

CIRCULAR DATED 18 AUGUST 2016

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

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

If you have sold or transferred all your ordinary shares in the capital of Annica Holdings Limited (the “**Company**”), you should immediately forward 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 other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Continuing Sponsor, Stamford Corporate Services Pte. Ltd. (“Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the accuracy, completeness or correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr. Bernard Lui, Tel: (65) 6389 3000, Email: bernard.lui@morganlewis.com.

ANNICA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198304025N)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED DIVERSIFICATION OF THE CURRENT CORE BUSINESS OF THE GROUP TO INCLUDE THE (A) RECYCLING BUSINESS, (B) RENEWABLE ENERGY BUSINESS, (C) GREEN TECHNOLOGY BUSINESS, AND (D) COMPLEMENTARY TECHNOLOGY BUSINESS;**
- (2) THE PROPOSED ADOPTION OF THE ANNICA PERFORMANCE SHARE PLAN;**
- (3) THE PROPOSED ADOPTION OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME; AND**
- (4) THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE ANNICA EMPLOYEE SHARE OPTION SCHEME.**

Important Dates and Times

Last date and time for lodgement of Proxy Form	:	31 August 2016 at 2.30 p.m.
Date and time of Extraordinary General Meeting	:	2 September 2016 at 2.30 p.m.
Place of Extraordinary General Meeting	:	Raffles Town Club, Private Lounge, Level 2, 1 Plymouth Avenue, Singapore 297753

CONTENTS

	PAGE
DEFINITIONS	3
 LETTER TO SHAREHOLDERS	
1. INTRODUCTION.....	8
2. THE PROPOSED DIVERSIFICATION OF THE CURRENT CORE BUSINESS OF THE GROUP TO INCLUDE THE NEW BUSINESSES.....	9
3. THE PROPOSED ADOPTION OF THE ANNICA PERFORMANCE SHARE PLAN AND THE ANNICA EMPLOYEE SHARE OPTION SCHEME.....	15
4. SUMMARY OF THE RULES OF THE SHARE PLAN AND OPTION SCHEME.....	17
5. FINANCIAL EFFECTS OF THE SHARE PLAN AND OPTION SCHEME.....	21
6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	22
7. DIRECTORS' RECOMMENDATIONS.....	22
8. ABSTENTION FROM VOTING.....	23
9. EXTRAORDINARY GENERAL MEETING.....	23
10. ACTION TO BE TAKEN BY SHAREHOLDERS.....	23
11. DIRECTORS' RESPONSIBILITY STATEMENT.....	24
12. DOCUMENTS AVAILABLE FOR INSPECTION.....	24
 APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN	 A-1
 APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME	 B-1
 NOTICE OF EXTRAORDINARY GENERAL MEETING	 N-1
 PROXY FORM	

DEFINITIONS

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

- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- “Auditors”** : The auditors of the Company as appointed from time to time.
- “Award”** : A contingent award of Shares granted pursuant to the rules of the Share Plan.
- “Board”** : The board of Directors of the Company as at the date of this Circular.
- “Catalist”** : The Catalist board of the SGX-ST.
- “Catalist Rules” or “Listing Manual”** : The Listing Manual Section B: Rules of Catalist issued by the SGX-ST, as may be amended, modified or supplemented from time to time.
- “CDP”** : The Central Depository (Pte) Limited.
- “CPF”** : The Central Provident Fund.
- “Circular”** : This circular to Shareholders dated 18 August 2016.
- “Committee”** : A committee comprising Directors as may be duly authorised and appointed by the Board to administer the Share Plan and Option Scheme.
- “Company”** : Annica Holdings Limited.
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
- “Complementary Technology Business”** : The meaning as defined in paragraph 2.2 of the Letter to Shareholders.

