

**CIRCULAR DATED 15 NOVEMBER 2018**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

If you have sold or transferred all your shares in the capital of A-Smart Holdings Ltd. (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the Proxy Form enclosed herewith immediately to the purchaser or the transferee or the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to such purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.



**A-SMART HOLDINGS LTD.**

(Company Registration Number 199902058Z)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

in relation to

- (A) THE PROPOSED ADOPTION OF THE A-SMART EMPLOYEE SHARE OPTION SCHEME 2018;  
AND**
- (B) THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE A-SMART EMPLOYEE  
SHARE OPTION SCHEME 2018.**

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form	:	28 November 2018 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	30 November 2018 at 10.30 a.m. (or as soon thereafter as the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place is concluded or adjourned)
Place of Extraordinary General Meeting	:	61 Tai Seng Avenue #05-14 Print Media Hub @ Paya Lebar iPark Singapore 534167

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## DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

- “AGM”** : The annual general meeting of the Company to be held on 30 November 2018 at 61 Tai Seng Avenue #05-14 Print Media Hub @ Paya Lebar iPark Singapore 534167 at 10.00 a.m.;
- “A-Smart ESOS 2018”** : The proposed employee share option scheme, as the same may be amended or modified from time to time;
- “Associate”** : (a) In relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being any 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/ or his immediate family together (directly or indirectly) have an interest of 30% or more,
- (b) In relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;
- “Associated Company”** : A company at least 20.0% but not more than 50.0% of its shares are held by the Company and of which the Company has control over;
- “Auditors”** : The auditors of the Company as appointed from time to time;
- “Board”** : The board of Directors of the Company as at the date of this Circular;
- “CDP”** : The Central Depository (Pte) Limited;
- “Circular”** : This circular to Shareholders dated 15 November 2018;
- “Committee”** : The Remuneration Committee of the Company, or such other committee comprising Directors duly authorised and appointed by the Board to administer the A-Smart ESOS 2018;
- “Company”** : A-Smart Holdings Ltd.;
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time;

<b>“Constitution”</b>	:	The constitution of the Company, as may be amended, modified or supplemented from time to time;
<b>“Control”</b>	:	The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of a company;
<b>“Controlling Shareholder”</b>	:	A person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings (the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder); or</li> <li>(b) in fact exercises Control over the Company;</li> </ul>
<b>“Date of Grant”</b>	:	the date on which an Option is granted to a Participant pursuant to the A-Smart ESOS 2018;
<b>“Directors”</b>	:	The directors of the Company;
<b>“EGM”</b>	:	The Extraordinary General Meeting of the Company to be held on 30 November 2018, notice of which is set out on pages 40 and 41 of this Circular;
<b>“EPS”</b>	:	Earnings per Share;
<b>“i-One.Net Executives Share Option Scheme 2001”</b>	:	The Executives’ Share Option Scheme approved by the Shareholders at an extraordinary general meeting of the Company held on 25 June 2001 and expired in July 2010;
<b>“Exercise Price”</b>	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with the rules of the A-Smart ESOS 2018;
<b>“Group”</b>	:	The Company and the Subsidiaries as at the date of this Circular;
<b>“Group Company”</b>	:	A company within the Group and “Group Companies” refers to them collectively;
<b>“Grantee”</b>	:	A person to whom an offer to grant Options is made;
<b>“Independent Director”</b>	:	An independent director of the Company;
<b>“Independent Shareholders”</b>	:	Shareholders other than those Shareholders who are entitled to participate in the A-Smart ESOS 2018;
<b>“Latest Practicable Date”</b>	:	1 November 2018, being the latest practicable date prior to the printing of this Circular for ascertaining information included herein;
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as may be amended or modified from time to time;
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities;

<b>“Market Price”</b>	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive Market Days immediately preceding the Date of Grant of an Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to a maximum of three decimal places in the event of fractional prices, provided that in the case of a Market Day on which the Shares were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded;
<b>“New Shares”</b>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the A-Smart ESOS 2018, as the case may be;
<b>“Non-Executive Director”</b>	:	A Director of the Company and the Subsidiaries, other than Group Executive Directors and including the Independent Directors, who does not perform an executive function within the Group;
<b>“Notice of EGM”</b>	:	The notice of EGM as set out on pages 40 and 41 of this Circular;
<b>“NTA”</b>	:	Net tangible assets;
<b>“Option”</b>	:	The right to subscribe for Shares granted pursuant to the rules of the A-Smart ESOS 2018;
<b>“Participant”</b>	:	Any eligible person who is selected by the Committee to participate in the A-Smart ESOS 2018 in accordance with the rules thereof;
<b>“Proposals”</b>	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular;
<b>“Record Date”</b>	:	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;
<b>“SFRS”</b>	:	Singapore Financial Reporting Standards;
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited;
<b>“Shareholders”</b>	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose securities accounts are credited with the Shares;
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company;
<b>“Subsidiary”</b>	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act;
<b>“S\$”</b>	:	Singapore dollars;
<b>“%”</b>	:	Per centum or percentage;

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

The term “**treasury share**” shall have the meaning ascribed to it in the Companies Act.

The term “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual.

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

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

Words importing persons include corporations.

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

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 or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or any statutory modification thereof, as the case may be.

Any discrepancies in tables included in this Circular between the amounts listed and the totals thereof are due to rounding. All percentages included in this Circular are rounded to the nearest 2 decimal places. Accordingly, figures shown as totals or percentages in this Circular may not be an arithmetic aggregation of the figures that precede them.

**A-SMART HOLDINGS LTD.**  
(Company Registration Number 199902058Z)  
(Incorporated in the Republic of Singapore)

**Directors**

Mr. Ma Weidong (Non-Executive Chairman and Non-Independent Director)  
Mr. Lim Huan Chiang (Executive Director and Chief Executive Officer)  
Mr. Darlington Tseng Te-Lin (Non-Executive Director)  
Mr. Kenneth Loo (Non-Executive Director)  
Mr. Sam Chong Keen (Lead Independent and Non-Executive Director)  
Ms. Chu Hongtao (Independent and Non-Executive Director)

**Registered Office**

61, Tai Seng Avenue  
#03-03, Print Media Hub  
@ Paya Lebar iPark  
Singapore 534167

15 November 2018

To the Shareholders of A-Smart Holdings Ltd.

Dear Sir/Madam

- (I) **THE PROPOSED ADOPTION OF THE A-SMART ESOS 2018; AND**
- (II) **THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE A-SMART ESOS 2018.**

**1. INTRODUCTION**

**1.1 Extraordinary General Meeting**

The Directors are convening an EGM to be held on 30 November 2018 to seek Shareholders' approval for the following:

- (a) the proposed adoption of the A-Smart Employee Share Option Scheme 2018 ("**A-Smart ESOS 2018**"); and
  - (b) the proposed grant of Options at a discount under the A-Smart ESOS 2018,
- (collectively, the "**Proposals**").

Shareholders should note that the proposed grant of Options at a discount under the A-Smart ESOS 2018 is conditional upon the passing of the ordinary resolution relating to the proposed adoption of the A-Smart ESOS 2018. In the event that the ordinary resolution relating to the proposed adoption of the A-Smart ESOS 2018 is not passed, the ordinary resolution relating to the proposed grant of Options at a discount under the A-Smart ESOS 2018 will also not be passed.

**1.2 Purpose of this Circular**

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the Proposals to be tabled at the EGM and to seek Shareholders' approval in relation thereto at the EGM. The Notice of EGM is set out on pages 40 and 41 of this Circular.

This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

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

### 1.3 Listing of New Shares

The SGX-ST had on 13 June 2018 granted in-principle approval for the listing of and quotation for the New Shares to be allotted and issued pursuant to the A-Smart ESOS 2018, subject to separate Independent Shareholders' approval being obtained for the adoption of the A-Smart ESOS 2018, and the Company's compliance with the SGX-ST's listing requirements and guidelines.

