

**CIRCULAR DATED 15 APRIL 2015**

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

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

If you have sold or transferred all your shares in the capital of Advance SCT Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares (as defined herein) represented by physical share certificate(s), you should at once hand this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. The in-principle approval from the SGX-ST is not to be taken as an indication of the merits of the Shares, the New Shares, the 2015 Scheme, the Company and/or its subsidiaries (as respectively defined herein).



**ADVANCE SCT LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200404283C)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO:**

- (1) THE PROPOSED ADOPTION OF THE ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015; AND**
- (2) THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015.**

**Important Dates and Times:**

Last date and time for lodgement of Proxy Form	:	28 April 2015 at 3 p.m.
Date and time of Extraordinary General Meeting	:	30 April 2015 at 3 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2 p.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	65 Tech Park Crescent Singapore 637787

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## CONTENTS

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1. INTRODUCTION .....	7
2. THE ADOPTION OF THE ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015 .....	8
3. FINANCIAL EFFECTS OF THE 2015 SCHEME .....	18
4. THE AUTHORITY TO GRANT OPTIONS AT A DISCOUNT .....	19
5. PARTICIPATION BY DIRECTORS AND EMPLOYEES OF ASSOCIATED COMPANIES .....	20
6. PARTICIPATION BY NON-EXECUTIVE DIRECTORS .....	20
7. PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES .....	21
8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS .....	22
9. DIRECTORS' RECOMMENDATIONS .....	23
10. EXTRAORDINARY GENERAL MEETING .....	23
11. ACTION TO BE TAKEN BY SHAREHOLDERS .....	23
12. ABSTENTION FROM VOTING .....	23
13. DIRECTORS' RESPONSIBILITY STATEMENT .....	24
14. DOCUMENTS AVAILABLE FOR INSPECTION .....	24
APPENDIX A .....	25
NOTICE OF EXTRAORDINARY GENERAL MEETING .....	48
PROXY FORM	

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

- “2015 Scheme”* : The proposed Advance SCT Employee Share Option Scheme 2015.
- “AGM”* : The annual general meeting of the Company to be held on 30 April 2015 at 2 p.m. at 65 Tech Park Crescent, Singapore 637787.
- “Articles of Association”* : The articles of association of the Company, as amended or modified from time to time.
- “ASCT PSP”* : The Company Performance Share Plan, which was approved by Shareholders at an extraordinary general meeting of the Company held on 13 July 2007, as modified or altered from time to time.
- “Associated Company”* : A company in which at least 20% but not more than 50% of the shares are held by the Company or the Group and over which the Company has control.
- “Associates”* : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means (i) his immediate family, (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and (iii) any company in which he and his immediately family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Auditors”* : The auditors of the Company for the time being.
- “Award”* : A contingent award of Shares granted under the ASCT PSP.
- “Board of Directors” or “Directors”* : The board of Directors of the Company as at the Latest Practicable Date.
- “Business Day”* : A day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore.
- “CDP”* : The Central Depository (Pte) Limited.

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## DEFINITIONS

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<i>“Circular”</i>	:	This circular to Shareholders dated 15 April 2015.
<i>“Companies Act”</i>	:	Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time.
<i>“Company”</i>	:	Advance SCT Limited.
<i>“Control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
<i>“Controlling Shareholder”</i>	:	A shareholder who:  (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding Shares held by the Company as Treasury Shares) (unless otherwise determined by the SGX-ST that a person who satisfies this sub-paragraph is not a controlling shareholder); or  (b) in fact exercises Control over the Company.
<i>“CPF”</i>	:	Central Provident Fund.
<i>“Date of Grant”</i>	:	In relation to an Option, the date on which that Option is granted pursuant to the rules of the 2015 Scheme.
<i>“EGM”</i>	:	The extraordinary general meeting of the Company to be held on 30 April 2015 at 3 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM) at 65 Tech Park Crescent, Singapore 637787, notice of which is set out on pages 48 to 50 of this Circular.
<i>“Employee Share Options”</i>	:	The outstanding employee share options under the Previous Scheme as at the Latest Practicable Date.
<i>“EPS”</i>	:	Earnings per Share.
<i>“Executive Director”</i>	:	A director of the (a) Company and/or any of its subsidiaries, as the case may be, or (b) an Associated Company, who performs an executive function, as the case may be.
<i>“Exercise Price”</i>	:	The price at which a Participant shall acquire each Share upon the exercise of an Option, as determined in accordance with the rules of the 2015 Scheme.
<i>“Existing Share Capital”</i>	:	The existing issued and paid-up share capital of the Company of 14,942,564,101 Shares, as at the Latest Practicable Date.
<i>“FY”</i>	:	The financial year ended 31 December.

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## DEFINITIONS

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<i>“Grantee”</i>	:	The person to whom an offer of an Option is made.
<i>“Group”</i>	:	The Company, its subsidiaries and the Associated Companies (as they may exist from time to time).
<i>“Group Employee”</i>	:	Any confirmed employee of the Group (including an Executive Director) selected by the Remuneration Committee to participate in the 2015 Scheme in accordance with the rules thereof.
<i>“Incentive Option”</i>	:	The right to subscribe for Shares granted or to be granted pursuant to the 2015 Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined by reference to a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Remuneration Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price and approved by the Shareholders at a general meeting in a separate resolution in respect of that Option.
<i>“Latest Practicable Date”</i>	:	6 April 2015, being the latest practicable date prior to the printing of this Circular.
<i>“Listing Manual”</i>	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time.
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities.
<i>“Market Price”</i>	:	The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.
<i>“Market Price Option”</i>	:	The right to subscribe for Shares granted or to be granted pursuant to the 2015 Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined by reference with the Market Price.
<i>“NAV”</i>	:	Net asset value.
<i>“New Shares”</i>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of Options under the 2015 Scheme.

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## DEFINITIONS

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<i>“Non-Executive Director”</i>	:	A director of (a) the Company and/or any of its subsidiaries, as the case may be; or (b) an Associated Company, who is not an Executive Director.
<i>“Notice of EGM”</i>	:	The notice of the EGM as set out on pages 48 to 50 of this Circular.
<i>“NTA”</i>	:	Net tangible assets.
<i>“Option”</i>	:	A Market Price Option or an Incentive Option, as the case may be.
<i>“Participant”</i>	:	The holder of an Option.
<i>“Previous Scheme”</i>	:	The Company employee share option scheme which was approved by Shareholders at an extraordinary general meeting of the Company held on 20 September 2004. As at the Latest Practicable Date, there are 50,786,000 Employee Share Options outstanding under the Previous Scheme, each carrying the right to subscribe for one new Share.
<i>“Register of Members”</i>	:	Register of members of the Company.
<i>“Remuneration Committee”</i>	:	The remuneration committee of the Company from time to time, comprising Directors of the Company, and who are duly authorised and appointed by the Board of Directors to administer the 2015 Scheme.
<i>“Schemes”</i>	:	The 2015 Scheme and the ASCT PSP, and “Scheme” shall mean any of them.
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account.
<i>“SFA”</i>	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time.
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited.
<i>“Shareholders”</i>	:	Registered holders of Shares except that where CDP is registered holder, the term “Shareholders” shall, in relation to such Shares, mean Depositors who have Shares entered against their names in the Depository Register.
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company.
<i>“Substantial Shareholder”</i>	:	A person who holds directly and/or indirectly 5% or more of the total issued share capital of the Company.

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## DEFINITIONS

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*“Treasury Shares”* : The Shares held in treasury by the Company.

*“S\$”* and *“cents”* : Singapore dollars and cents respectively.

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

The terms *“Depositor”*, *“Depository Agent”* and *“Depository Register”* shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act.

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

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

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

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



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## LETTER TO SHAREHOLDERS

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### ADVANCE SCT LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200404283C)

**Directors:**

Mr. Simon Eng (*Executive Chairman and Chief Executive Officer*)  
Mr. Zhang Baoan (*Non-Executive Director and Vice Chairman*)  
Mr. Song Tang Yih (*Executive Director and President*)  
Mr. Peter Choo Chee Kong (*Non-Executive Director*)  
Mr. Chay Yiowmin (*Independent Director, AC Chairman*)  
Mr. Lee Suan Hiang (*Independent Director, NC Chairman*)  
Mr. Attlee Hue Kuan Yew (*Independent Director, RC Chairman*)

**Registered Office:**

65 Tech Park Crescent  
Singapore 637787

15 April 2015

To: The Shareholders of Advance SCT Limited

Dear Sir/Madam,

- (1) **THE PROPOSED ADOPTION OF THE ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015; AND**
- (2) **THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015**

#### 1. INTRODUCTION

##### 1.1. EGM

The Directors are convening the EGM to be held on 30 April 2015 at 3 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM) at 65 Tech Park Crescent, Singapore 637787 to seek Shareholders' approval for the following proposals:

- (a) the adoption of the Advance SCT Employee Share Option Scheme 2015; and
- (b) the proposed grant of Options at a discount under the Advance SCT Employee Share Option Scheme 2015.

##### 1.2. Circular

This Circular has been prepared to provide Shareholders with information relating to the proposals, which will be tabled at the EGM, notice of which is set out on pages 48 to 50 of this Circular.

##### 1.3. Listing of New Shares

The SGX-ST had on 6 April 2015 granted approval in-principle for the listing and quotation of the New Shares on the Official List of the SGX-ST, subject to the Company's compliance with the SGX-ST's listing requirements and guidelines, and independent Shareholder's approval being obtained for the 2015 Scheme.