DEFINITIONS

“Condition”	:	One or more performance or service related conditions prescribed by the Committee which must be satisfied before an Award vests or before an Option is granted.
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time.
“Control”	:	The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of the Company.
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of voting Shares in the Company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or (b) in fact exercises Control over the Company.
“Current Core Business”	:	The meaning as defined in paragraph 2.1 of the Letter to Shareholders.
“Date of Grant” or “Offer Date”	:	(In relation to an Option,) the date on which an Option is granted to a Participant pursuant to the Option Scheme, or (in relation to an Award,) the date on which an Award is granted to a Participant pursuant to the Share Plan.
“Directors”	:	The directors of the Company.
“Existing Shares”	:	The meaning as defined in paragraph 4.5 of the Letter to Shareholders.
“EGM”	:	The extraordinary general meeting of the Company, to be convened for the purposes of considering and, if thought fit, passing with or without modifications, the Proposed Resolutions set out in the Notice of EGM on pages N-1 to N-3 of this Circular.
“EPS”	:	Earnings per Share.
“Executive Director”	:	A Director of the Company who performs an executive function within the Company or the Group.
“Exercise Price”	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with the rules of the Option Scheme.
“FY” or “Financial Year”	:	Financial year ended or ending on 31 December.
“Green Technology Business”	:	The meaning as defined in paragraph 2.2 of the Letter to Shareholders.
“Group”	:	The Company and its subsidiaries, collectively.
“Group Employee”	:	Any person who is a full-time or permanent part-time employee of the Group (which includes Directors of the Company and director of a Subsidiary) selected by the Committee to participate in the Share Plan or Option Scheme in accordance with the rules thereof.

DEFINITIONS

“Independent Director”	:	An independent director of the Company.
“Latest Practicable Date”	:	15 August 2016, being the latest practicable date prior to the printing of this Circular.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Market Price”	:	The average of the last dealt price for a Share determined by reference to the daily Official List (as defined in the Catalist Rules) published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date of the Option or Award, provided always that in the case of a Market Day on which the Shares of the Company 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.
“New Businesses”	:	The meaning as defined in paragraph 2.2 of the Letter to Shareholders.
“Nominating Committee”	:	The nominating committee of the Company.
“Non-Executive Director”	:	A Director of the Company other than an Executive Director but including the Independent Directors of the Company.
“Notice of EGM”	:	The notice of EGM which is on pages N-1 to N-3 of this Circular.
“NTA”	:	Net tangible assets.
“Offer Date”	:	The date on which an Award or an offer to grant an Option is made.
“Option”	:	The right to subscribe for Shares granted pursuant to the rules of the Option Scheme.
“Option Scheme” or “Annica Employee Share Option Scheme”	:	The proposed employee share option scheme, as modified or altered from time to time.
“Participant”	:	A person who is selected by the Committee to participate in the Share Plan or Option Scheme, as the case may be, in accordance with the respective rules thereof.
“Proposed Diversification”	:	The meaning as defined in paragraph 2.2 of the Letter to Shareholders.
“Proposed Resolutions”	:	Collectively, the Proposed Diversification, the proposed Annica Performance Share Plan, the proposed Annica Employee Share Option Scheme and the proposed grant of Options at a discount under the proposed Annica Employee Share Option Scheme.
“Record Date”	:	The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
“Recycling Business”	:	The meaning as defined in paragraph 2.2 of the Letter to Shareholders.

DEFINITIONS

“ Remuneration Committee ”	:	The remuneration committee of the Company.
“ Renewable Energy Business ”	:	The meaning as defined in paragraph 2.2 of the Letter to Shareholders.
“ Securities Account ”	:	A securities account maintained by a Depositor with CDP, but does not include a securities account maintained with a Depository Agent.
“ SFA ”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
“ SFRS ”	:	Singapore Financial Reporting Standards.
“ SGXNET ”	:	A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST).
“ SGX-ST ”	:	Singapore Exchange Securities Trading Limited.
“ Shareholders ”	:	The registered holders of Shares in the Register of Members of the Company, except where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares.
“ Share Plan ” or “ Annica Performance Share Plan ”	:	The proposed share plan, as modified or altered from time to time.
“ Shares ”	:	Fully paid ordinary shares in the capital of the Company.
“ Substantial Shareholder ”	:	A person who has an interest, directly or indirectly, in 5% or more of the total number of Shares.
“ S\$ ” and “ cents ”	:	Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore.
“ % ” or “ per cent. ”	:	Per centum or percentage.