Such in-principle approval, and the admission to, and quotation of the New Shares on the Official List of the SGX-ST is not to be taken as an indication of the merits of the A-Smart ESOS 2018, the New Shares, the Company and/or its Subsidiaries.

## 2. PREVIOUS SHARE OPTION SCHEME OF THE COMPANY

### 2.1 i-One.Net Executives' Share Option Scheme 2001 ("ESOS 2001")

The Company's previous share option scheme, known as the i-One.Net Executives' Share Option Scheme 2001 ("**ESOS 2001**"), was adopted at an extraordinary general meeting of the Company held on 25 June 2001. The duration of the ESOS 2001 was 10 years commencing on 25 June 2001 and has accordingly expired in July 2010 without being renewed.

#### *Vesting period*

The options were exercisable on the first anniversary of the date of grant, except where a discount had been applied on the exercise price, in which case the exercise date of the options will be on the second anniversary of the date of grant.

#### *Duration of the options*

As the issued options are valid for a period of 10 years, the expiry of the ESOS 2001 does not affect any options which have been granted prior to July 2010, regardless of whether such options have been exercised (whether fully or partially). However, all the options granted pursuant to ESOS 2001 that were not exercised had expired, lapsed and/or cancelled as at the end of the financial year ending 31 July 2017.

#### ***Details of the options granted under ESOS 2001***

Number of participants	:	103
Total number of shares reserved pursuant to the issue of options	:	77,383,000
Total number of shares allotted pursuant to the exercise of options	:	20,804,000
Total number of options expired, lapsed and/or cancelled	:	56,579,000

#### *Details of the options granted to directors, and participants who are controlling shareholders and their associates*

Date of grant	Number of shares offered under the options	Number of shares allotted upon exercise of options	
25/6/2001	2,430,000	1,000,000	Note: The information of options granted and shares allotted pursuant to ESOS 2001 have not been adjusted for the effects of the share consolidation of every 40 shares to 1 share which was completed on 28 January 2016.
7/12/2001	1,528,000	350,000	
2/05/2003	2,228,000	980,000	
11/12/2003	1,200,000	56,000	
10/03/2008	8,000,000	4,000,000	
22/09/2008	2,000,000	150,000	
20/10/2008	18,000,000	-	
	<b>35,386,000</b>	<b>6,536,000</b>	



### **3. THE PROPOSED ADOPTION OF THE A-SMART ESOS 2018**

The Board is proposing to adopt the A-Smart ESOS 2018 to enable an opportunity for employees and directors of the Group 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 following is a summary of the principal terms of the A-Smart ESOS 2018 and is qualified in its entirety by reference to the more detailed information in the rules of the A-Smart ESOS 2018.

#### **3.1 Summary of Key Terms of the A-Smart ESOS 2018**

##### **(a) Eligibility**

Employees of the Group (including Executive Directors) and the Non-Executive Directors (including Independent Directors) of the Group Companies whose employment have been confirmed and who have attained the age of 21 years, provided that such persons are not undischarged bankrupts and have not entered into compositions with their respective creditors at the relevant time, may be eligible to participate in the A-Smart ESOS 2018 at the absolute discretion of the Committee.

Controlling Shareholders who are also the directors and employees of the Group are eligible to participate in the A-Smart ESOS 2018 provided that they meet the aforesaid eligibility criteria and that all conditions for their participation in A-Smart ESOS 2018 as may be required by the Listing Manual from time to time, including but not limited to obtaining the necessary approvals of independent Shareholders for such participation as listed in paragraph 6 below, are satisfied.

##### **(b) Options**

An Option granted under the A-Smart ESOS 2018 represents the right to subscribe for and/or to purchase Shares at an exercise price to be determined by the Committee as described under paragraph 3.1 (e) below. The selection of the Grantees of the A-Smart ESOS 2018 and the number of Shares which are the subject of the relevant Options to be offered to such Grantees in accordance with the rules of the A-Smart ESOS 2018 shall be determined at the absolute discretion of the Committee (subject to the limitations described in paragraphs 3.1(a) and (d)), which will be exercised judiciously taking into account criteria such as the Grantee's rank, responsibilities, performance, years of service and potential for future development, and the performance of the Group.

A letter of offer to grant Options will be sent to each Grantee in or substantially in the form set out in the rules of the A-Smart ESOS 2018, which will include the applicable conditions such as the number of Shares comprised in the Options and the relevant exercise price. Such offer must be accepted by the Grantee no later than 5.00p.m. on the 30<sup>th</sup> day from the date of offer to grant such Options by completing, signing and returning the relevant acceptance form set out in the rules of the A-Smart ESOS 2018 accompanied by payment of S\$1.00 as consideration. Any offer which is not accepted in accordance with the rules of the A-Smart ESOS 2018 shall, upon expiry of the 30-day period, automatically lapse and become null, void, and of no effect.

##### **(c) Date of Grant**

Subject to paragraphs 3.1(a) and (d) of this Circular, the Committee may offer to grant Options at any time during the period when the A-Smart ESOS 2018 is in force except that no offer to grant Options shall be made during the period of two weeks or one month immediately preceding the date of announcement of the Company's interim or final results respectively. In addition, in the event that an announcement on any matter of an exceptional

nature involving unpublished price sensitive information is made by the Company, offers to grant Options may only be made on or after the second Market Day following release of such announcement.

**(d) Size and duration of the A-Smart ESOS 2018**

The aggregate number of Shares over which the Committee may grant Options on any date under the A-Smart ESOS 2018, when added to the number of Shares issued or issuable in respect of:

- (i) all other options granted under A-Smart ESOS 2018; and
- (ii) all options granted under any other share option scheme or share schemes implemented by the Company and for the time being in force (if any),

shall not exceed 15.0% of the number of all issued Shares (excluding treasury shares) on the day preceding the relevant date of grant.

The aggregate number of Shares available to Controlling Shareholders (who are also employees and directors of the Group) over which Options are granted under the A-Smart ESOS 2018 shall not exceed 25.0% of the total Shares available under A-Smart ESOS 2018, and the aggregate number of Shares available to each Controlling Shareholder over which Option(s) are granted under the A-Smart ESOS 2018 shall not exceed ten per cent of the total Shares available under the A-Smart ESOS 2018. It should however be noted that this does not indicate that the Committee will definitely grant Options under the A-Smart ESOS 2018 up to the abovementioned prescribed limits. The Committee will exercise its discretion in deciding the number and size of Options to be granted to each Participant under the A-Smart ESOS 2018.

The Committee shall monitor the grant of Options carefully to ensure that the size of the A-Smart ESOS 2018 will comply with the rules of the A-Smart ESOS 2018 as well as the Listing Manual.

The A-Smart ESOS 2018 shall continue to be in force at the discretion of the Committee for a maximum duration of ten years commencing from the date of its adoption by the Company. Subject to compliance with any applicable laws and regulations in Singapore, the A-Smart ESOS 2018 may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the A-Smart ESOS 2018, any Options granted to Participants prior to such expiry or termination will continue to remain valid, subject to any other applicable rules of the A-Smart ESOS 2018 capable of surviving termination.

**(e) Exercise Price**

Under the A-Smart ESOS 2018, the exercise price of Options granted will be determined by the Committee. Subject to any adjustment event contemplated under the rules of the A-Smart ESOS 2018 and as more particularly set out in paragraph 3.5 of this Circular and rule 12 of the Rules, the Committee may grant Options at an exercise price equal to the Market Price of the Shares (a “**Market Price Option**”) or subject to the approval of Shareholders in a separate resolution, at a discount to such Market Price of up to 20.0% (a “**Discounted Option**”). In the event that SGX-ST prescribes or permits a higher percentage of discount, the Company will seek Shareholders’ approval for any increase in such discount under the A-Smart ESOS 2018 at a general meeting.