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## LETTER TO SHAREHOLDERS

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Such in-principle approval from the SGX-ST is not to be taken as an indication of the merits of the 2015 Scheme, the New Shares, the Company and/or its subsidiaries.

### 2. THE ADOPTION OF THE ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015

#### 2.1. The Previous Scheme and ASCT PSP

On 20 September 2004, the Company adopted the Previous Scheme known as the “Advance SCT Employee Share Option Scheme”, pursuant to which Employee Share Options were granted to employees eligible under the rules of the Previous Scheme. The duration of the Previous Scheme was 10 years commencing on the date of adoption, that is, 10 years commencing on 20 September 2004. Accordingly, the Previous Scheme expired on 19 September 2014.

In addition to the Previous Scheme, the Company has in place the ASCT PSP, a performance share plan that was adopted by the Shareholders on 13 July 2007. The Company does not have in place any other share plan or share scheme.

The Company is proposing to adopt the 2015 Scheme, to be known as the “Advance SCT Employee Share Option Scheme 2015”, to replace the Previous Scheme. A summary of the principal terms of the 2015 Scheme is set out in paragraph 2.4 below.

Notwithstanding the expiry or termination of the Previous Scheme, Employee Share Options granted under the Previous Scheme prior to such expiry or termination will continue to remain valid.

#### 2.2. Employee Share Options and Awards

Details of the Employee Share Options granted to, and the number of Shares issued and allotted upon the exercise of Employee Share Options by, the participants under the Previous Scheme as at the Latest Practicable Date are as follows:

<b>Number of Employee Share Options granted</b>	<b>Number of Shares issued and allotted upon exercise of Employee Share Options</b>	<b>Number of Shares comprised in outstanding Employee Share Options</b>	<b>Total number of Participants</b>
51,586,000	800,000	50,786,000	8

Accordingly, there are 50,786,000 outstanding and unexercised Employee Share Options granted under the Previous Scheme to subscribe for up to an aggregate of 50,786,000 Shares, representing approximately 0.34% of the Existing Share Capital.

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## LETTER TO SHAREHOLDERS

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Details of all outstanding Employee Share Options granted under the Previous Scheme as at the Latest Practicable Date are as follows:

Date of Grant	Exercisable Period	Exercise Price (\$)	Number of Shares comprised in outstanding Employee Share Options	Number of Participants
12 October 2010	12 October 2011 to 11 October 2020	0.050	8,286,000	2
12 August 2011	12 August 2012 to 11 August 2021	0.025	10,200,000	4
27 March 2012	27 March 2013 to 26 March 2022	0.029	9,800,000	6
11 April 2014	11 April 2015 to 10 April 2024	0.0024	22,500,000	8

Save as disclosed in this Circular, the Employee Share Options outstanding as at the Latest Practicable Date are not subject to any material conditions.

Details of Employee Share Options granted to Directors under the Previous Scheme as at the Latest Practicable Date are as follows:

Name of Director	Date of Grant	No. of Shares comprised in Employee Share Options granted since commencement of the Previous Scheme	No. of Shares allotted pursuant to Employee Share Options since commencement of the Previous Scheme
Simon Eng	12 October 2010	7,286,000	0
Simon Eng	12 August 2011	8,000,000	0
Attlee Hue	12 August 2011	1,000,000	0
Simon Eng	27 March 2012	6,000,000	0
Attlee Hue	27 March 2012	1,000,000	0
Eric Chan Meng Koo	27 March 2012	600,000	0
Sim Chek Tong	27 March 2012	800,000	800,000
Simon Eng	11 April 2014	10,000,000	0
Attlee Hue	11 April 2014	3,000,000	0
Peter Choo	11 April 2014	1,500,000	0

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## LETTER TO SHAREHOLDERS

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As at the Latest Practicable Date, an aggregate of 800,000 Shares have been issued to Sim Chek Tong upon exercise of Employee Share Options. No other Shares have been issued pursuant to exercise of Employee Share Options since the commencement of the Previous Scheme.

No Employee Share Options have been granted to Controlling Shareholders or Associates of such Controlling Shareholders.

There have been no Awards granted to participants under the ASCT PSP since the commencement of the ASCT PSP and there are no ASCT PSP Awards outstanding and unvested.

### 2.3. Objectives and rationale of the 2015 Scheme

The 2015 Scheme is intended to replace the Previous Scheme which expired on 19 September 2014. The 2015 Scheme is proposed to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance.

The 2015 Scheme will enable the Company to, *inter alia*:

- (i) motivate directors and employees of the Group and Associated Companies to greater dedication, loyalty and higher performance standards and efficiency and to maintain a high level of contribution to the Group; and
- (ii) give recognition to the contributions made or to be made by those who have contributed significantly to the growth and performance of the Company and the Group.

The 2015 Scheme is meant to be a loyalty driven share-based incentive program and is proposed on the basis that it is important to recognise the fact that the services of such employees and directors are important to the success and continued well-being of the Group. Implementation of the 2015 Scheme will enable the Company to give recognition to the contributions made by Group Employees and Non-Executive Directors, which is essential to the well-being and prosperity of the Group. At the same time, it will give such Group Employees and Non-Executive Directors an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:

- (i) the motivation of Participants to optimise performance standards and efficiency and to maintain a high level of contribution;
- (ii) the retention of key Group Employees whose contributions are important to the long term growth and prosperity of the Group;
- (iii) the attainment of harmonious employer/employee relations as well as the strengthening of working relationships with the Group's close business associates;
- (iv) the alignment of the interest of Group Employees and Non-Executive Directors with the interests of the Shareholders; and
- (v) the development of a participatory style of management which promotes greater commitment and dedication amongst the employees and instils loyalty and a stronger sense of identification with the long term prosperity of the Group.

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## LETTER TO SHAREHOLDERS

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### **2.4. Rationale for the ASCT PSP and the 2015 Scheme**

The 2015 Scheme is intended to complement the ASCT PSP as it performs a different function from the ACST PSP. The 2015 Scheme is aimed at enticing and retaining Group Employees and Non-Executive Directors who have the requisite knowledge, technical skills and experience to join and/or continue to stay with the Group and Associated Companies, while the ACST PSP is aimed at promoting higher performance goals and recognising exceptional achievements of key executives, employees and non-executive directors of the Group and Associated Companies.

As the 2015 Scheme is intended to function as a generic share-based incentive scheme, the assessment criteria for granting Options to Participants under the 2015 Scheme are more general (for example, scope of responsibility and length of service). On the other hand, as the ACST PSP contemplates the Award of fully paid-up Shares, certain performance targets have to be met before the grant of Awards to participants under the ACST PSP. Thus, the ACST PSP is specifically targeted at key executives, employees and non-executive directors who have performed exceptionally and contributed significantly to the Group.

The Company believes that the ACST PSP and the 2015 Scheme will serve to complement each other in the Company's continuing efforts to reward, retain and motivate Group Employees and Non-Executive Directors to achieve outstanding performances. The choice of more than one share plan will give the Company greater flexibility in tailoring the reward of incentive packages to participants under the ACST PSP or the 2015 Scheme, which will in turn strengthen the overall effectiveness of its performance based compensation schemes.

### **2.5. Summary of the principal terms of the 2015 Scheme**

The following is a summary of the principal terms of the 2015 Scheme and is qualified in its entirety by reference to the more detailed information of the 2015 Scheme as set out in the rules of the 2015 Scheme which are in turn set out in Appendix A to this Circular:

#### **2.5.1. Eligibility**

Group Employees (including Executive Directors) and Non-Executive Directors are eligible to participate in the 2015 Scheme. Employees who are Controlling Shareholders and their Associates are also eligible to participate in the 2015 Scheme. However, a separate resolution by independent Shareholders must be passed for the participation of each Controlling Shareholder or his Associate and to approve the actual number of and terms of such Options granted to each Controlling Shareholder or his Associate. The Participant must not be an undischarged bankrupt and must not have entered into a composition with his creditors.

Directors and employees of the Company's parent company and its subsidiaries (other than the Company and the Company's subsidiaries) are not entitled to participate in the 2015 Scheme.

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## LETTER TO SHAREHOLDERS

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### 2.5.2. Limitations on the 2015 Scheme

#### *Size*

The total number of New Shares which may be issued pursuant to Options granted under the 2015 Scheme and Awards granted under the ASCT PSP on any date shall not exceed 15% of the total number of issued share capital of the Company on the day immediately preceding the Date of Grant.

The maximum limit of 15% under the Schemes is intended to accommodate the potential pool of participants arising from the Company's base of eligible participants. The Company also hopes that with the significant portion of its issued share capital set aside for the 2015 Scheme and the ASCT PSP, the Group Employees and Non-Executive Directors will recognise that the Company is making a good effort to reward them for their invaluable contributions to the Company and/or the Group by allowing them greater opportunities to participate in the Company's equity.

The Company is of the view that the size of the Schemes is reasonable, taking into account the share capital base of the Company, the contributions by the Group Employees and Non-Executive Directors and the potential number of employees as the Company's business expands. Implementing the 2015 Scheme, with the maximum number of Shares arising from the Schemes not exceeding 15% of the total issued share capital of the Company on the day immediately preceding the Date of Grant will enable the Company to maintain flexibility and remain competitive in the industry.