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

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

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

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

DEFINITIONS

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

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

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

LETTER TO SHAREHOLDERS

ANNICA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198304025N)

Directors

Sandra Liz Hon Ai Ling (Executive Director and Chief Executive Officer)
Nicholas Jeyaraj s/o Narayanan (Non-Independent and Non-Executive Director)
Su Jun Ming (Lead Independent and Non-Executive Director)
Ong Su Aun Jeffrey (Independent and Non-Executive Director)
Adnan Bin Mansor (Independent and Non-Executive Director)

Registered Office

1 Raffles Place
#18-61 Tower 2
Singapore 048616

18 August 2016

To: The Shareholders of Annica Holdings Limited

Dear Sir / Madam

- (1) **THE PROPOSED DIVERSIFICATION OF THE CURRENT CORE BUSINESS OF THE GROUP TO INCLUDE THE (A) RECYCLING BUSINESS, (B) RENEWABLE ENERGY BUSINESS, (C) GREEN TECHNOLOGY BUSINESS, AND (D) COMPLEMENTARY TECHNOLOGY BUSINESS;**
- (2) **THE PROPOSED ADOPTION OF THE ANNICA PERFORMANCE SHARE PLAN;**
- (3) **THE PROPOSED ADOPTION OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME; AND**
- (4) **THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE ANNICA EMPLOYEE SHARE OPTION SCHEME.**

1. INTRODUCTION

1.1 The Resolutions

The Directors are convening an EGM to seek Shareholders' approval for the following:

- (a) the proposed diversification of the Group's current core business to include the (i) recycling business, (ii) renewable energy business, (iii) green technology business, and (iv) complementary technology business;
- (b) the proposed adoption of the Annica Performance Share Plan;
- (c) the proposed adoption of the Annica Employee Share Option Scheme; and
- (d) the proposed grant of Options at a discount under the Annica Employee Share Option Scheme;

(collectively, the "**Proposed Resolutions**").

Shareholders should note that the proposed grant of Options at a discount under the Option Scheme is conditional upon the passing of the resolution relating to the proposed Option Scheme. In the event that the resolution relating to the proposed Option Scheme is not passed, the resolution relating to the proposed grant of Options at a discount under the Option Scheme will also not be passed.

LETTER TO SHAREHOLDERS

1.2 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with the relevant information relating to, and the rationale for, the Proposed Resolutions, and to seek Shareholders' approval in relation thereto at the EGM, notice of which is set out on pages N-1 to N-3 of this Circular.

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

1.3 Listing and Quotation Notice from the SGX-ST

On 5 August 2016, the SGX-ST granted its in-principle approval for the listing and quotation of the new Shares to be issued pursuant to the proposed Share Plan and the proposed Option Scheme on the Catalist. The aggregate number of Shares that may be issued under the proposed Share Plan and the proposed Option Scheme or any other share option or share scheme of the Company then in force shall not exceed 15% of the total number of issued Shares of the Company from time to time.

The receipt of the listing and quotation notice from the SGX-ST shall not be taken as an indication of the merits of the proposed Share Plan and the proposed Option Scheme, the Shares issued pursuant to the proposed Share Plan and the proposed Option Scheme, the Company, its subsidiaries and their securities.

The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the accuracy, completeness and correctness of any of the statements made or opinions expressed or reports contained in this Circular. If a Shareholder is in any doubt as to the action he/she should take, he/she should consult his/her legal, financial, tax or other professional adviser(s) immediately.