In making any determination on whether to grant an Option with an exercise price at a discount to the Market Price of the Shares and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, in its absolute discretion, deem appropriate including but not limited to the performance

of the Group, the years of service and individual performance of a Grantee, the individual Grantee's effectiveness and contribution to the success and development of the Group and the prevailing market conditions.

The Committee will determine on a case-by-case basis whether a discount will be given and the quantum of the discount, taking into consideration the objective that is desired to be achieved by the Group 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, subject to a maximum discount of 20.0% of the Market Price of Shares, as described above.

**(f) Exercise period**

A Market Price Option shall only be exercisable after one year from the date of grant of such Option while a Discounted Option shall only be exercisable after two years from the date of grant of such Discounted Option. The date of expiry of the Options shall be determined by the Committee in its sole discretion but shall in any case, not exceed the fifth anniversary of the date of grant of the relevant Option. Options not exercised prior to their expiry date shall immediately lapse and become null and void and the relevant Grantee shall have no claim against the Company.

An Option shall, to the extent unexercised, immediately lapse and become null and void without any claim whatsoever against the Company:

- (i) in the event of misconduct, gross negligence, or incompetence on the part of the Participant, as determined by the Committee in its discretion;
- (ii) subject to the rest of this paragraph 3.1(f), where a Participant ceases at any time to be an employee or director of a Group Company or an Associated Company (as the case may be);
- (iii) in the event of bankruptcy of the Participant or the happening of an event which results in him being deprived of the legal and/ or beneficial ownership of the Option; or
- (iv) in the event that the Company by which he is employed cease to be a Group Company or an Associated Company.

Where a Participant ceases at any time to be in the employment of, or a director of, a Group Company or an Associated Company (as the case may be) by reason of ill health, injury, disability, redundancy, retirement (before (with the consent of the Committee), at or after the legal retirement age) or by reason of any other event approved in writing by the Committee, the Participant may at the absolute discretion of the Committee exercise any unexercised Option(s) within the relevant exercise period. Upon the expiry of such exercise period the Option(s) shall immediately lapse and become null and void.

If a Participant dies and at death holds any unexercised Option(s), the Committee may in its discretion allow such Option(s) to be exercised by a duly appointed legal representative of such Participant within the relevant exercise period and upon the expiry of such period, the Option(s) shall immediately lapse and become null and void.

The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

Share which are allotted and issued pursuant to the valid exercise of an Option shall be subject to all the provisions of the Constitution and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, and shall in all other respects have the same voting rights and rank *pari passu* with other existing Shares then in issue.

The illustrative financial effects of the A- Smart ESOS 2018 on the Group are set out in paragraph 3.4 of this Circular.

**(g) Take-over and winding-up of Company**

Notwithstanding paragraph 3.1(f), in the event:

- (i) of a take-over being made for the Company, a Participant shall be entitled to exercise any Option held by him and as yet unexercised, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion within the relevant exercise period, whereupon any Option then remaining unexercised shall lapse and become null, void and of no effect;
- (ii) the court sanctions a compromise or arrangement proposed for the purposes of the reconstruction of the Company or its amalgamation with another company(ies), each Participant shall be entitled to exercise any Option then held by him, in respect of such number of Shares comprised in that Option as may be determined by the Committee in its absolute discretion within the relevant exercise period, whereupon any Option then remaining unexercised shall lapse and become null, void and of no effect;
- (iii) an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall at the date of such order or resolution lapse and become null, void and of no effect; and
- (iv) a notice is given by the Company to its members to convene a general meeting for the purposes of considering and/or approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after give notice thereof to all Participants and thereupon, each Participant (or his personal representative) shall be entitled to exercise all or any of his Options within the relevant exercise period, accompanied by a remittance of the total exercise price for such Options.

If arrangements are made for the compensation of Participants in connection with the events listed under (i) to (iv) above, 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, unless otherwise determined at the discretion of the Committee, be permitted to exercise that Option as provided for above.

**3.2 The Committee and administration of the A-Smart ESOS 2018**

The remuneration committee of the Company will be designated as the Committee responsible for the administration of the A-Smart ESOS 2018 in accordance with such powers and duties as are conferred on it by the Board.

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 rules of the A-Smart ESOS 2018, as the case may be) for the implementation and administration of A-Smart ESOS 2018 as it thinks fit.

Any decision or determination of the Committee made pursuant to any provision of the A-Smart ESOS 2018 (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including any decision pertaining to disputes and uncertainty as to the interpretation of, or any rule, regulation or procedure of or as to any right under the A-Smart ESOS 2018).

In compliance with the requirements of the Listing Manual, any Participant of the A-Smart ESOS 2018 who is concurrently a member of the Committee shall not be involved in the Committee's deliberations in respect of Options granted or to be granted to him/her.

### **3.3 Rationale for the participation by non-executive directors in the A-Smart ESOS 2018 and the relevant safeguards**

While the A-Smart ESOS 2018 cater principally to the employees of the Group Companies, it is recognised that there are other persons who make significant contributions to the Group through their close working relationships with the Group even though they are not employed within the Group. Such persons include the non-executive directors (including independent directors).

The non-executive directors come from different professions and various backgrounds, bringing to the Group much experience in corporate governance and business management, as well as invaluable guidance in relation to strategic issues and development, thus providing the Group with a multi-disciplinary approach in evaluating and considering business issues and opportunities. While not specifically involved in matters relating to the day-to-day running of the Group, the non-executive directors are frequently consulted on various matters in relation to the business of the Group. They are thus highly regarded by the Company for their contributions to the Group.

The Directors are of the view that including the non-executive directors in the A-Smart ESOS 2018 will give them due recognition for their services and contributions to the growth and development of the Group, and further motivate them in their contribution towards the future success of the Group.

However, it should be noted that it may not be appropriate to measure the services and contributions of the non-executive directors in the same way as the employees of the Group, and thus, for the purpose of assessing the contributions of the non-executive directors, the Committee shall employ an assessment framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the non-executive director, taking into consideration, *inter alia*, his performance and contributions to the success and development of the Group, his committee memberships in the Group, as well as his contributions including those of his experience in the areas of overall business strategies, risk management and investment decisions. The Committee may also decide that no Option shall be granted in any financial year or that no Option may be granted at all.

As mentioned in paragraph 3.2 above, as a safeguard against abuse, no member of the Committee shall be involved in the Committee's deliberations in respect of Options granted or to be granted to him.

As a safeguard against abuse, non-executive directors (including independent non-executive directors) will abstain from making any recommendation as a director and abstain from voting on any resolution in relation to their participation in the A-Smart ESOS 2018 and grant of Options to them.

### **3.4 Financial effects of the A-Smart ESOS 2018**

#### **(a) Share capital**

The A-Smart ESOS 2018 will result in an increase in the Company's issued share capital only when New Shares are issued to Participants pursuant to the exercise of the Options. The number of New Shares issued will depend on, *inter alia*, the size of the Options granted under the A-Smart ESOS 2018 respectively. However, there will be no change to the Company's issued share capital where Options are not exercised or vested, or when exercised or vested, are satisfied by Treasury Shares.

#### **(b) Net tangible assets**

As mentioned in paragraph 3.4(a), the granting of options will result in a charge to the Group and the Company's profit or loss which is equal to the fair value of the options granted over the period starting from the date of grant of the Options, which in turn decreases the Company's NTA.



In addition, the effect of the issue of new shares upon the exercise of options on the Company's NTA is accumulative if the subscription price is above the NTA per share, but dilutive otherwise. The dilutive effect is greater if the subscription price is at a discount to the market price.