#### *Entitlement*

Subject to the size of the Schemes as described above and any requirements of the SGX-ST, the aggregate number of Shares in respect of which Options may be offered for subscription shall be determined at the discretion of the Remuneration Committee, which will take into consideration criteria such as the Grantee's capability, scope of responsibility, skill and vulnerability to leaving the employment of the Group, rank, past performance, years of service, the potential for future development of the Grantee and the benefits to be given to the Grantee under the 2015 Scheme and/or other share-based incentive schemes of the Company, provided always that:

- (i) the aggregate number of Shares which may be offered by way of grant of Options to Participants who are Controlling Shareholders or their Associates shall not exceed 25% of the total number of New Shares available under any Scheme, and such aggregate number of New Shares which may be offered to each Controlling Shareholder or his Associate must have been approved by the independent Shareholders in a separate resolution; and
- (ii) the number of Shares available to each Controlling Shareholder or his Associate shall not exceed 10% of the total number of Shares available under any Scheme.

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## LETTER TO SHAREHOLDERS

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### **2.5.3. Grant of Options**

An Option granted pursuant to the 2015 Scheme represents a right to acquire the Shares which are the subject of the Option, at the applicable Exercise Price. An Option may be granted subject to such conditions as may be determined by the Remuneration Committee, in its absolute discretion, on the Date of Grant.

The Remuneration Committee may grant Options at any time during the period when the 2015 Scheme is in force, except that, for so long as the Shares are listed and quoted on the SGX-ST, no Options shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim and/or final results, as the case may be. In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, the Remuneration Committee may only grant Options on or after the third Market Day from the date on which the announcement is released.

### **2.5.4. Acceptance of Options**

An Option shall be personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Remuneration Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Option without the prior approval of the Remuneration Committee.

The offer of the grant of an Option is open for acceptance from the period of 15 days from the Date of Grant and not more than 30 days from the Date of Grant. If it is not accepted, in the manner provided under the rules of the 2015 Scheme, by 5.00 p.m. on the 30th day from the Date of Grant accompanied by payment of S\$1.00 as consideration, the offer will automatically lapse and become null, void and of no effect.

### **2.5.5. Exercise of Options**

A Market Price Option can be exercised during the period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant. However, a Market Price Option granted to a Participant not holding a salaried office or employment in the Group will expire on the fifth anniversary of such Date of Grant.

An Incentive Option can be exercised during the period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant. However, an Incentive Option granted to a Participant not holding a salaried office or employment in the Group will expire on the fifth anniversary of such Date of Grant.

The Options can be exercised in whole or in part. Any Option exercised in part only shall continue to be exercisable until such time as it lapses in accordance with the 2015 Scheme.

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## LETTER TO SHAREHOLDERS

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### 2.5.6. Exercise Price

Under the 2015 Scheme, the Exercise Price of the Options granted will be determined by the Remuneration Committee in its absolute discretion. The Remuneration Committee may grant Incentive Options to the Participants at up to a 20% discount to the Market Price of the New Shares.

Incentive Options will only be granted to deserving executives and employees whose performance has been consistently good and/or whose future contributions to the Group will be invaluable. The grant of Incentive Options at Exercise Prices up to 20% discount to the Market Price of the New Shares to Participants will serve as a means to recognise their performances and motivate them to continue to excel and focus on improving the profitability and returns of the Group to a level that benefits all Shareholders. Incentive Options would be perceived in a more positive light by the Participants, inspiring them to work hard and produce results in order to be granted Incentive Options as only employees who have made outstanding contributions to the Group will be offered Incentive Options.

In determining which Participants should be granted Incentive Options and the quantum of the discount, the Remuneration Committee shall be at liberty to take into consideration such criteria as they deem fit, including factors such as (i) the performance of the Group, taking into account financial considerations such as the Group's net profit after tax, return on equity and earnings growth, (ii) the performance of the individual Participant, his effectiveness and contribution to the success and development of the Group, and (iii) the prevailing market conditions.

In addition, the Company may consider granting incentive Options at up to 20% discount to the Market Price of the New Shares under circumstances including, but not limited to, the following:

- (i) to enable the Group to offer competitive remuneration packages in the event that the practice of granting options with exercise prices that have a discount element becomes a general market norm. As share options become more significant components of executive remuneration packages, a discretion to grant options with discounted prices will provide the Group with a means to maintain the competitiveness of the Group compensation strategy; and
- (ii) where the Group needs to provide more compelling motivation for specific business units to improve their performance, grants of share options with discounted exercise prices will help to align the interest of employees to those of shareholders by encouraging them to focus more on profitability and returns of the Group above a certain level that will benefit all Shareholders when these are eventually reflected through an appreciation of the share price, as such options granted at a discount would be perceived more positively by the employees who receive such options.

The Remuneration 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% of the Market Price of a Share, as described above.



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## LETTER TO SHAREHOLDERS

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The 2015 Scheme also provides for the Exercise Price to be adjusted in the circumstances described in paragraph 2.5.10 below.

### 2.5.7. Lapse of Options

An Option shall, to the extent that it is unexercised, lapse:

- (i) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option;
- (ii) in the event of misconduct on the part of the Participant as determined by the Remuneration Committee in its discretion;
- (iii) subject to paragraph (ii) where the Participant, who is a Group Employee, ceases at any time to be in the employment of the Group for any reason whatsoever;
- (iv) in the event that the Remuneration Committee shall, at its sole and absolute discretion, deem it appropriate that such Option shall lapse on the grounds that any of the objectives of the 2015 Scheme have not been met; or
- (v) in the event of a take-over, reconstruction or amalgamation of the Company or an order made or a resolution passed for the winding-up of the Company.

Where a Participant who is an Executive Director ceases to be an employee of the Group due to a change in control of the Board, he shall, be entitled to exercise in full all unexercised Options from the last date of employment with the Group until the end of the period for the exercise of such Option as set out in Rules 11 and 16 of the 2015 Scheme.

### 2.5.8. Operation of the 2015 Scheme

In determining whether to issue New Shares or to deliver existing Shares to Participants upon the exercise of their Options, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing New Shares or transferring existing Shares.

The financial effects of the above methods are discussed in paragraph 3 below. New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the exercise of an Option shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date of exercise of the Option, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

### 2.5.9. Duration of the 2015 Scheme

The 2015 Scheme shall continue in operation for a maximum duration of ten (10) years commencing from the date on which the 2015 Scheme is adopted by the Company in the EGM. However, subject to compliance with any applicable laws and

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## LETTER TO SHAREHOLDERS

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regulations in Singapore, the 2015 Scheme may continue beyond the period above with the approval of the shareholders in general meeting by way of ordinary resolution at a general meeting and of the relevant authorities which may be required.

The 2015 Scheme may also be terminated at any time by the Remuneration Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the 2015 Scheme is so terminated, no further Options shall be offered by the Company thereunder.

### **2.5.10. Adjustment Events**

If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or issues for cash or for shares or otherwise than for cash or otherwise howsoever) should take place, then the Remuneration Committee may, in its sole discretion, determine whether:

- (i) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised;
- (ii) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (iii) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

shall be adjusted and, if so, the manner in which such adjustment shall be made. Any adjustment must be made in a way that a Participant will not receive a benefit that a Shareholder does not receive.

The following shall not normally be regarded as circumstances requiring adjustment:

- (i) any issue of securities as consideration for an acquisition of any assets or private placement of securities by the Company;
- (ii) any increase in the number of issued Shares as a consequence of the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants issued from time to time by the Company enabling holders thereof to acquire new Shares; or
- (iii) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force.

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

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## LETTER TO SHAREHOLDERS

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### 2.5.11. Alteration and Amendments to the 2015 Scheme

The 2015 Scheme may be modified and/or altered at any time and from time to time by a resolution of the Remuneration Committee except that:

- (i) any modification or alteration which alters adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Remuneration Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;
- (ii) any modification or alteration which would be to the advantage of Participants under the 2015 Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
- (iii) no modification or alteration shall be made without the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

### 2.6. Disclosure in Annual Report

For so long as the 2015 Scheme continues in operation, the Company will make such disclosures (or include the appropriate negative statements) in its Annual Report as from time to time required by the Listing Manual including the following (where applicable):

- (a) the names of the members of the Remuneration Committee administering the 2015 Scheme;
- (b) the information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular financial year):
  - (i) Participants who are Directors of the Company;
  - (ii) Participants who are Controlling Shareholders and their Associates; and
  - (iii) Participants, other than those in (i) and (ii) above, who receive 5% or more of the total number of Options available under the 2015 Scheme; and

Name of Participant	Options granted during the financial year under review (including terms)	Aggregate Options granted since commencement of the 2015 Scheme to the end of the financial year under review	Aggregate Options exercised since commencement of the 2015 Scheme to the end of the financial year under review	Aggregate Options outstanding as at the end of the financial year under review
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## LETTER TO SHAREHOLDERS

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- (c) the number and proportion of Options granted at the following discounts to the Market Price in the financial year under review:
  - (i) Options granted at up to 10% discount; and
  - (ii) Options granted at between 10% but not more than 20% discount; and
- (d) such other information as may be required by the Listing Manual and all other applicable laws and requirements,

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

### 2.7. Role and Composition of the Remuneration Committee

The Remuneration Committee, whose primary function is to assist the Directors in overseeing matters such as executive compensation and succession planning, will be designated as the committee responsible for the administration of the 2015 Scheme. The Remuneration Committee shall administer the 2015 Scheme in its absolute discretion with such powers and duties as are conferred on it by the Board of Directors.

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

### 3. FINANCIAL EFFECTS OF THE 2015 SCHEME

The financial effects of the 2015 Scheme are discussed below.