2. THE PROPOSED DIVERSIFICATION OF THE CURRENT CORE BUSINESS OF THE GROUP TO INCLUDE THE NEW BUSINESSES

2.1 Current Business of the Group

The Company's current business is that of an investment holding company with subsidiaries operating mainly in Singapore, Malaysia, Indonesia and Vietnam as provider of power generation solutions, rendering of engineering services, trading in oil and gas equipment and related products and investment holding (collectively, the "**Current Core Business**").

2.2 Proposed Expansion of Current Core Business

The Company announced on 8 August 2016 that it intends to expand its Current Core Business to include the New Businesses (as defined below), as and when appropriate opportunities arise (the "**Proposed Diversification**"):

- (a) recycling and waste management, which includes the extraction and/or harvesting of waste products, and the supply of the by-products and recycled materials from waste products like used tires, such as oil, carbon black and other materials that can be used for energy, power generation, manufacturing, and other alternative purposes (the "**Recycling Business**");
- (b) the production and supply of renewable energy, including the supply, distribution, trading and/or operating of equipment and technology used for the production of renewable energy and other sustainable energy sources (the "**Renewable Energy Business**");
- (c) environmentally friendly technological solutions that brings innovative and sustainable solutions to businesses and end-consumers, ranging from the agricultural industry to the construction industry (the "**Green Technology Business**"); and

LETTER TO SHAREHOLDERS

- (d) certain other technology businesses that are complementary to abovementioned Recycling Business, Renewable Energy Business and Green Technology Business (the **“Complementary Technology Business”**);

(collectively, the **“New Businesses”**).

The Group may also, as part of the New Businesses, invest in or dispose of shares or interests in any entity that is in the New Businesses.

The Company does not plan to restrict the New Businesses to any specific geographical market as each project and investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Businesses as and when the opportunity arises.

The decision on whether a project should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of each project, amount of investment required and risks associated with such an investment, nature of expertise required, the period of time that is required to complete the project and conditions in the market, taking into account the opportunities available.

2.3 Rationale for the Proposed Diversification

The Company proposes to expand its Current Core Business to include that of the New Businesses for the following reasons:

- (a) The Proposed Diversification is part of the corporate strategy of the Group for long term growth to provide Shareholders with diversified returns. The Board believes that the Proposed Diversification will reduce the Group’s reliance on its Current Core Business, offer new business opportunities, provide the Group with additional and recurrent revenue streams and improve its prospects, so as to enhance Shareholders’ value for the Company.
- (b) The Current Core Business has been facing strong headwinds due to a lacklustre economic climate, particularly pricing pressure from customers, decrease in the number of contracts and customers’ delays in being able to secure financing for their projects. In turn, such adverse conditions have limited the Group’s growth and financial performance in recent years. While the Group remains focused on enhancing operational efficiency to improve the profitability of the Current Core Business, the Company proposes to undertake the Proposed Diversification as the New Businesses may potentially offer the Group new business opportunities and revenue streams.
- (c) While the Group continues to pursue sustainable growth strategies to strengthen and grow its Current Core Business, the Group’s diversification into growth areas will facilitate its aim of achieving sustained performance in future. Given the uncertainties prevailing in the current global economic outlook, especially in the oil and gas industry, the Proposed Diversification is a prudent active step towards reducing reliance on the Group’s Current Core Business for its revenue streams.
- (d) Once the Shareholders approve the Proposed Diversification, the Group may enter into transactions relating to the New Businesses without having to seek Shareholders’ approval for the sole reason of such transactions having constituted a change of risk profile. This will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders’ approval, allowing the Group greater flexibility to pursue business opportunities which may be time sensitive in nature. A further benefit would be to substantially reduce the costs associated with the convening of general meetings from time to time.

LETTER TO SHAREHOLDERS

2.4 Managing the New Businesses

Even though the New Businesses are different from the Current Core Business, the Board recognises that the relevant experience and expertise required in relation to the New Businesses can be acquired and developed by the Group over time as it progresses in the New Businesses. The Board and senior management of the Group comprise individuals with varied qualifications and experience who will provide the strategic vision and policy on the New Businesses.