**(c) Earnings per Share**

The embedded cost of options granted will result in a charge to profit or loss of the Group and the Company. However, it should be noted that Options are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed or will contribute to its success including financial performance. In particular, the grant of Options and delivery of Shares to Participants of the A-Smart ESOS 2018 are contingent upon the Participants meeting prescribed performance conditions. Therefore Participants would have contributed to or will contribute to the NTA of the Group and the Company before the Options are granted and Shares delivered.

Although the A-Smart ESOS 2018 will also have a dilutive impact on the EPS of the Group and the Company, it should again be noted that the delivery of Shares to Participants under the A-Smart ESOS 2018 will generally be contingent upon the Participants meeting prescribed performance conditions. Accordingly, the earnings of the Group and the Company should have grown before Options are granted and Shares delivered.

**(d) Potential cost to the Company arising from the grant of Options under the A-Smart ESOS 2018**

All Options granted under the A-Smart ESOS 2018 will have a fair value. In the event that the Exercise Price is below the fair value of the Options granted under the A-Smart ESOS 2018, there will be a cost to the Company.

If at the time an Option is exercised, the Exercise Price of the Options is less than the prevailing Market Price of the Shares, there will be a reduction of the proceeds from the exercise of such Option as compared to the proceeds that the Company would have received if the exercise of such Option had been made at the prevailing Market Price of the Shares. Such reduction would represent a monetary cost to the Company.

The grant of Options under the A-Smart ESOS 2018 will also have an impact on the Company's reported profit / loss as share-based payments such as the grant of Options under the A-Smart ESOS 2018 will be required to be recognised as an expense under the International Financial Reporting Standards. Such expense will be based on the fair value of the Share as at the Date of Grant and will be recognised over the Exercise Period (as defined in Appendix A to this Circular).

Shareholders should note that the potential cost to the Company arising from the grant of Options under the A-Smart ESOS 2018 discussed in (i) above will only materialise upon the exercise of the relevant Options; and the potential cost to the Company arising from the grant of Options under the A-Smart ESOS 2018 discussed in (ii) above will be recognised in the Company's reported profit / loss even if the Options are not exercised.

**Shareholders should note that the financial effects described above are purely for illustration only. Shareholders should also note that the financial effects described above are not to be regarded as advice on the tax position of any person or a full statement regarding the financial or tax implications arising from the A-Smart ESOS 2018. Shareholders who are in doubt as to their respective tax positions or the financial or tax implications should consult their own professional advisers.**

**3.5 Adjustments**

In the event of a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, capital reduction, subdivision, consolidation or distribution, or issues for cash or for shares or otherwise than for cash or otherwise howsoever),

the rules of the A-Smart ESOS 2018 provide for adjustment at the option of the Committee of the exercise price, class and/or number of Shares comprised in an Option to the extent unexercised and/or the class and/or number of Shares over which additional Options may be granted.

The above adjustments will be made in such a way that where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators) that in their opinion, such adjustment (or absence of adjustment) is fair and reasonable.

The issue of securities as consideration for an acquisition of assets or a private placement of securities of the Company, 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 normally not be regarded as a circumstance requiring adjustment.

#### **4. THE AUTHORITY TO GRANT OPTIONS AT UP TO A 20.0% DISCOUNT UNDER THE A-SMART ESOS 2018**

##### **4.1 The maximum discount**

In accordance with Rule 845(5) of the Listing Manual, the offer to grant Options under the A-Smart ESOS 2018 at a discount not exceeding 20.0% of the Market Price is subject to the approval of Shareholders at a general meeting in a separate resolution. For avoidance of doubt, such prior approval shall be required to be obtained only once and once obtained shall, unless revoked, authorise the making of offers and grants of Options under the A-Smart ESOS 2018 at such discount for the duration of the A-Smart ESOS 2018.

##### **4.2 The rationale for Discounted Options**

The ability to offer Discounted Options will allow the Committee greater flexibility in structuring the Options as Discounted Options generally have a greater potential for capital appreciation than Market Price Options, and operate as a form of cashless reward from the Company to the Participant.

The ability to grant Discounted Options also allows the Company to grant Options on a more realistic and economically feasible basis to the Participants especially in circumstances where the market price is unusually high due to buoyant market activity or inflated share price. In circumstances where at the time of making of grants of Options to Participants, the prevailing market price of the Shares is considered unusually high and a general discount is desirable or warranted (the extent of which will be determined by the Committee), the Committee may take into consideration factors such as the historical prices of the Shares as compared with the prevailing market price of the Shares during the exercise price fixing period for the Options, the market comparatives and practices of other industry players and the value of the Options as a component of each Participant's compensation package.

The Committee shall exercise this discretion judiciously. The amount of discount may vary from one offer to another from time to time depending on the circumstances and on a case by-case basis. In determining the quantum of the discount, 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 Company and/or the Group; (b) the individual performance of the Participant; (c) the contribution to the success of the Company and/or the Group by the Participant; and (d) the prevailing market conditions.

The Company believes that the proposed maximum 20.0% discount to Market Price for Discounted Options would be sufficient to allow for flexibility in the A-Smart ESOS 2018 and is appropriate for the purposes of enabling the A-Smart ESOS 2018 to attain its stated objectives.

## **5. THE PROPOSED PARTICIPATION OF CONTROLLING SHAREHOLDERS IN THE A-SMART ESOS 2018**

The key objectives of the A-Smart ESOS 2018 are to motivate employees to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company. The Company believes that the A-Smart ESOS 2018 may be effective in motivating employees to put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with multinational companies.

To this end, employees and directors of the Group who are Controlling Shareholders shall be treated equally regardless of whether they are Controlling Shareholders. The Company's view is that all deserving and eligible employees and directors should be similarly entitled to take part and benefit from the Company's fair and equitable system of remuneration.

Although the Controlling Shareholders (who are also employees and directors of the Group) may already have shareholding interests in the Company, the extension of the A-Smart ESOS 2018 to include them ensures that they are similarly entitled, with the other eligible employees and directors who are not Controlling Shareholders, to take part and benefit from this system of remuneration. The Directors are of the view that the Company should have a fair and equitable system to reward eligible employees and directors who have made and continue to make important contributions to the long-term growth of the Group notwithstanding that they are Controlling Shareholders.

The terms of the A-Smart ESOS 2018 do not differentiate between Controlling Shareholders from other employees or directors in determining the eligibility of such persons to be granted Options. They should not unduly favour Controlling Shareholders. Likewise, Controlling Shareholders should not be excluded from participating in the A-Smart ESOS 2018 solely for the reason that they are Controlling Shareholders. In addition, to deny participation by the Controlling Shareholders may undermine the objectives of the A-Smart ESOS 2018.

As a safeguard against abuse, such Controlling Shareholders shall not be involved in the deliberation in respect of Options to be granted to Controlling Shareholders and the terms and conditions attached to such Options. All members of the Board (and not just members of the Committee) who are not Controlling Shareholders will be involved in such deliberations. The limits on the aggregate number of Shares comprised in Options that may be granted to Controlling Shareholders are set out in paragraph 3.1(d) of this Circular.

Rule 853 of the Listing Rules states that participation in a scheme by controlling shareholders must be approved by independent shareholders of the issuer, and a separate resolution must be passed for each person and to approve the actual number and terms of options granted to that participant. In seeking such independent Shareholders' approval, clear justification as to their participation, the number of Options and the terms of such Options to be granted to Controlling Shareholders will be provided.

Accordingly, the Controlling Shareholders shall abstain from voting on any resolution in relation to their participation in the A-Smart ESOS 2018 and grant of Options to them.

The Company is of the view that there are sufficient safeguards against abuse resulting from the participation of Controlling Shareholders in the A-Smart ESOS 2018.

The Company will seek specific approval from independent Shareholders in the event that the Company intends at any time in the future to grant any Options to any Controlling Shareholder.