#### (a) Share Capital

The grant of Options under the 2015 Scheme will result in an increase in the Company's issued share capital to the extent that New Shares are issued to the Participants pursuant to the exercise of the Options. This will in turn depend on, *inter alia*, the number of Shares comprised in the Options to be issued. However, there will be no change to the Company's issued share capital where Options (when exercised) are satisfied by Treasury Shares held by the Company, or if the relevant Options are not exercised.

#### (b) Cost of Options

Based Financial Reporting Standard 102 ("**FRS 102**") relating to share-based payments, no cash outlays would be expended by the Company at the time Options are issued (as compared with cash bonuses). However, the Company would recognise an expense in the financial statements based on the fair value of the Option as at the Date of Grant.

The Company has to comply with FRS 102 which is effective for the financial statements of the Company for the financial year beginning 1 January 2005. Participants will receive Shares in settlement of the Options as described in the following paragraphs.

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## LETTER TO SHAREHOLDERS

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The fair value of employee services received in exchange for the grant of the Options would be recognised as a charge to the income statement over the vesting period of an Option and a corresponding credit to reserve account. For Options granted, the total amount of the charge over the vesting period is generally measured based on the fair value of each Option granted. This is normally estimated by applying the option pricing model at the Date of Grant. Before the end of the vesting period, at each accounting year end, the estimate of the number of Options that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made. This accounting treatment has been referred to as the “modified grant date method”, because the number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually vest but no adjustment is made to changes in the fair value of the Shares since the Date of Grant.

The amount charged to the income statement would be the same whether the Company settles the Options using New Shares or existing Shares.

**(c) NTA**

The issue of New Shares upon the exercise of the Options granted under the 2015 Scheme will increase the Company’s NTA by the aggregate Exercise Price of the New Shares issued. On a per New Share basis, the effect on the NTA per share of the Company is accretive if the Exercise Price is above the NTA per Share, but dilutive otherwise.

**(d) EPS**

The 2015 Scheme will result in a charge to earnings over the period from the Date of Grant to the vesting date, computed in accordance with FRS 102, as well as an increase in the number of issued Shares if New Shares are issued under the 2015 Scheme. These will have a dilutive impact on EPS.

#### **4. THE AUTHORITY TO GRANT OPTIONS AT A DISCOUNT**

In accordance with Rule 845(5) of the Listing Manual and Rule 9.1 of the 2015 Scheme, the making of offers and grants of Options under the 2015 Scheme at a discount not exceeding the maximum discount of 20% of the Market Price is subject to the approval of Shareholders at a general meeting. For the avoidance of doubt, such prior approval shall be required to be obtained only once, and once obtained, shall, unless revoked, authorise the making of offers and grants of Options under the 2015 Scheme at such discount for the duration of the Scheme.

Under the 2015 Scheme, the Exercise Price of Option granted shall be determined by the Remuneration Committee at its absolute discretion. The Remuneration Committee has the discretion to grant Options with an Exercise Price set at a discount to the Market Price on a case by case basis, taking into consideration, including but not limited to, the criteria set out under Rule 9.2 of the 2015 Scheme. In the event that Options are granted at a discount, the discount shall not exceed 20% of the Market Price.

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## LETTER TO SHAREHOLDERS

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The ability to offer Options at a discount to the Market Price of the Shares will give the Company flexibility in structuring the Options granted, and ensures that the Company maintains the competitiveness of its compensation strategy. The Company may utilise the Options as a means to reward Participants for their outstanding performance and to motivate them to continue to excel, as well as attract new talent for the Company. Being able to grant Options at a discount allows the Company to acknowledge a Participant's contributions where such means is more meaningful than just paying a cash bonus, as these Options operate as a form of cashless reward from the Company with a greater potential for capital appreciation than Options granted at the Market Price. This serves as an additional method available to the Company for compensating Group Employees and Non-Executive Directors rather than merely through salaries, salary increments and cash bonuses as it enables the Company to introduce an effective manner of motivating Participants to maximise their performance, which will in turn create better value for the Shareholders.

Further, because Options granted with a discount under the 2015 Scheme are subject to longer vesting periods of two (2) years, as opposed to Options granted at the Market Price, which are subject to the minimum vesting period of one (1) year, holders of such Options will be encouraged to have a long-term view of the Group, thereby promoting staff and executive retention and reinforcing their commitment to the Company.

The Company believes that the maximum 20% discount to the Market Price of the Shares is sufficient to allow for flexibility in the Option Scheme, while minimising the potential dilutive effect to the Shareholders arising from the Option Scheme.

### **5. PARTICIPATION BY DIRECTORS AND EMPLOYEES OF ASSOCIATED COMPANIES**

Employees and directors of Associated Companies are persons who are in a position to provide valuable support and inputs to the Company through their close working relationship and/or business association with the Group. They provide assistance and support to the Company on a continuing basis in the development and implementation of business strategies, investments and projects in which the Company and/or the Group has interests. The Company recognises that the continued support of these persons is important to the growth and development, well-being and stability of the Group. The ability to include such persons under the 2015 Scheme would provide the Company with the flexibility to explore and determine the most appropriate method to acknowledge contributions or special efforts made by them over periods of time.

### **6. PARTICIPATION BY NON-EXECUTIVE DIRECTORS**

While the 2015 Scheme will cater principally to Group Employees, it is recognised that there are other persons who can 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 non-executive directors of the Company, its subsidiaries and Associated Companies. These persons are also eligible for selection, at the absolute discretion of the Remuneration Committee, to participate in the 2015 Scheme.

Non-Executive Directors are generally persons from different professions and working backgrounds. The Company regards this category of persons as an important resource pool from which the Group is able to tap for business contacts and networking, and for the benefit of their experiences and insights. The 2015 Scheme provides the Company with a means to give them recognition for any special or commendable efforts in furthering the interests of the Company and/or the Group, such as facilitating business opportunities for the Group,

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## LETTER TO SHAREHOLDERS

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expending additional time on management oversight, or in relation to significant corporate exercises or projects that may be undertaken by the Company or the Group from time to time.

The Board is of the view that the participation by the Non-Executive Directors in the 2015 Scheme will not compromise their independent status and will better align the interests of such Non-Executive Directors with the interests of Shareholders. The Non-Executive Directors as at the Last Practicable Date are Mr. Zhang Baoan and Mr. Peter Choo Chee Kong.

### **7. PARTICIPATION BY CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES**

#### **7.1. Rationale**

The Company believes that the proposed 2015 Scheme may be more effective than cash bonuses in motivating employees to work towards pre-determined targets and/or to put in their best efforts whilst at the same time allowing the Company to offer competitive incentives and remuneration packages.

To this end, key executives including the Controlling Shareholders and their Associates shall be treated equally as the Controlling Shareholders and their Associates are important to the development and success of the Group. As such, regardless of whether they are Controlling Shareholders or Associates of Controlling Shareholders, the Company's view is that all deserving and eligible participants should be equally entitled to take part and benefit from the Company's fair and equitable system of remuneration.

The terms of the proposed 2015 Scheme do not differentiate Controlling Shareholders and their Associates from other key executives in determining the eligibility of such persons to be granted Options. They should not unduly favour Controlling Shareholders and their Associates. Likewise, Controlling Shareholders and their Associates should not be excluded from participating in the proposed 2015 Scheme solely for the reason that they are Controlling Shareholders or Associates of Controlling Shareholders. In addition, to deny participation by the Controlling Shareholders and their Associates may serve to discourage them and undermine the objectives of the proposed 2015 Scheme.

In terms of the basis for determining the quantum of grant to each Controlling Shareholder and/or Associate of a Controlling Shareholder, factors which will be taken into account include the designation, capability, experience, scope of responsibility and years of service of the Participant as well as his overall past and potential contributions to the growth and development of the Group.

#### **7.2. Safeguards**

As a safeguard against abuse, all members of the Board who are not Controlling Shareholders or Associates (and not just members of the Remuneration Committee) will be involved in deliberations in respect of Options to be granted to or held by Controlling Shareholders and their Associates and the terms and conditions including the performance targets and vesting periods attached to such Options. Examples of performance targets to be set for Controlling Shareholders and their Associates include targets based on criteria such as the Group's profitability and return of Shareholders' funds.

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## LETTER TO SHAREHOLDERS

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Specific approval of the independent Shareholders is required for the grant of Options to Controlling Shareholders and their Associates. A separate resolution must be passed for each Controlling Shareholder or his Associate and to approve the actual number of and terms of such Options. In seeking such independent Shareholders' approval, clear justification as to the participation, the number of New Shares and the terms of Options to be granted to Controlling Shareholders and their Associates will need to be provided.

The Company is of the view that there are sufficient safeguards against abuse resulting from the participation of Controlling Shareholders and their Associates in the proposed 2015 Scheme.

### 7.3. Controlling Shareholders and their Associates

As at the Latest Practicable Date, the Company does not have any Controlling Shareholders. However, as and when there are Controlling Shareholders and the Controlling Shareholders or their Associates are eligible to be granted Options, the participation of such Controlling Shareholders and their Associates in the 2015 Scheme will have to be approved by independent Shareholders at a general meeting and a separate resolution must be passed for each Controlling Shareholder or his Associate and to approve the actual number of and terms of such Options to be granted.

