of the Circular, the IPT Mandate will take effect from the passing of the ordinary resolution at the EGM, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM or the date by which the next AGM of the Company is required by law to be held, subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Mandated Interested Persons.

6. DISCLOSURE IN FINANCIAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Company will announce the aggregate value of transactions conducted with the respective Mandated Interested Persons pursuant to the IPT Mandate in its financial results announcements for the relevant financial periods which the Company is required to report on pursuant to the Catalist Rules, and within the time required for the announcement of such financial results.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the respective Mandated Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Catalist Rules.

The Mandated Transactions will be presented in the format set out in section 4.7 of the Circular.

7. OTHER TRANSACTIONS WITH INTERESTED PERSONS

The Non-Interested Directors should note that any transaction with interested persons which does not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.



8. ABSTENTION FROM RECOMMENDATION AND VOTING

We note that Mr. Wang (i) will abstain, and will procure his Associates to abstain from voting at the EGM on the IPT Mandate; and (ii) will not, and will procure that his Associates will not, accept appointments as proxies in relation to the IPT Mandate unless specific instructions as to voting are given.

9. OPINION

In arriving at our opinion in respect of the IPT Mandate, we have considered, *inter alia*, the methods and procedures set up by the Company, the role of the Audit Committee in enforcing the IPT Mandate and the rationale for and benefits of the IPT Mandate.

Having regard to the considerations set out in this IFA Letter and the information available to us as at the Latest Practicable Date, Xandar Capital is of the opinion that the methods and procedures set up by the Company for determining the transaction terms of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter is addressed to the Non-Interested Directors in connection with and for the purposes of their consideration of the IPT Mandate and the recommendations made by them shall remain the sole responsibility of the Non-Interested Directors. Our opinion in relation to the IPT Mandate should be considered in the context of the entirety of this IFA Letter.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose except for the IPT Mandate at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

NOTICE OF EXTRAORDINARY GENERAL MEETING

RICH CAPITAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199801660M)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING (“**EGM**”) of Rich Capital Holdings Limited (the “**Company**”) will be convened at Meyer & Frankel Rooms, Level 3 of Grand Mercure Singapore Roxy, 50 East Coast Road, Roxy Square, Singapore 428769, on Monday, 30 July 2018 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, resolving to pass with or without any modifications the following resolutions:

All references to the Circular in this Notice of Extraordinary General Meeting shall mean the Company’s circular to Shareholders dated 13 July 2018 (“**Circular**”). All capitalised terms not otherwise defined herein shall have the meanings given to them in the Circular.

ORDINARY RESOLUTION 1: THE PROPOSED RENEWAL OF SHARE ISSUE MANDATE

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Section B: Rules of Catalist (“**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:
 - (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 100% of the total number of issued shares (excluding Treasury Shares and Subsidiary Holdings) in the capital of the Company of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding Treasury Shares and Subsidiary Holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below)
 - (ii) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the total number of issued shares (excluding Treasury Shares and Subsidiary Holdings) shall be based on the total number of issued shares excluding Treasury Shares and Subsidiary Holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (A) new shares arising from the conversion or exercise of convertible securities;
 - (B) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (C) any subsequent bonus issue, consolidation or subdivision of shares.
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) all applicable requirements under the Companies Act and otherwise, and the Constitution for the time being; and
- (d) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

ORDINARY RESOLUTION 2: THE PROPOSED SHARE BUY-BACK MANDATE

THAT:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the “**Companies Act**”), that approval be and is hereby given for the exercise by the directors of the Company (“**Directors**”) of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the share capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), and subject to the Minimum Free Float (as hereinafter defined) at such price or price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) on-market purchases, transacted on the ready market of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), or as the case may be, other stock exchange for the time being on which the Shares may be listed or quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose (“**On-Market Share Purchases**”); and/or
 - (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by Section 76C of the Companies Act (Chapter 50) of Singapore and the Catalist Rules (“**Off-Market Share Purchases**”),and otherwise in accordance with all other applicable laws and regulations (including the provisions of the Companies Act, as amended, supplemented or modified from time to time) and the provisions in the Catalist Rules as may for the time being as applicable. (“**Share Buy-Back Mandate**”);
- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the absolute discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (c) the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Ordinary Resolution and expiring on the earliest of:
 - (i) the conclusion of the next annual general meeting (“**AGM**”) of the Company;
 - (ii) the date by which the next AGM of the Company is required to be held;
 - (iii) the date on which the purchases of Shares by the Company are carried out to the full extent mandated; or
 - (iv) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by ordinary resolution of the Company in a general meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) in this Ordinary Resolution:

“Prescribed Limit” means the number of Shares representing ten per cent (10%) of the total issued ordinary share capital of the Company (excluding Treasury Shares and Subsidiary Holdings, if any) as at the date of the passing of this Ordinary Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any Treasury Shares that may be held by the Company from time to time);

“Relevant Period” means the period commencing from the date on which this Ordinary Resolution is passed and expiring on the earliest of (i) the date the next annual general meeting of the Company is held or is required to be held, or (ii) the date on which the purchases of the Shares are carried out to the full extent mandated, under the Share Buy-Back Mandate, or (iii) the date on which the Share Buy-Back Mandate is varied or superseded by resolution of the shareholders of the Company in general meeting;