## 6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN OUR COMPANY

### 6.1 Interests in our Company

As at the Latest Practicable Date, save as disclosed below, none of the Directors and Substantial Shareholders has any interest in the Shares of our Company.

Director	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Ma Weidong <sup>(1)</sup>	45,714,000	38.17	353,000	0.29
Lim Huan Chiang	725,000	0.61	-	-
Darlington Tseng Te-Lin	278,825	0.23	-	-
<b>Substantial Shareholder (Other than Directors)</b>				
Tseng An Hsiung Andy <sup>(2)</sup>	-	-	7,879,674	6.58
Wong Swee Chun	7,150,000	5.97	-	-

#### Notes:

- (1) Mr. Ma Weidong is deemed interested in 353,000 ordinary shares held by his spouse, Mrs Jin Li Yan by virtue of Section 7 of the Companies Act.
- (2) Mr. Tseng An Tsiung Andy is deemed interested in:
- a) 3,822,842 ordinary shares held by Wellspring Investment Ltd by virtue of Section 7 of the Companies Act;
  - b) 44,800 ordinary shares held by his spouse, Mrs Tseng Shu Eng Eng by virtue of Section 7 of the Companies Act; and
  - c) 4,012,032 ordinary shares held by Dai Dai Development International Holdings Limited by virtue of Section 7 of the Companies Act.

### 6.2 Interests in the A-Smart ESOS 2018

All the Directors of the Company are eligible to participate in the A-Smart ESOS 2018. They are therefore deemed to be interested in the A-Smart ESOS 2018.

Save for Tseng An Hsiung Andy, none of the substantial shareholders of the Company or their Associates is eligible to participate in the A-Smart ESOS 2018. Save for Tseng An Hsiung Andy, the substantial shareholders have no interest in the A-Smart ESOS 2018.

## 7. DIRECTORS' RECOMMENDATIONS

### 7.1 Proposed adoption of the A-Smart ESOS 2018

The Directors are eligible to participate, and are therefore interested, in the A-Smart ESOS 2018. Accordingly, the Directors have refrained from making any recommendation in relation to the proposed adoption of the A-Smart ESOS 2018.

### 7.2 Proposed grant of Options at a discount under the proposed A-Smart ESOS 2018

The Directors are eligible to participate in the A-Smart ESOS 2018 and are therefore interested in the proposed grant of Options at a discount under the A-Smart ESOS 2018. Accordingly, the Directors have refrained from making any recommendation in relation to the proposed grant of Options at a discount under the A-Smart ESOS 2018.

## **8. ABSTENTION FROM VOTING**

Shareholders (including Directors who are Shareholders) who are entitled to participate in the proposed A-Smart ESOS 2018 must abstain from voting on any resolution relating to the A-Smart ESOS 2018 (other than a resolution relating to the participation of, or grant of options to, directors and employees of its Subsidiaries) at the EGM, as set out in the Notice of EGM. If and when votes are cast by such persons, the Company will disregard the votes cast by them on the resolutions in relation to the A-Smart ESOS 2018, as set out in the Notice of EGM.

Such Shareholders should also decline appointment as proxies for voting at the EGM in respect of the aforesaid resolutions, unless specific instructions have been given in the proxy form on how the votes are to be cast for each of the aforesaid resolutions.

## **9. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on pages 40 and 41 of this Circular, will be held at 61 Tai Seng Avenue #05-14 Print Media Hub @ Paya Lebar iPark Singapore 534167 on 30 November 2018 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM scheduled to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modification, the ordinary resolutions set out in the Notice of EGM.

## **10. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 61 Tai Seng Avenue #03-03 Print Media Hub @ Paya Lebar iPark Singapore 534167 not less than 48 hours before the time fixed for holding the EGM. The completion and lodgement of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.

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

## **11. 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 Proposals, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 61 Tai Seng Avenue #03-03 Print Media Hub @ Paya Lebar iPark Singapore 534167 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for the financial year ended 31 July 2017.

Yours faithfully

For and on behalf of the Board of Directors of  
**A-SMART HOLDINGS LTD.**

**Lim Huan Chiang**

Executive Director and Chief Executive Director  
15 November 2018

**A-SMART HOLDINGS LTD.**  
**RULES OF THE A-SMART EMPLOYEE SHARE OPTION SCHEME 2018**

**1. NAME OF THE SCHEME**

The Scheme shall be called the “A-Smart Employee Share Option Scheme 2018”.

**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 Scheme is adopted by the Company in general meeting
“Associates”	<p>(a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being any individual) means:</p> <p>(i) his immediate family;</p> <p>(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</p> <p>(iii) any company in which he and/or his immediate family together (directly or indirectly) have an interest of 30% or more;</p> <p>(b) In relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more</p>
“Associated Companies”	A company at least 20.0% but not more than 50.0% of its shares are held by the Company and of which the Company has control over
“Auditors”	The auditors of the Company as appointed from time to time
“Board”	The board of directors of the Company as at the date of this Circular
“CDP”	The Central Depository (Pte) Limited
“Committee”	The remuneration committee of the Company, or such other committee comprising Directors duly authorised and appointed by the Board to administer the A-Smart ESOS 2018
“Companies Act”	The Companies Act, Chapter 50 of Singapore, as amended, modified from time to time
“Company”	A-Smart Holdings Ltd.

“Constitution”	The constitution of the Company, as may be amended, modified or supplemented from time to time
“Control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	<p>A person who:</p> <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings (the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder); or</li> <li>(b) in fact exercises Control over the Company</li> </ul>
“CPF”	Central Provident Fund
“Date of Grant”	In relation to an Option, the date on which the Option is granted pursuant to Rule 6
“Director”	A person holding office as a director for the time being of a Group Company
“Employee”	An employee of a Group Company
“Executive Director”	A director for the time being of a Group Company, holding office in an executive capacity in such company
“Exercise Period”	<p>The period for the exercise of an Option, being:</p> <ul style="list-style-type: none"> <li>(a) in the case of a Market Price Option, a period commencing one year after the date of grant of such Option and expiring on the fifth anniversary of the date of grant of that Option, subject to Rule 8 and Rule 9 of the A-Smart ESOS 2018 and subject to any other conditions as may be determined by the Committee from time to time; and</li> <li>(b) In the case of a Discounted Option. A period commencing after the second (2<sup>nd</sup>) anniversary of the Date of Grant of that Option and expiring on the fifth anniversary of the date of grant of that Option, subject to Rule 8 and Rule 9 of the A-Smart ESOS 2018 and subject to any other conditions as may be determined by the Committee from time to time.</li> </ul>
“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 may be adjusted in accordance with Rule 12
“Grantee”	The person to whom an offer to grant an Option is made
“Group”	The Company and its Subsidiaries
“Group Company”	A company within the Group

“Listing Rules”	The listing rules of the SGX-ST as set out in the Listing Manual of the SGX-ST, as amended and modified from time to time
“Market Day”	A day on which the SGX-ST is open for trading in securities
“Market Price”	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive Market Days immediately preceding the Date of Grant of an Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to a maximum of three decimal places in the event of fractional prices, provided that in the case of a Market Day on which the Shares were not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded
“Non-Executive Director”	A Director of the Company and the Subsidiaries, other than Group Executive Directors and including the Independent Directors, who does not perform an executive function within the Group
“Option”	The right to subscribe for Shares granted pursuant to the Scheme
“Participant”	Any eligible person who is selected by the Committee to participate in the A-Smart ESOS 2018 in accordance with the rules thereof
“Record Date”	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
“Rules”	Rules of the Scheme
“Scheme”	The A-Smart Employee Share Option Scheme 2018, as may be modified or altered from time to time in accordance with the Rules
“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 or modified from time to time
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shares”	Ordinary shares in the capital of the Company
“Shareholders”	The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose securities accounts are credited with the Shares
“Subsidiary”	A company being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act

“S\$” Singapore dollar

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

- 2.2 The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.
- 2.3 The term “**treasury share**” shall have the meaning ascribed to it in the Companies Act.
- 2.4 The term “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual.
- 2.5 Any reference to a time of day and to dates in the Scheme shall be a reference to Singapore time and dates, unless otherwise stated.
- 2.6 Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.
- 2.7 Words importing persons include corporations.
- 2.8 Any reference in the 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 or any statutory modification thereof and used in the Scheme shall, where applicable, have the meaning ascribed to it under the Companies Act or any statutory modification thereof, as the case may be.