## 8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>						
Simon Eng <sup>(2)</sup>	–	–	1,274,644,521	8.53	1,274,644,521	8.53
Hau Chan Yen <sup>(3)</sup>	–	–	1,274,644,521	8.53	1,274,644,521	8.53
Zhang Baoan <sup>(4)</sup>	–	–	1,348,495,104	9.03	1,348,495,104	9.03
<b>Substantial Shareholders (other than Directors)</b>						
Belle Forte Ltd	1,274,644,521	8.53	–	–	1,274,644,521	8.53
Fort Canning (Asia) Pte Ltd	1,348,495,104	9.03	–	–	1,348,495,104	9.03

#### Notes:

- (1) The percentage shareholding interest is based on the issued share capital of 14,942,564,101 Shares as at the Latest Practicable Date.
- (2) Simon Eng is deemed interested in 1,274,644,521 Shares held through Belle Forte Ltd.
- (3) Hau Chan Yen, the wife of Simon Eng, is deemed interested in 1,274,644,521 Shares held through Belle Forte Ltd and Simon Eng.
- (4) Zhang Baoan is deemed interested in 1,348,495,104 Shares held through Fort Canning (Asia) Pte Ltd.



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## LETTER TO SHAREHOLDERS

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Save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the 2015 Scheme (other than through their respective shareholdings in the Company).

### **9. DIRECTORS' RECOMMENDATIONS**

All the Directors will be potentially eligible to participate in the 2015 Scheme. Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of the Ordinary Resolution relating to the proposed adoption of the 2015 Scheme and the Ordinary Resolution relating to the proposed grant of Options at a discount under the 2015 Scheme as set out in the Notice of EGM. The Directors shall also decline to accept nominations as proxy or otherwise from any Shareholder to vote at the EGM in respect of the said ordinary resolutions unless given specific instructions by the Shareholder in the relevant proxy form as to how his votes are to be cast.

### **10. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on pages 48 to 50 of this Circular, will be held on 30 April 2015, at 3 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM) at 65 Tech Park Crescent, Singapore 637787, for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions set out in the Notice of EGM.

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

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's office at 65 Tech Park Crescent, Singapore 637787, not less than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he wishes to do so. A proxy need not be a Shareholder of the Company.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP, as at 48 hours before the EGM.

### **12. ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the 2015 Scheme shall abstain from voting on the following resolutions: (a) implementation of the 2015 Scheme; and (b) the maximum discount which may be given in respect of any Option. Such Shareholders should also decline to accept appointment as proxy for any Shareholder to vote in respect of the aforesaid resolutions, unless the Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the aforesaid resolutions. Accordingly, Shareholders eligible to participate in the 2015 Scheme should abstain from voting their Shares in respect of the Ordinary Resolution relating to the proposed adoption of the 2015 Scheme and the Ordinary Resolution relating to the proposed grant of Options at a discount under the 2015 Scheme as set out in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts relating to the proposed adoption of the 2015 Scheme, the proposed grant of Options at a discount under the 2015 Scheme, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

### 14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the EGM:

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the Annual Report of the Company for FY2014; and
- (iii) the rules of the 2015 Scheme.

Yours faithfully  
For and on behalf of the Board of Directors of  
**Advance SCT Limited**

**Simon Eng**  
Executive Chairman and Chief Executive Officer

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## APPENDIX A

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### APPENDIX A – RULES OF THE ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015

#### 1. NAME OF THE SCHEME

The Option Scheme shall be called the “Advance SCT Employee Share Option Scheme 2015” (the “**2015 Scheme**”).

#### 2. DEFINITIONS

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

- “2015 Scheme”* : Advance SCT Employee Share Option Scheme 2015, as modified or amended from time to time.
- “Act”* : The Companies Act, Chapter 50 of Singapore as amended or modified from time to time.
- “Adoption Date”* : The date on which the 2015 Scheme is adopted by the Company in general meeting.
- “Associate”* : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means (i) his immediate family, (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and (iii) any company in which he and his immediately family together (directly or indirectly) have an interest of 30% or more; and  
(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Associated Company”* : A company in which at least 20% but not more than 50% of the shares are held by the Company or the Group and over which the Company has control.
- “Auditors”* : The auditors of the Company for the time being.
- “Board”* : The Board of Directors of the Company for the time being.
- “CDP”* : The Central Depository (Pte) Limited.

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## APPENDIX A

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<i>“Committee”</i>	:	The remuneration committee of the Company from time to time, comprising Directors of the Company, duly authorised and appointed by the Board to administer the 2015 Scheme.
<i>“Company”</i>	:	Advance SCT Limited.
<i>“Control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
<i>“Controlling Shareholder”</i>	:	A shareholder who:  (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding Shares held by the Company as Treasury Shares) (unless otherwise determined by the SGX-ST that a person who satisfies this sub-paragraph is not a controlling shareholder); or  (b) in fact exercises Control over the Company.
<i>“CPF”</i>	:	Central Provident Fund.
<i>“Date of Grant”</i>	:	The date on which an Option is granted to a Participant.
<i>“Director”</i>	:	A person holding office as a director for the time being of the Company.
<i>“EGM”</i>	:	Extraordinary General Meeting.
<i>“Executive Director”</i>	:	A director of the Company, its Subsidiaries and/or Associated Companies who performs an executive function.
<i>“Exercise Price”</i>	:	The price at which a Participant shall acquire each Share upon the exercise of an Option as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10.
<i>“Financial Year”</i>	:	Each period of 12 months or more or less than 12 months, at the end of which the balance of accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company.
<i>“Grantee”</i>	:	The person to whom an offer of an Option is made.

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## APPENDIX A

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- “Group”* : The Company, its Subsidiaries and Associated Companies (as they may exist from time to time).
- “Group Employee”* : Any full-time confirmed employee of the Group (including an Executive Director) selected by the Committee to participate in the 2015 Scheme in accordance with Rule 4.
- “Incentive Option”* : The right to subscribe for Shares granted or to be granted pursuant to the 2015 Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 9.1(b).
- “Listing Manual”* : The listing manual of the SGX-ST, as amended from time to time.
- “Market Day”* : A day on which the SGX-ST is open for trading of securities.
- “Market Price”* : The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.
- “Market Price Option”* : The right to subscribe for Shares granted or to be granted pursuant to the 2015 Scheme and for the time being subsisting, and in respect of which the Exercise Price is determined in accordance with Rule 9.1(a).
- “Non-Executive Director”* : A director of the Company, its Subsidiaries and/or Associated Companies who is not an Executive Director.
- “Option”* : A Market Price Option or an Incentive Option, as the case may be.
- “Option Period”* : The period for the exercise of an Option as set out in Rules 11 and 16.
- “Participant”* : A holder of an Option.

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## APPENDIX A

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- “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”* : The rules of the 2015 Scheme, as the same may be amended from time to time.
- “SGX-ST”* : Singapore Exchange Securities Trading Limited.
- “Shareholders”* : The registered holders for the time being of the Shares (other than the CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register.
- “Shares”* : Ordinary shares in the capital of the Company.
- “Subsidiary”* : A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act.
- “Treasury Shares”* : The Shares held in treasury by the Company.
- “S\$” and “cents”* : Singapore dollars and cents respectively.
- “%” or “per cent.”* : Per centum or percentage.
- 2.2 The terms *“Depositor”*, *“Depository Register”* and *“Depository Agent”* shall have the meanings ascribed to them respectively by Section 130A of the Act.
- 2.3 Words denoting the singular shall, where applicable, include the plural and *vice versa* and words denoting the masculine gender shall, where applicable, include the feminine and neuter gender. References to persons shall include corporations. References to Rules and Schedules shall be construed as references to Rules and Schedules of the 2015 Scheme.
- 2.4 Any reference in the 2015 Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in the 2015 Scheme shall, where applicable, have the same meaning assigned to it under the Act.
- 2.5 Any reference in the 2015 Scheme to a time of day shall be a reference to Singapore time unless otherwise stated.

### 3. OBJECTIVES OF THE 2015 SCHEME

The 2015 Scheme is primarily a share incentive scheme. The purpose of the 2015 Scheme is to provide an opportunity for directors and employees of the Group and Associated Companies 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.

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## APPENDIX A

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The 2015 Scheme is proposed on the basis that it is important to recognise the fact that the services of such Group Employees and Non-Executive Directors are important to the success and continued well-being of the Group. Implementation of the 2015 Scheme will enable the Company to give recognition to the contributions made by such Group Employees and Non-Executive Directors, which is essential to the well-being and prosperity of the Group. At the same time, it will give such Group Employees and Non-Executive Directors an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:

- (a) the motivation of Participants to optimise performance standards and efficiency and to maintain a high level of contribution;
- (b) the retention of key employees whose contributions are important to the long term growth and prosperity of the Group;
- (c) the attainment of harmonious employer/employee relations as well as the strengthening of working relationships with the Group's close business associates;
- (d) the alignment of the interest of Group Employees and Non-Executive Directors with the interests of the Shareholders; and
- (e) the development of a participatory style of management which promotes greater commitment and dedication amongst the employees and instils loyalty and a stronger sense of identification with the long term prosperity of the Group.

### 4. ELIGIBILITY

4.1 The following persons shall be eligible to participate in the 2015 Scheme at the absolute discretion of the Committee:

(a) Group Employees and Non-Executive Directors

- (i) Group Employees (including Executive Directors); and
- (ii) Non-Executive Directors,

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

(b) Controlling Shareholders and their Associates

Subject to Rule 4.2, persons who are qualified under 4.1(a) above and who are also Controlling Shareholders or their Associates.