In making decisions, the Board and senior management of the Group will seek advice of reputable external consultants and experts where necessary and appropriate. The Group intends to engage in the New Businesses incrementally; it will monitor developments and progress in the New Businesses and take the necessary steps to identify suitable candidates both from within the Group as well as externally to manage the New Businesses to take it forward as and when required. In addition, the Group will evaluate the manpower and expertise required for the New Businesses and will, as and when required, hire suitably qualified personnel, external consultants, external industry experts and professionals for the New Businesses.

The Group may foster partnerships with various third parties in the relevant industries to assist it in undertaking the New Businesses more effectively and efficiently as the Group seeks to build its expertise and capabilities in this field. Such partnerships may be done either on a case by case basis or on a term basis. Where necessary, work may be outsourced to reputable third parties who have expertise in the relevant area in relation to the projects concerned. In selecting its partners, the Group will take into account the specific expertise and competencies required for the project in question and the experience, historical track record and financial standing of the party concerned.

2.5 Requirements under the Catalist Rules

Pursuant to Practice Note 10A of the Catalist Rules, Shareholders' approval is not required if a transaction will result in an expansion of an issuer's existing core business, unless such transaction changes the issuer's risk profile.

As the Proposed Diversification will result in an expansion of the Group's business to new business sector(s) and may also result in an expansion to new geographical market(s), it is envisaged that the Proposed Diversification may change the Group's risk profile. Accordingly, the Board proposes to convene an EGM to seek Shareholders' approval for the Proposed Diversification.

Upon approval by Shareholders of the Proposed Diversification, the Group may, in the ordinary course of business, enter into transactions relating to the New Businesses that will not change the Group's risk profile.

For the avoidance of doubt, the Group will continue to comply with the Catalist Rules, particularly the provisions of Chapter 10 in the event it undertakes any acquisition, joint venture, investment or other transaction within this sector.

2.6 Risk Factors

Shareholders should note that the Proposed Diversification may change the risk profile of the Group. Shareholders should carefully consider and evaluate each of the following considerations and all of the other information set out in this Circular in relation to the Proposed Diversification. Some of the following considerations relate principally to only certain and not all of the industries pertaining to the New Businesses. Other considerations relate principally to general economic and political considerations.

If any of the following considerations and uncertainties develops into actual events, the business, financial condition, results of operations or prospects of the Company's New Businesses could be materially and adversely affected. The risks discussed below also include forward-looking statements and actual results of the Group and of the Company may differ substantially from those discussed in these forward-looking statements.

LETTER TO SHAREHOLDERS

Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

The following considerations are not exhaustive and not intended to be exhaustive.

(a) The Group may face competition from existing competitors and new market entrants in the New Businesses

The New Businesses may be highly competitive, with strong competition from established industry participants who may have larger financial resources or a stronger track record. The Group may therefore not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and stronger track records. Further, new competitors may enter the industry resulting in increased competition or saturation. There is no assurance that the Group can compete successfully against its existing or potential competitors now or in the future. To compete effectively, the Group will have to offer more competitive pricing or differentiate itself by adopting more creative marketing strategies.

The demand for green or renewable energy depends in part on the cost of generation from other sources of energy. Especially in light of current oil and gas prices, the terms and costs of supplying petroleum, coal, natural gas and other fossil fuels are key factors in determining the economic ease of using these energy sources rather than green or renewable energy sources. A decline in the competitiveness of electricity from renewable energy sources in terms of generation costs, technology progress in energy source exploitation, or the discovery of large, new deposits of oil, gas or coal, could weaken demand for electricity generated from renewable energy sources.

In the event that the Group fails to compete successfully, the Group's business, financial condition, results of operations and prospects may be adversely affected.