### 3. OBJECTIVES OF THE SCHEME

- 3.1 The Scheme will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of the Group (including Executive, Non-Executive Directors and Independent Directors) and who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.
- 3.2 The Scheme is primarily a share incentive scheme. It recognises the fact that the services of such Group Employees are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such Group Employees. At the same time, it will give such Group Employees an opportunity to have a direct interest in the Company and will also help to achieve the following positive 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 and Directors whose contributions are essential to the long-term growth and profitability of the Group;
  - (c) to instil loyalty to, and reinforce 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 the Participants with the interests of the Shareholders.

#### **4. ELIGIBILITY OF PARTICIPANTS**

- 4.1 An Employee's eligibility to participate in the Scheme shall be at the absolute discretion of the Committee. Such person must:
- (a) be confirmed in his employment with a Group Company or an Associated Company;
  - (b) have attained the age of 21 years on or before the Date of Grant; and
  - (c) 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 Rules 4.1(b) and (c) shall also be eligible to participate in the Scheme.
- 4.3 Subject to the absolute discretion of the Committee, persons who are Controlling Shareholders and their respective Associates shall be eligible to participate in the Scheme if:
- (a) they meet the eligibility requirements as set out above;
  - (b) the necessary Shareholders' approvals pursuant to Rule 25 have been obtained; and
  - (c) all conditions for their participation in the Scheme as may be required by the regulations of the SGX-ST from time to time are satisfied.
- 4.4 Subject to the absolute discretion of the Committee, persons who are Directors and employees of an Associated Company who satisfy the eligibility requirements in Rules 4.1(b) and (c) shall also be eligible to participate in the Scheme.
- 4.5 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any Group Company.
- 4.6 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

#### **5. MAXIMUM ENTITLEMENT**

Subject to Rules 4, 11 and 12, the aggregate number of Shares in respect of which Option(s) may be offered to a Grantee for subscription in accordance with the Scheme shall be determined at the absolute discretion of the Committee (which would be exercised judiciously) which shall take into account, where applicable, criteria such as the Grantee's rank and responsibilities within the Group, performance, years of service or appointment, potential for future development of the Grantee and the performance of the Group.

#### **6. GRANT AND ACCEPTANCE OF OPTIONS**

- 6.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 11, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the ESOS is in force, except that no Option shall be granted during the longer of (i) the period of thirty (30) days immediately preceding the date of announcement of the Company's interim and/or final results (as the case may be) or (ii) such time periods as may be provided pursuant to the Listing Manual. In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day on which such announcement is released.
- 6.2 An offer to grant an Option shall be made by way of a letter of offer in or substantially in the form set out in Appendix A-1, subject to such modification as the Committee may from time to time determine. on the 30<sup>th</sup> day from the date of offer to grant



- 6.3 An Option shall be personal to the Grantee and shall not be transferred (other than to a Participant's personal representative on the death of that Participant in accordance with Rule 8.4), sold, mortgaged, charged, assigned, pledged or otherwise disposed of or encumbered, in whole or in part, in any way whatsoever except with the prior written approval of the Committee.
- 6.4 The offer to grant an Option under this Rule 6 may be accepted by the Grantee not later than 5.00 p.m. on the 30th day from such Date of Grant by completing, signing and returning an acceptance form in or substantially in the form set out in Appendix A-2, subject to such modification as the Committee may from time to time determine, accompanied by a payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require. Notwithstanding the aforesaid, the offer to grant an Option shall only be valid if, at the date on which the Company receives the aforesaid acceptance form from the Grantee, the Grantee remains eligible to participate in the Scheme in accordance with these Rules.
- 6.5 If a grant of an Option is not accepted strictly in the manner as provided in Rule 6.4, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 6.6 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares.
- 6.7 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 6 which does not strictly comply with the terms of the Scheme.
- 6.8 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:-
- (i) it is not accepted in the manner as provided in Rule 6.4 within the thirty (30) day period; or
  - (ii) the Grantee dies prior to his acceptance of the Option; or
  - (iii) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or
  - (iv) the Grantee, being an Employee, ceases to be in the employment of a Group Company or Associated Company, or being a Director, ceases to be a director of the Group Company or Associated Company (as the case may be), for any reason whatsoever, prior to his acceptance of the Option; or
  - (v) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.
- 6.9 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.

## **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
  - (b) a price which is set at a discount to the Market Price provided that:
    - (i) the maximum discount shall not exceed 20.0% 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 Scheme at a discount not exceeding the maximum discount as aforesaid.

7.2 In making any determination under Rule 7.1(b) on whether to give a discount, the Committee shall be at liberty to take into consideration such criteria as it may, in its absolute discretion deem appropriate, including but not limited to:

- (a) the performance of the Group;
- (b) the years of service and individual performance of a Grantee;
- (c) the individual Grantee's effectiveness and contribution to the success and development of the Group; and
- (d) the prevailing market conditions.

7.3 The Committee will determine on a case-by-case basis whether a discount will be given, and the quantum of the discount, taking into consideration the objective that is desired to be achieved by the Group 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, subject to a maximum discount of 20.0% of the Market Price of the Shares, as described above.

## 8. RIGHTS TO EXERCISE OPTIONS

8.1 Subject to the rest of Rule 8 and Rule 9, Options granted with the Exercise Price set at a Market Price shall be exercisable, in whole or in part (in accordance with Rule 6.6), at any time, by a Participant after the first anniversary of the Date of Grant, Provided Always that the Options shall be exercised before the fifth anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

8.2 Subject to the rest of Rule 8 and Rule 9, Options granted with the Exercise Price set at a discount to Market Price of up to 20.0% ("**Discounted Option**") shall only be exercisable, in whole or in part (in accordance with Rule 6.6), at any time, by a Participant after the second anniversary from the Date of Grant, Provided always that the Options shall be exercised before the fifth anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

8.3 An Option shall, to the extent unexercised, immediately lapse and become null and void without any claim whatsoever against the Company:

- (a) in the event of misconduct, gross negligence or incompetence on the part of the Participant, as determined by the Committee in its discretion;
- (b) subject to Rule 8.4, where the Participant ceases at any time to be in the employment of, or a Director of, a Group Company or an Associated Company (as the case may be);
- (c) in the event of bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Option; or
- (d) in the event that the company by which he is employed ceases to be a Group Company or an Associated Company (as the case may be).

For the purpose of Rule 8.3(b), a Participant shall be deemed to have ceased to be in the employment of, or a Director of, a Group Company or an Associated Company (as the case may be) on the date on which he gives notice of resignation, unless prior to the date on which such resignation takes effect, the Participant has (with the consent of the relevant Group Company

or Associated Company (as the case may be)) withdrawn such notice. For avoidance of doubt, no Option shall lapse pursuant to Rule 8.3(b) in the event of any transfer of employment of a Participant within the Group or to an Associated Company.

8.4 Where the Participant ceases at any time to be in the employment of, or a Director of, a Group Company or an Associated Company (as the case may be) by reason of:

- (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
- (b) redundancy;
- (c) retirement at or after the legal retirement age;
- (d) retirement before the legal retirement age with the consent of the Committee; or
- (e) by reason of any other event approved in writing by the Committee,

the Participant may, at the absolute discretion of the Committee exercise any unexercised Option(s) within the relevant Exercise Period. Upon the expiry of such Exercise Period, the Option(s) shall immediately lapse and become null, void and of no effect.