4.2 Controlling Shareholders and their Associates shall (notwithstanding that they may meet the eligibility criteria in Rule 4.1(a) above) not participate in the 2015 Scheme unless:

- (a) their participation; and
- (b) the actual number of Shares to be issued to them and the terms of any Option to be granted to them,

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## APPENDIX A

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have been approved by the independent Shareholders in general meeting in separate resolutions for each such person, and in respect of each such person, in separate resolutions for each of (i) his participation and (ii) the actual number and terms of any Option to be granted to him, provided always that it shall not be necessary to obtain the approval of the independent Shareholders for the participation in the 2015 Scheme of a Controlling Shareholder or his Associate who is, at the relevant time, already a Participant.

- 4.3 Directors and employees of the Company's parent company and its Subsidiaries (other than the Company and the Company's Subsidiaries) are not entitled to participate in the 2015 Scheme.
- 4.4 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme, whether or not implemented by the Company or any other companies within the Group.
- 4.5 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the 2015 Scheme may be amended from time to time at the absolute discretion of the Committee.

### 5. **MAXIMUM ENTITLEMENT**

Subject to Rule 4 and Rule 6, the aggregate number of Shares in respect of which Options may be offered to a Grantee for acquisition in accordance with the 2015 Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as the Grantee's capability, scope of responsibility, skill and vulnerability to leaving the employment of the Group, rank, past performance, years of service, the potential for future development of the Grantee and the benefits to be given to the Grantee under the 2015 Scheme and/or other share-based incentive schemes of the Company.

### 6. **LIMITATIONS ON THE SIZE OF THE 2015 SCHEME**

- 6.1 The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of all Options granted under the 2015 Scheme and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding Shares held by the Company as Treasury Shares) on the day immediately preceding the Date of Grant.
- 6.2 The aggregate number of Shares which may be issued or transferred pursuant to Options under the 2015 Scheme to Participants who are Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the 2015 Scheme.
- 6.3 The number of Shares which may be issued or transferred pursuant to Options under the 2015 Scheme to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the 2015 Scheme.



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## APPENDIX A

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### 7. GRANT OF OPTIONS

- 7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the 2015 Scheme is in force, except that, for so long as the Shares are listed and quoted on the SGX-ST, no Options shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Options may only be granted on or after the third Market Day from the date on which the aforesaid announcement is released.
- 7.2 An offer to grant the Option to a Grantee shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Schedule A, subject to such modification including, but not limited to imposing restrictions on the number of Options that may be exercised within particular sections of the relevant Option Period, as the Committee may from time to time determine.

### 8. ACCEPTANCE OF GRANT OF OPTIONS

- 8.1 An Option shall be personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval in writing of the Committee.
- 8.2 The closing date for the acceptance for the grant of any Option under Rule 7 shall not be less than 15 days and not more than 30 days from the Date of Grant. An Option granted to a Grantee pursuant to Rule 7 may only be accepted within not be less than 15 days and not more than 30 days from the Date of Grant and not later than 5.00 p.m. on the 30th day of such Date of Grant by (a) completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Schedule B, subject to such modification as the Committee may from time to time determine, accompanied by payment of \$1.00 as consideration or such other amount and such other documentation as the Committee may require, and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form and the consideration in respect of the Option as aforesaid, he remains eligible to participate in the 2015 Scheme in accordance with these Rules. The Option is deemed not accepted until actual receipt by the Company of the Acceptance Form.
- 8.3 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such grant shall, upon the expiry of the 30 day period, automatically lapse and shall forthwith be deemed to be null and void and of no effect.
- 8.4 The Company shall be entitled at its absolute discretion to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice (as defined in Rule 12.1) given pursuant to Rule 12 which does not strictly comply with the terms of the 2015 Scheme.
- 8.5 The Grantee may accept or refuse the whole or part of the grant of an Option. If only part of the grant of an Option is accepted, the Grantee shall accept the grant of an Option in multiples of 100 Shares. The Committee shall, within 15 Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.

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## APPENDIX A

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- 8.6 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- (a) a grant of an Option is not accepted strictly in the manner as provided in Rule 8.2, such offer within the 30 day period;
  - (b) the Grantee dies prior to his acceptance of the Option;
  - (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;
  - (d) the Grantee being a Group Employee (including an Executive Director), as the case may be, ceases to be in the employment of the Group or being a Non-Executive Director, ceases to be a Non-Executive Director, in each case, for any reason whatsoever prior to his acceptance of the Option; or
  - (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.
- 8.7 In the event that an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.

### 9. EXERCISE PRICE

- 9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee in its absolute discretion, and shall be fixed by the Committee at:
- (a) the Market Price (each a "**Market Price Option**"); or
  - (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price and approved by the Shareholders at a general meeting in a separate resolution in respect of that Option (each an "**Incentive Option**").
- 9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:
- (a) the performance of the Company, its Subsidiaries and Associated Companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
  - (b) the years of service and individual performance of the eligible Participant;
  - (c) the contribution of the eligible Participant to the success and development of the Company and/or the Group; and
  - (d) the prevailing market conditions.

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## APPENDIX A

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- 9.3 In the event that the Company is no longer listed on the Main Board of the SGX-ST or any other relevant stock exchange or trading in the Shares on the Main Board of the SGX-ST is suspended for any reason for 14 days or more, the Exercise Price for each Share in respect of which an Option is exercisable shall be the fair market value of each such Share as determined by the Committee in good faith.

### 10. ALTERATION OF CAPITAL

- 10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or issues for cash or for shares or otherwise than for cash or otherwise howsoever) should take place, then:

- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised;
- (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
- (c) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate 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 is fair and reasonable. Such adjustments (if any) shall, where reasonable, give the Participant the same proportion of the equity capital as that to which he was previously entitled.

- 10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made
- (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and
  - (b) the Committee after considering all relevant circumstances considers it equitable not to do so.

- 10.3 The following (whether singly or in combination) shall not be recognised as events requiring adjustments:

- (a) any issue of securities as consideration for an acquisition of any assets or private placement of securities by the Company;
- (b) any increase in the number of issued Shares as a consequence of the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants issued from time to time by the Company enabling holders thereof to acquire new Shares; or
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders of the Company (including any renewal of such mandate) is in force.

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## APPENDIX A

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10.4 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) 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.

### 11. EXERCISE OF OPTION

11.1 Except as provided in this Rule 11 and Rule 12 and any other conditions as may be introduced by the Committee from time to time, each option shall be exercisable, in whole or in part, as follows:

- (a) in the case of a Market Price Option, during the period commencing after the first anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant, provided that in the case of a Market Price Option which is granted to a Participant not holding a salaried office or employment in the Group, such Option Period shall expire on the fifth anniversary of such Date of Grant; and
- (b) in the case of an Incentive Option, during the period commencing after the second anniversary of the Date of Grant and expiring on the tenth anniversary of such Date of Grant, provided that in the case of an Incentive Option which granted to a Participant not holding a salaried office or employment in the Group, such Option Period shall expire on the fifth anniversary of such Date of Grant.

For the avoidance of doubt, where Options are granted to a Participant holding salaried office or employment in an Associated Company, such Options will expire on the fifth anniversary of such Date of Grant.

11.2 In the event of an Option being exercised in part only, the balance of the option not thereby exercised shall continue to be exercisable in accordance with the 2015 Scheme until such time as it shall lapse in accordance with the Rules of the 2015 Scheme.

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

- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be a Group Employee or Non-Executive Director for any reason whatsoever;
- (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option;
- (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion; or
- (d) in the event that the Committee shall, at its sole and absolute discretion, deem it appropriate that such Option granted to a Participant shall so lapse on the grounds that any of the objectives of the 2015 Scheme (as set out in Rule 3) have not been met.

For the purpose of Rule 11.3(a), the Participant shall be deemed to have ceased to be so employed as of the earlier of the date of the Participant's notice of resignation of employment or the cessation of his employment/appointment with the Group, unless such

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## APPENDIX A

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notice shall be withdrawn prior to its effective date. For the avoidance of doubt, no Option shall lapse pursuant to Rule 11.3(a) in the event any transfer of employment of a Participant within the Group or upon the cessation of employment of an Executive Director of the Group who shall continue to serve as a Non-executive Director of the Group.

- 11.4 If a Participant ceases to be employed by the Group by reason of his:
- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
  - (b) redundancy;
  - (c) retirement at or after the legal retirement age;
  - (d) retirement before that age with the consent of the Committee;
  - (e) the Subsidiary, by which he is principally employed, ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary being transferred otherwise than to another company within the Group; or
  - (f) for any other reason approved in writing by the Committee,

he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

- 11.5 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be fully exercisable by the duly appointed legal personal representatives of the Participant from the date of his death to the end of the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.
- 11.6 Where a Participant who is an Executive Director ceases to be a director due to a change in control of the Board of Directors, he shall, notwithstanding Rule 11.3, be entitled to exercise in full all unexercised Options from the last date of employment with the Group until the end of the relevant Option Period.

## 12. MANNER OF EXERCISE OF OPTIONS, ALLOTMENT OR TRANSFER AND LISTING OF SHARES

- 12.1 An Option may be exercised during the Option Period, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiples thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule C (the “**Exercise Notice**”), subject to each case to such modifications as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (as defined in Rule 21.1) (if any), any other applicable administrative or handling fees or charges by the SGX-ST, CDP or agent and any other documentation the Committee may require. An Option shall be deemed to be exercised upon the receipt by the Company of the Exercise Notice

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## APPENDIX A

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duly completed, and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option and the relevant documentation required by the Committee.