“Minimum Free Float” means at least ten per cent (10%) of the total number of issued Shares of the Company (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public;

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, one hundred and five per cent (105%) of the Average Closing Price;
- (ii) in the case of an Off-Market Share Purchase, one hundred and twenty per cent (120%) of the Highest Last Dealt Price, where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days (**“Market Day”**) being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Share immediately preceding the day of the making of the offer pursuant to the Off-Market Share Purchase; and

For the purpose of the definition of **Highest Last Dealt Price** above, **“day of the making of the offer”** means the day on which the Company announces its intention to make an offer for the Off-Market Share Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

- (e) the Directors and any one of them be and is hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they/he/she may consider expedient, necessary, desirable, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 3: THE PROPOSED ADOPTION OF THE IPT MANDATE

THAT:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST (**"Chapter 9"**), for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into the Mandated Transactions with the Mandated Interested Person, provided that such transactions are (i) made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and (ii) in accordance with the review procedures for such Mandated Transactions (the **"IPT Mandate"**);
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and
- (c) the Non-Interested Directors of the Company and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the IPT Mandate as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

ORDINARY RESOLUTION 4 – PROPOSED ADOPTION OF THE NEW RICH CAPITAL PERFORMANCE SHARE PLAN

THAT the performance share plan to be known as the Rich Capital Performance Share Plan (the **"Plan"**), the rules of which have been set out in the Circular, be and is hereby approved and adopted substantially in the form set out in the Rules of the Plan, and the Committee and/or Directors of the Company be and are hereby authorised:

- (a) to establish and administer the Plan;
- (b) to modify and/or amend the Plan from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the Plan and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Plan; and
- (c) to grant Awards in accordance with the provisions of the Plan and pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, and to allot and issue, transfer and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the vesting of Awards provided that the aggregate number of Shares available pursuant to the Plan, the Scheme and any other share-based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding any Treasury Shares and Subsidiary Holdings) preceding the date of grant of award and such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company which is required by law to be held, whichever is earlier.

ORDINARY RESOLUTION 5: THE PROPOSED ADOPTION OF THE NEW RICH CAPITAL EMPLOYEE SHARE OPTION SCHEME

THAT the employee share option scheme to be known as the Rich Capital Employee Share Option Scheme (the **"Scheme"**), the rules of which have been set out in Appendix B – Employee Share Option Scheme of the Circular, be and is hereby approved and adopted substantially in the form set out in the rules of the Scheme, and the Committee and/or Directors of the Company be and are hereby authorised:

- (a) to establish and administer the Scheme;
- (b) to modify and/or amend the Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) to offer and grant options in accordance with the provisions of the Scheme and pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, to allot and issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the exercise of options provided that the aggregate number of Shares available pursuant to the Scheme, the performance share plan and any other share-based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding any Treasury Shares) from time to time.

BY ORDER OF THE BOARD

Lee Bee Fong
Company Secretary

Singapore
13 July 2018

Notes:

- (1) Unless otherwise permitted under the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), a member of the Company entitled to attend and vote at the EGM may appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and any second named proxy shall be deemed to be an alternate to the first named proxy.
- (3) A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two (2) proxies. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (4) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
- (5) Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (6) The duly executed instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 not less than forty-eight (48) hours before the time appointed for holding the EGM.
- (7) Shareholders who have used their CPF account savings to buy shares in the capital of the Company and who wish to attend the Extraordinary General Meeting as observers are to register with their respective CPF agent banks.
- (8) The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
- (9) The resolutions put to vote at the EGM shall be decided by way of poll.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the

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

RICH CAPITAL HOLDINGS LIMITED

Company Registration No. 199801660M
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting ("EGM")
2. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investors") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy. In which case, the CPF and SRS investors shall be precluded from attending the Meeting.
3. This proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purpose if used or purposed to be used by them

I/We, _____,
(Name) (NRIC/Passport/Company Registration No.)
of _____,
(Address)

being a member/members of **RICH CAPITAL HOLDINGS LIMITED** (the "Company"), hereby appoint:

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

AND/OR (DELETE AS APPROPRIATE)

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at Meyer & Frankel Rooms, Level 3 of Grand Mercure Singapore Roxy, 50 East Coast Road, Roxy Square, Singapore 428769 on Monday, 30 July 2018 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9.30 a.m. on the same day and at the same place) and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

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

No.	Ordinary Resolutions relating to:	Number of votes For*	Number of votes Against*
1	PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE		
2	PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE		
3	PROPOSED ADOPTION OF THE IPT MANDATE		
4	PROPOSED ADOPTION OF THE NEW RICH CAPITAL PERFORMANCE SHARE PLAN		
5	PROPOSED ADOPTION OF THE NEW RICH CAPITAL EMPLOYEE SHARE OPTION SCHEME		

*Note: If you wish to exercise all your votes "For" or "Against" the above resolutions, please tick "✓" within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2018

Total Number of Shares held
(see Note 1)

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

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

- (1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
- (2) Unless otherwise permitted under the Companies Act, Chapter 50 of Singapore (the "Companies Act"), a member of the Company entitled to attend and vote at the EGM may appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (3) Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and any second named proxy shall be deemed to be an alternate to the first named proxy.
- (4) A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two (2) proxies. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (5) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
- (6) Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (7) The duly executed instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 not less than forty-eight (48) hours before the time appointed for holding the EGM.
- (8) The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