8.5 If a Participant dies and at the date of his death holds any unexercised Option(s), such Option(s) may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of such Participant within the relevant Exercise Period and upon the expiry of such period, the Option(s) shall immediately lapse and become null, void and of no effect.

8.6 The Committee may, by notification, provide for further restrictions on the period during which Options may be exercised whether by providing a schedule for the vesting of Shares comprised in the relevant Options or otherwise.

8.7 Share which are allotted and issued pursuant to the valid exercise of an Option shall be subject to all the provisions of the Constitution and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, and shall in all other respects have the same voting rights and rank *pari passu* with other existing Shares then in issue.

## **9 TAKE-OVER AND WINDING-UP OF THE COMPANY**

9.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 8.1 and Rule 8.2) holding Options as yet unexercised shall, notwithstanding Rule 8 and Rule 10 but subject to Rule 9.5, be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:-

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approval of the Committee, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Exercise Period relating thereto); or
- (b) the date of the expiry of the Exercise Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided Always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the 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 Participants until 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 obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 8.3, remain exercisable until the expiry of the Exercise Period.

- 9.2 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 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 as may be determined by the Committee in its absolute discretion, 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 in any case not after the expiry of the Exercise Period relating thereto), whereupon the Option shall lapse and become null, void and of no effect.
- 9.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall at the date of such order or resolution lapse and become null, void and of no effect.
- 9.4 Notwithstanding Rule 8 but subject to Rule 9.5, 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 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 total exercise price 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.
- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the voluntary 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, unless otherwise determined at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 9.
- 9.6 If the events stipulated in this Rule 9 should occur, to the extent that an Option is not exercised within the respective periods referred to in this Rule 9, it shall lapse and become null, void and of no effect.

## **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 (in accordance with Rule 6.6), by a Participant giving notice in writing to the Company in or substantially in the form set out in Appendix A-3, subject to such modification as the Committee may from time to time determine. Such notice must be accompanied by the remittance for the full amount of the total exercise price in respect of the Shares for which that Option is exercised, the relevant CDP charges (if any), any other applicable administrative or handling fees by SGX-ST or CDP, 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.

- 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 Rules and the Constitution, the Company shall, within ten Market Days (or such other period as may be permitted by the Listing Rules) after the exercise of an Option in accordance with Rule 10.1, allot and issue the relevant Shares and within five Market Days from the date of such allotment and issue, deliver to CDP the relevant share certificates for the credit of the Securities Account or securities sub-account of that Participant by ordinary post or such other mode as the Committee may deem fit. The Company shall, if necessary, apply to the SGX-ST for permission to deal in, and for quotation of, such Shares as soon as practicable after the exercise of the Option.
- 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, the securities sub-account of that Participant maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.
- 10.4 Shares allotted and issued on the exercise of an Option shall:
- (a) be subject to all the provisions of the Listing Rules, the Companies Act, the SFA, the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company); 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 SIZE OF THE SCHEME**

- 11.1 The aggregate number of new Shares over which the Committee may grant Options on any date under the Scheme, when added to the number of new Shares issued and issuable in respect of:
- (a) all other Options granted under the Scheme, and
  - (b) all options or awards granted under any other share option schemes or share schemes implemented by the Company and for the time being in force (if any),
- shall not exceed 15.0% of the number of all issued Shares (excluding Treasury Shares) on the day preceding the relevant Date of Grant.
- 11.2 The aggregate number of Shares over which the Committee may grant Option(s) to the Controlling Shareholders and their Associates under the Scheme, shall not exceed 25.0% of the Shares available under the Scheme, and that the number of Shares over which Option(s) may be granted under the Scheme to each Controlling Shareholder or each of his Associates shall not exceed ten per cent of the Shares available under the Scheme.
- 11.3 The number of Shares over which the Committee may grant Option(s) to any Grantee in accordance with the Scheme shall be determined at the absolute discretion of the Committee, which shall take into account, where applicable, criteria such as the Grantee's rank and responsibilities within the Group, performance, years of service and potential for future development, and the performance of the Group.

## **12 ADJUSTMENT EVENTS**

12.1 In the event there is a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, capital reduction, subdivision, consolidation or distribution, or issues for cash or for shares or otherwise than for cash or otherwise howsoever), 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 additional Options may be granted under the Scheme,

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

12.2 Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition of assets or a private placement of securities of the Company, 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 normally not be regarded as a circumstance requiring adjustment under the provisions of this Rule 12.

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 unless the Committee after considering all relevant circumstances considers it equitable to do so; 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 each 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 new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

12.5 The restriction on the number of Shares to be offered to any Grantee under Rule 11 above shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 12.

## **13 ADMINISTRATION OF THE SCHEME**

13.1 The Scheme shall be administered by the Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options to be granted to him or held by him.

13.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.



- 13.3 Neither the Scheme nor the grant of Options under the Scheme shall impose on the Company or the Committee any liability whatsoever in connection with:
- (a) the lapsing or early expiry of any Options pursuant to any provision of the Scheme;
  - (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Scheme; and/or
  - (c) any decision or determination of the Committee made pursuant to any provision of the Scheme.
- 13.4 Any decision or determination of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including any decision pertaining to disputes and uncertainty as to the interpretation of the Scheme or any rule, regulation or procedure thereunder or as to any right under this Scheme).
- 13.5 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

## **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 confirmation of receipt by Company is given. Any 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 SCHEME**

- 15.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) no modification or alteration which are or will result in material change(s) to the terms of the Scheme, including but not limited to, modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee materially alters the rights attaching to such Option except with the consent in writing of such number of Participants who, if their Options were exercised in full, would thereby become entitled to not less than 75.0% of the number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;
  - (b) any modification or alteration which would be to the advantage of Participants under the Scheme, or which are or will result in material change(s) to the terms of the Scheme, shall be subject to the prior approval of the Shareholders in general meeting; and
  - (c) no modification or alteration shall be made without due compliance with the Listing Rules and such other applicable regulatory authorities as may be necessary.

- 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 if necessary) amend or alter the Scheme in any way to the extent necessary to cause the 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 but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

## **16 TERMS OF EMPLOYMENT UNAFFECTED**

- 16.1 The terms of employment of a Participant shall not be affected by his participation in the 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.
- 16.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Group and/or Associated Companies directly or indirectly or give rise to any cause of action at law or in equity against the Group and/or Associated Companies.

## **17 DURATION OF THE SCHEME**

- 17.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten years commencing on the Adoption Date, provided always that the 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 Scheme may be terminated at any time by the Committee in its sole discretion, or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 17.3 The termination of the 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**

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 exercise of the relevant Options. All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme 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 Scheme.

## **19 COSTS AND EXPENSES OF THE SCHEME**

- 19.1 Notwithstanding anything herein, 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 or CPF investment account with a CPF agent bank.



- 19.2 Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the 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.

## 20 DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee, the Company or its Directors shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event under or in connection with the Scheme, including but not limited to any delay or failure to issue, or procure the transfer of, the Shares or new Shares on the SGX-ST (or if applicable, any other stock exchange on which the Shares are quoted or listed).

## 21 CONDITION OF OPTION

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

## 22 DISCLOSURE IN ANNUAL REPORT

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

- (a) the names of the members of the Committee;
- (b) information as required in the table below in respect of Options granted to the following Participants:
  - (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 or more of the total number of Shares available under the 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 names of and number and terms of Options granted to each director or employee of the Company's parent company and its subsidiaries who receives five per cent or more of the total number of Options available to all directors and employees of such parent company and its subsidiaries under the Scheme, during the financial year under review;

- (d) the aggregate number of Options granted to the directors and employees of the Company's parent company and its subsidiaries for the financial year under review, and since the commencement of the Scheme to the end of the financial year under review;
- (e) The number and proportion of Options granted at the following discounts to average market value of the Shares in the financial year under review:-
  - (i) Options granted at up to 10 per cent discount; and
  - (ii) Options granted at between 10 per cent but not more than 20 per cent discount.
- (f) any other information required to be disclosed pursuant to the Listing Rules and all other applicable laws and requirements.