- 12.2 All payment shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.
- 12.3 Subject to the Act and the Listing Manual, the Company shall have the flexibility to deliver Shares to Participants upon the exercise of their Options by way of:
- (a) an allotment of new Shares, deemed to be fully paid upon their issuance and allotment; and/or
  - (b) the transfer of existing Shares, including (subject to applicable laws) any Shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as Treasury Shares.

In determining whether to issue new Shares or to deliver existing Shares to Participants upon the exercise of their Options, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or purchasing existing Shares.

- 12.4 Subject to:
- (a) such consents or other required actions of any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
  - (b) compliance with the Rules of the 2015 Scheme and the Memorandum and Articles of Association of the Company,

the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot, transfer or procure the transfer (as the case may be) of the relevant Shares and where required, or as the case may be, within five (5) Market Days from the date of such allotment, dispatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

- 12.5 The Company shall as soon as practicable after the exercise of an Option, apply to the SGX-ST and any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.6 Shares which are allotted or transferred on the exercise of an Option by a Participant shall be issued or registered (as the case may be), as the Participant may elect, in the name of CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a Depository Agent.

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## APPENDIX A

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- 12.7 Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the exercise of an Option shall be subject to all provisions of the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions, the Record Date of which is prior to the date such Option is exercised.
- 12.8 Except as set out in Rule 12 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.

### 13. VESTING

The Options may, at the discretion of the Committee, be vested partially over a number of years. The periods over which the Options will vest may exceed any minimum vesting periods prescribed by any laws, regulations or rules to which the 2015 Scheme may be subject, including the regulations of any stock exchange on which the Shares may be listed and quoted. Further, the Shares to be issued and allotted or transferred to a Participant pursuant to the exercise of any Option under the 2015 Scheme may or may not at the discretion of the Committee, be subject to any retention period.

### 14. ALTERATIONS AND AMENDMENTS TO THE 2015 SCHEME

- 14.1 Any or all of the provisions of the 2015 Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;
  - (b) any modification or alteration which would be to the advantage of Participants under the 2015 Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
  - (c) no modification or alteration shall be made without the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

For the purposes of Rule 14.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

- 14.2 Notwithstanding anything to the contrary contained in Rule 14.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST and such other regulatory authorities as may be necessary) amend or alter the 2015 Scheme in any way to the extent necessary to cause the 2015 Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

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## APPENDIX A

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14.3 Written notice of any modification or alteration made in accordance with this Rule 14 shall be given to all Participants.

### 15. DURATION OF THE 2015 SCHEME

15.1 The 2015 Scheme shall continue to be in force at the discretion of the Committee, for a maximum period of ten (10) years commencing on the Adoption Date. Subject to compliance with any applicable laws and regulations in Singapore, the 2015 Scheme 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.

15.2 The 2015 Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the 2015 Scheme is so terminated, no further Options shall be offered by the Company hereunder.

15.3 The termination, discontinuance or expiry of the 2015 Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

### 16. TAKE-OVER AND WINDING-UP OF THE COMPANY

16.1 Notwithstanding Rule 11 and Rule 12 but subject to Rule 16.5, in the event of a take-over being made for the Shares, a Participant (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1) shall be entitled to exercise in full or in part any Option held by him and as yet unexercised, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:

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

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

Provided 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, all the Options shall remain exercisable by the Participants until such specified date or the expiry of the Option 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 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 11 remain exercisable until the expiry of the Option Period relating thereto.



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## APPENDIX A

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- 16.2 If under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1) be entitled, notwithstanding Rule 11 and Rule 12 but subject to Rule 16.5, to exercise any Option then held by him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon the Option shall lapse and become null and void.
- 16.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options to the extent unexercised, shall lapse and become null and void.
- 16.4 In the event of a members' solvent voluntary winding-up (other than amalgamation or reconstruction), Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1) shall be entitled within 30 days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto), to exercise any unexercised Option, after which period such unexercised Option shall lapse and become null and void.
- 16.5 If in connection with the making of a general offer referred to in Rule 16.1 above or a scheme referred to in Rule 16.2 above or a winding-up referred to in Rule 16.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 16.
- 16.6 To the extent that an Option is not exercised within the periods referred to in this Rule 16, it shall lapse and become null and void.

### **17. ADMINISTRATION OF THE 2015 SCHEME**

- 17.1 The 2015 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 granted or to be granted to him.
- 17.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the 2015 Scheme) for the implementation and administration of the 2015 Scheme as it thinks fit including, but not limited to, imposing restrictions on the number of Options that may be exercised within particular sections of the relevant Option Period.
- 17.3 Any decision of the Committee, made pursuant to any provision of the 2015 Scheme (other than a matter to be certified by the Auditors), shall be final, binding and conclusive (including any decisions pertaining to quantum of discount applicable to an Incentive Option pursuant to Rule 9.1(b) or to disputes as to the interpretation of the 2015 Scheme or any rule, regulation, or procedure thereunder or as to any rights under the 2015 Scheme).

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## APPENDIX A

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### 18. NOTICES

- 18.1 Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- 18.2 Any notice, documents or correspondence given by the Company to a Participant shall be sent to the Participant 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 stated in the records of the Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

### 19. TERMS OF EMPLOYMENT UNAFFECTED

- 19.1 The 2015 Scheme or any Option shall not form part of any contract of employment between the Company, or any Company within the Group and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the 2015 Scheme or any right which he may have to participate in it or any Option which he may hold and the 2015 Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.
- 19.2 The 2015 Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company or the Group directly or indirectly or give rise to any cause of action at law or in equity against the Company and/or the Group.

### 20. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the 2015 Scheme shall be borne by the Participant.

### 21. COSTS AND EXPENSES OF THE 2015 SCHEME

- 21.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the 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 CDP Depository Agent (as the case may be) (collectively, the "**CDP Charges**").
- 21.2 Save for the taxes referred to in Rule 20 and such costs and expenses expressly provided in the 2015 Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the 2015 Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment of the Shares pursuant to the exercise of any Option shall be borne by the Company.

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## APPENDIX A

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### 22. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the 2015 Scheme including but not limited to the Company's delay or failure in issuing and allotting, or procuring the transfer of, the Shares or in applying for or procuring the listing of and quotation for the Shares on the SGX-ST or any other stock exchanges on which the Shares are quoted or listed.

### 23. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the 2015 Scheme are to abstain from voting on any Shareholders' resolution relating to the 2015 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. In particular, Shareholders who are eligible to participate in the 2015 Scheme shall abstain from voting on the following resolutions, where applicable: (a) implementation of the 2015 Scheme; (b) the maximum discount which may be given in respect of any Option; and (c) participation by and grant of Options to Controlling Shareholders and their Associates.

### 24. DISPUTES

Any disputes or differences of any nature in connection with the 2015 Scheme shall be referred to the Committee and its decision shall be final and binding in all respects.

### 25. CONDITION OF OPTION

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

### 26. DISCLOSURE IN ANNUAL REPORT

The Company shall, for as long as the 2015 Scheme continues in operation, make the following disclosure in its annual report:

- (a) the names of the members of the Committee;
- (b) the information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):
  - (i) Participants who are Directors of the Company;
  - (ii) Participants who are Controlling Shareholders and their Associates; and

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## APPENDIX A

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- (iii) Participants, other than those in (i) and (ii) above, who receive 5% or more of the total number of Options available under the 2015 Scheme; and

Name of Participant	Options granted during the financial year under review (including terms)	Aggregate Options granted since commencement of the 2015 Scheme to the end of the financial year under review	Aggregate Options exercised since commencement of the 2015 Scheme to the end of the financial year under review	Aggregate Options outstanding as at the end of the financial year under review
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- (c) the number and proportion of Options granted at the following discounts to the Market Price in the financial year under review:
- (i) Options granted at up to 10% discount; and
  - (ii) Options granted at between 10% but not more than 20% discount; and
- (d) such other information as may be required by the Listing Manual and all other applicable laws and requirements,

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

### 27. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

No person other than the Company or a Participant shall have any right to enforce any provision of the 2015 Scheme or any Option by virtue of the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore, as amended, modified or supplemented from time to time.

### 28. GOVERNING LAW

The 2015 Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company and the Participants, by accepting the offer of the grant of Options in accordance with the 2015 Scheme, submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

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## APPENDIX A

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### SCHEDULE A

#### ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015

#### LETTER OF OFFER

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

#### PRIVATE AND CONFIDENTIAL

Date:

To: [Name]  
[Designation]  
[Address]

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Remuneration Committee of the Board of Directors of Advance SCT Limited (the “**Company**”) to participate in the Advance SCT Employee Share Option Scheme 2015 (the “**2015 Scheme**”). Terms as defined in the 2015 Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to acquire \_\_\_\_\_ ordinary shares in the capital of the Company at the price of S\$ \_\_\_\_\_ per ordinary share. The Option shall be subject to the terms of this Letter of Offer and the 2015 Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the 2015 Scheme), a copy of which is enclosed herewith.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than \_\_\_\_\_ a.m./p.m. on the \_\_\_\_\_ day of \_\_\_\_\_ failing which this offer will forthwith lapse.