If any of the disclosure above in the foregoing of this Rule 22 is not applicable, an appropriate negative statement will be included in the annual report.

## **23 ABSTENTION FROM VOTING**

Participants who are Shareholders are to abstain from voting on any Shareholders' resolution relating to the Scheme and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

## **24 ABSEPTION FROM RECOMMENDATIONS**

A Director who is eligible to participate in the Scheme shall abstain from recommending or voting on any specific grant or any option to himself.

## **25 SHAREHOLDERS' APPROVAL**

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

## **26 DISPUTES**

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

## **27 GOVERNING LAW**

The 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 Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

## A-SMART EMPLOYEE SHARE OPTION SCHEME 2018

### LETTER OF OFFER

Serial No: \_\_\_\_\_

Date: \_\_\_\_\_

To: **[Name]**  
**[Designation]**  
**[Address]**

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the A-Smart Employee Share Option Scheme 2018 (“**Share Option Scheme**”), you have been nominated to participate in the Share Option Scheme by the Committee (the “**Committee**”) appointed by the Board of Directors of A-Smart Holdings Ltd. (the “**Company**”) to administer the Share Option Scheme. Terms as defined in the 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 transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on \_\_\_\_\_, failing which this offer will lapse.

Yours faithfully,  
For and on behalf of  
**A-Smart Holdings Ltd.**

\_\_\_\_\_  
**Name:**  
**Designation:**

## A-SMART EMPLOYEE SHARE OPTION SCHEME 2018

### ACCEPTANCE FORM

Serial No: \_\_\_\_\_

Date: \_\_\_\_\_

To: The Committee,  
A-Smart Employee Share Option Scheme 2018

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 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 constitutes the entire agreement between us relating to the offer.

**Please print in block letters**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

**Note:**

\* Delete accordingly

## A-SMART EMPLOYEE SHARE OPTION SCHEME 2018

### FORM OF EXERCISE OF OPTION

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

To: The Committee,  
A-Smart Employee Share Option Scheme 2018,

1. Pursuant to your Letter of Offer dated \_\_\_\_\_ and my acceptance thereof, I hereby exercise the Option to subscribe for \_\_\_\_\_ Shares in A-Smart Holdings Ltd. (the “**Company**”) at S\$\_\_\_\_\_ or each Share.
2. I enclose a \*cheque/cashier's order/banker's draft/postal order no. \_\_\_\_\_ for S\$\_\_\_\_\_ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the A-Smart Employee Share Option Scheme 2018 and the Constitution of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the Shares in the name of The Central Depository (Pte) Limited (“**CDP**”) for credit of my \*Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

**Please print in block letters**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

\*Direct Securities Account No. : \_\_\_\_\_

OR

\*Sub-Account No. : \_\_\_\_\_

Name of Depository Agent : \_\_\_\_\_

OR

\*CPF Investment Account No. : \_\_\_\_\_

Name of Agent Bank : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

**Note:**

\* Delete accordingly

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of A-Smart Holdings Ltd. (the “**Company**”) will be held at 61 Tai Seng Avenue #05-14 Print Media Hub @ Paya Lebar iPark Singapore 534167 on Friday, 30 November 2018 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company scheduled to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modification, the following ordinary resolutions:

*Unless otherwise defined, all capitalised terms herein shall have the same meanings as defined in the circular to shareholders of the Company dated 15 November 2018 (the “**Circular**”).*

### **ORDINARY RESOLUTIONS**

#### **Resolution 1: Proposed Adoption of the A-Smart ESOS 2018**

THAT:

- (a) the share option scheme to be named the “A-Smart Employee Share Option Scheme 2018” (the “**A-Smart ESOS 2018**”), details of which have been set out in the Circular, be and is hereby approved and adopted;
- (b) the Directors of the Company be and are hereby authorised:
  - (i) to establish and administer the A-Smart ESOS 2018;
  - (ii) to modify and/or amend the A-Smart ESOS 2018 from time to time provided that such modifications and/or amendments are effected in accordance with the rules of the ESOS 2018 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 ESOS 2018; and
  - (iii) to grant options (the “**Options**”) in accordance with the rules of the A-Smart ESOS 2018 and to allot and issue or deliver from time to time such number of New Shares or treasury shares required pursuant to the exercise of the Options under the A-Smart ESOS 2018; and
- (c) the Directors and each of them be and are hereby authorised to complete and do all acts and things (including executing all such documents as may be required in connection with the A-Smart ESOS 2018) and exercise such discretion as the Director(s) may in their or his absolute discretion deem fit, advisable or necessary to give full effect to this Resolution and the A-Smart ESOS 2018.

#### **Resolution 2: Proposed Grant of Options at a Discount under the A-Smart ESOS 2018**

THAT subject to and contingent upon the passing of Resolution 1, the Directors be and are hereby authorised to grant Options in accordance with the rules of the A-Smart ESOS 2018 with exercise prices set at a discount to the Market Price, provided that such discount does not exceed the relevant limits set by the Singapore Exchange Securities Trading Limited.

By order of the Board

Shirley Tan Sey Liy  
Company Secretary  
15 November 2018



**Notes:**

- (1) Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. A proxy need not be a member of the Company.
- (2) Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
- (3) The instrument appointing a proxy or proxies must be signed by the appointer or his attorney duly authorised in writing. If the appointer is a corporation, the instrument appointing a proxy or proxies must be executed under common seal or the hand of its duly authorised officer or attorney.
- (4) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 61 Tai Seng Avenue, #03-03 Print Media Hub @Paya Lebar iPark, Singapore 534167 not less than forty-eight (48) hours before the time appointed for holding the EGM.
- (5) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited not less than seventy-two (72) hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend, speak and vote at the EGM.

**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.

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**A-SMART HOLDINGS LTD.**  
(Company Registration Number 199902058Z)  
(Incorporated in the Republic of Singapore)

**PROXY FORM**  
**EXTRAORDINARY GENERAL MEETING**

**IMPORTANT**

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore, Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For investors who have used their CPF/SRS monies to buy shares in the Company ("CPF/SRS Investors"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS Investors are requested to contact their respective Agent Banks/SRS Operators for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks/SRS Operators as proxies for the Extraordinary General Meeting.

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 15 November 2018.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/Co. Reg.No.)

of \_\_\_\_\_ (Address)

being a member/members of **A-SMART HOLDINGS LTD.** ("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			

as my/our proxy/proxies, to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") to be held at 61 Tai Seng Avenue #05-14 Print Media Hub @ Paya Lebar iPark Singapore 534167 on Friday, 30 November 2018 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company scheduled to be held at 10.00 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 Ordinary Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/their absolute discretion.

No.	Ordinary Resolutions	Number of Votes For*	Number of Votes Against*
1	Adoption of the A-Smart ESOS 2018		
2	Grant of Options at a discount under the A-Smart ESOS 2018		

\* If you wish to exercise all your votes "For" or "Against" the Ordinary Resolution, please indicate with an "X" within the box provided. Alternatively, please indicate the number of shares in the boxes provided as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Total Number of Shares held in:	Number of Shares
(a) Depository Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s) and/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, 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 entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company who is not a Relevant Intermediary entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member who is not a Relevant Intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 61 Tai Seng Avenue, #03-03 Print Media Hub @ Paya Lebar IPark, Singapore 534167 not less than forty-eight (48) hours before the time appointed for the Meeting.
7. 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 either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (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.

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it 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 instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered 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.