Yours faithfully  
For and on behalf of  
**ADVANCE SCT LIMITED**

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Name:  
Designation:

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## APPENDIX A

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### SCHEDULE B

#### ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015

#### ACCEPTANCE FORM

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

To: The Remuneration Committee  
Advance SCT Employee Share Option Scheme 2015  
c/o The Company Secretary  
Advance SCT Limited

[Address]

Closing Time and Date for Acceptance of Option : \_\_\_\_\_  
No. of Shares in respect of which Option is offered : \_\_\_\_\_  
Exercise Price per Share : S\$ \_\_\_\_\_  
Total Amount Payable on Acceptance of Option  
(exclusive of the relevant CDP charges) : S\$ \_\_\_\_\_

I have read your Letter of Offer dated \_\_\_\_\_ and agree to be bound by the terms thereof and of the Advance SCT Employee Share Option Scheme 2015 (the "**2015 Scheme**") stated therein. 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 acquire such shares.

I hereby accept the Option to acquire \_\_\_\_\_ ordinary shares in the capital of Advance SCT Limited (the "**Shares**") at S\$ \_\_\_\_\_ per Share and enclose cash/banker's draft/cashier's order/postal order no. \_\_\_\_\_ for S\$1.00 being payment for the purchase of the Option.

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

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

I confirm that as at the date hereof:

- (a) I am not less than 21 years old, nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the 2015 Scheme as defined in Rule 4 of the 2015 Scheme; and
- (c) I satisfy the other requirements to participate in the 2015 Scheme as set out in the Rules of the 2015 Scheme.

I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

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## APPENDIX A

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

**PLEASE PRINT IN BLOCK LETTERS**

Name in full : \_\_\_\_\_  
Designation : \_\_\_\_\_  
Address : \_\_\_\_\_  
Nationality : \_\_\_\_\_  
\*NRIC/Passport No. : \_\_\_\_\_  
Signature : \_\_\_\_\_  
Date : \_\_\_\_\_

\* Delete as appropriate

**Notes:**

1. Option must be accepted in full or in multiples of 100 Shares.
2. The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

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**APPENDIX A**

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**SCHEDULE C**

**ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015**

**EXERCISE NOTICE**

To: The Remuneration Committee  
Advance SCT Employee Share Option Scheme 2015  
c/o The Company Secretary  
Advance SCT Limited

[Address]

Total Number of ordinary shares (the “**Shares**”) at  
S\$ \_\_\_\_\_ per Share under an option  
granted on \_\_\_\_\_ : \_\_\_\_\_

Number of Shares previously allotted and issued or  
transferred thereunder : \_\_\_\_\_

Outstanding balance of Shares which may be allotted  
and issued or transferred thereunder : \_\_\_\_\_

Number of Shares now to be acquired  
(in multiples of 100) : \_\_\_\_\_

1. Pursuant to your Letter of Offer dated \_\_\_\_\_ and my acceptance thereof, I hereby exercise the Option to acquire Shares in Advance SCT Limited (the “**Company**”) at S\$ \_\_\_\_\_ per Share.
2. I hereby request the Company to allot and issue or transfer to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my Securities Account with the CDP/Securities Sub-Account with a Depository Agent specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the “**CDP charges**”) and any stamp duties in respect thereof:

\*(a) Direct Securities Account Number : \_\_\_\_\_

\*(b) Securities Sub-Account Number : \_\_\_\_\_

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

3. I enclose a cheque/cashier’s order/bank draft/postal order no. \_\_\_\_\_ for S\$ \_\_\_\_\_ in payment for the Exercise Price of S\$ \_\_\_\_\_ for the total number of the said Shares and the CDP charges of S\$ \_\_\_\_\_.
4. I agree to acquire the Shares subject to the terms of the Letter of Offer, the Advance SCT Employee Share Option Scheme 2015 (as the same may be amended pursuant to the terms thereof from time to time) and the Memorandum and Articles of Association of the Company.
5. I declare that I am acquiring the Shares for myself and not as a nominee for any other person.



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## APPENDIX A

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**PLEASE PRINT IN BLOCK LETTERS**

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

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

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

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

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

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

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

\* Delete as appropriate

**Notes:**

1. An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.
2. The form entitled "Exercise Notice" must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### ADVANCE SCT LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200404283C)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (the “**EGM**”) of the shareholders (“**Shareholders**”) of Advance SCT Limited (the “**Company**”) will be held on 30 April 2015 at 3 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2 p.m. on the same day and at the same place) at 65 Tech Park Crescent Singapore 637787 for the purposes of considering and, if thought fit, passing (with or without modifications) the resolutions set out below.

All capitalised terms used in this notice which are not defined herein shall have the meanings ascribed to them in the circular dated 15 April 2015 to Shareholders of the Company.

#### **AS ORDINARY RESOLUTIONS:**

#### **ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE ADVANCE SCT EMPLOYEE SHARE OPTION SCHEME 2015**

THAT:

- (a) the share option scheme to be known as the Advance SCT Employee Share Option Scheme 2015 (the “**2015 Scheme**”), the rules and summary of which have been set out in the circular to Shareholders dated 15 April 2015 (the “**Circular**”), be and is hereby approved and adopted; and
- (b) the Directors of the Company be and are hereby authorised:
  - (i) to establish and administer the 2015 Scheme;
  - (ii) to modify and/or amend the 2015 Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the 2015 Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2015 Scheme; and
  - (iii) to offer and grant Option(s) in accordance with the rules of the 2015 Scheme and pursuant to section 161 of the Companies Act (Cap. 50) of Singapore, to allot and issue or deliver from time to time such number of new shares in the capital of the Company (“**Shares**”) or the Shares held in treasury by the Company (“**Treasury Shares**”) as may be required to be issued pursuant to the exercise of the Option(s) under the 2015 Scheme (notwithstanding that the exercise thereof or such allotment and issue may occur after the conclusion of the next or any ensuing annual general meeting of the Company), provided always that:
    - (1) the aggregate number of Shares over which the remuneration committee of the Company from time to time may grant Options on any date (including the number of Shares which have been and to be issued upon the exercise of the Options in

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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respect of all Options granted under the 2015 Scheme) shall not exceed 15% of the total number of Shares of the Company (excluding Treasury Shares) on the day preceding that date; and

- (2) the aggregate number of Shares to be offered to certain participants collectively and individually during the duration of the 2015 Scheme (subject to adjustments, if any, made under the 2015 Scheme) shall not exceed such limits or (as the case may be) sub-limits as may be prescribed in the 2015 Scheme; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution 1.

### **ORDINARY RESOLUTION 2: THE PROPOSED OFFER AND GRANT OF OPTIONS AT A DISCOUNT**

THAT subject to and contingent upon the passing of Ordinary Resolution 1 for the adoption of the 2015 Scheme, the Directors of the Company be and are hereby authorised to offer and grant Options in accordance with the provisions of the 2015 Scheme to participants with exercise prices set at a discount to the Market Price (as defined in the Circular) provided that such discount does not exceed 20% of the Market Price (as defined in the Circular).

BY ORDER OF THE BOARD  
**Advance SCT Limited**

**Simon Eng**  
Executive Chairman and Chief Executive Officer

Singapore, 15 April 2015

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:--

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. The form of proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
4. If no name is inserted in the space for the name of your proxy on the form of proxy, the Chairman of the Meeting will act as your proxy.
5. The form of proxy or other instruments of appointment shall not be treated as valid unless deposited at the Company's Office at 65 Tech Park Crescent, Singapore 637787, not less than 48 hours before the time appointed for holding the meeting and at any adjournment thereof.
6. For depositors holding their shares through The Central Depository (Pte) Limited in Singapore, the Directors have determined that it is more practicable for the depositor proxy form to be delivered to, collected, collated, reviewed and checked at the Company's office in Singapore at 65 Tech Park Crescent Singapore 637787, and as such will be counted as valid in regards to this meeting pursuant to Section 179 of the Company's Articles of Association. The depositor proxy form, duly completed, must be deposited by the depositor(s) at the abovementioned office of the Company in Singapore not less than 48 hours before the commencement of the Meeting.

### 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) for the purpose of the processing and administration by the Company (or its agents) 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) 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), 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) 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.

# PROXY FORM

## Advance SCT Limited

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200404283C)

## PROXY FORM

**IMPORTANT:**

1. For investors who have used their CPF monies to buy Advance SCT Limited shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF approved nominee.

**Personal Data Privacy**

4. 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 EGM dated 15 April 2015.

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

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

being a shareholder/member of **Advance SCT Limited** (the “Company”) hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

or failing whom the Chairman of the Extraordinary General Meeting as \*my/our proxy/proxies to vote for \*me/us on \*my/our behalf and, if necessary, to demand a poll at the Extraordinary General Meeting of the Company to be convened on 30 April 2015 at 3 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2 p.m. on the same day and at the same place) at 65 Tech Park Crescent Singapore 637787 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 Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion, as \*he/she/they will on any other matter arising at the Extraordinary General Meeting.

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For <sup>(1)</sup>	Against <sup>(1)</sup>	No. of votes for <sup>(2)</sup>	No. of votes against <sup>(2)</sup>
1.	To approve the proposed adoption of the Advance SCT Employee Share Option Scheme 2015				
2.	To approve the grant of options at a discount under the Advance SCT Employee Share Option Scheme 2015				

**Notes:**

- (1) Please indicate your vote “For” or “Against” with a tick within the box provided.
- (2) If you wish to exercise all your votes “For” or “Against”, please indicate with a tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Total Number of Shares held	
CDP Register	
Register of Members	

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

\* Delete accordingly

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**

**Notes:-**

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A proxy need not be a member of the Company.
4. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act (Cap. 50) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
5. The instrument appointing a proxy or proxies must be deposited at the Company's office at 65 Tech Park Crescent Singapore 637787 not less than 48 hours before the time set for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her 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 common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder of the Company may, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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