(b) Technology is constantly improving and current technology may become obsolete

There is a variety of energy sources for power generation, for example, solar energy, wind power, nuclear power, thermal power, hydropower and other renewable energies. The development and deployment of new technologies may further broaden the energy sources for power generation and may influence the supply and demand of existing types of power. New technology may result in lower costs of equipment, higher utilisation and operating efficiency, as well as more stable energy generation, and may render the technology currently in use by the Group uncompetitive or obsolete. The challenge for the Group is to keep abreast of technological changes and ensure the relevance of the technologies and businesses that the Group is engaged in. If the Group does not keep up with technological changes, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

(c) The Group has a limited prior track record and operating experience in the New Businesses

The Group has a limited track record in the carrying out or implementation of the New Businesses. There is no assurance that the Group's foray into the New Businesses will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the New Businesses. The New Businesses may require high capital commitment and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets and new businesses.

The New Businesses involves business risks including the financial costs of setting up new operations, capital investments and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the New Businesses effectively, the overall financial position and profitability of the Group may be adversely affected.

LETTER TO SHAREHOLDERS

The Group will also be exposed to the risks associated with a different competitive landscape and a different operating environment. In particular, the Group may be affected by factors affecting the market in the regions where the Group ventures into, such as general economic conditions, changes in interest rates and relevant government policies and measures.

The Group's future plans with regard to the New Businesses may not be profitable, may not achieve sales levels and profitability that justify the investments made and may take a long period of time before the Group could realise any return. The activities of the New Businesses may entail financial and operational risks, including diversion of the management's attention and difficulty in recruiting suitable personnel.

Further, such future plans and new initiatives could be capital intensive and could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group. The Group may face significant financial risks before it can realise any benefits from its investments in the New Businesses.

(d) The Group may pursue business opportunities in businesses that are relatively new or do not have a long track record

The Group may decide to penetrate new market spaces by pursuing opportunities in incubator or start-up ventures that exploit new technologies. These businesses may not have an established track record and there is no guarantee that these technologies can be successfully monetised in the markets in which they operate. There are substantial risks to establishing and operating a new business, and as such there is no assurance that these businesses will be successful. In the event that these businesses fail or do not capture the desired market share or achieve the desired revenue streams, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

(e) The Group may not have the ability or sufficient expertise to execute the New Businesses

The Group's ability to successfully diversify into the New Businesses is dependent upon its ability to adapt its existing knowledge and expertise, and to understand and navigate the New Businesses. There is no assurance that the Group will be able to hire and subsequently retain employees with relevant experience and knowledge. Especially where the technology used in the relevant business is still in its developmental stage, personnel with the appropriate expertise and experience may be difficult to recruit or costly to retain. Should the Group fail to engage and keep such personnel as employees, there may be an adverse effect on the Group's profitability.

While the Group has planned the Proposed Diversification based on the Group's understanding of the current market outlook and general economic situation, there is no assurance that such plans will be commercially successful or that the actual outcome of the Proposed Diversification will match the Group's expectations. In such event, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

(f) The Group is exposed to a range of economic risks relating to the New Businesses in the countries in which the Group may operate

The performance of the New Businesses depends largely on the economic situation and the performance of the respective business industries, and is dependent on the continued expansion of the economies of the countries in which the Group may operate. There is no assurance that the respective sectors in each of the countries in which the Group may

LETTER TO SHAREHOLDERS

operate will continue to grow. The markets in each of the countries in which the Group may operate may be adversely affected by political, economic, regulatory, social or diplomatic developments affecting the respective sectors generally. Changes in inflation, interest rates, taxation or other regulatory, economic, social or political factors affecting the countries in which the Group may operate, or any adverse developments in the supply, demand and prices of resources or raw materials may have an adverse effect on the Group's business. This may also materially and adversely affect the Group's business operations, financial condition, results of operations and prospects.

(g) The Group is subject to various government regulations in the New Businesses

The New Businesses may be exposed to the risks posed by current and potential future regulations and legislation that apply to the industries in which the Group operate and the industries its clients operate. While many countries have favoured and called for greater use of clean and renewable energy, it is by no means a guarantee that a change in the government of the day in any of these countries would not bring about or reverse legislation put in place that were conducive and favourable to such green alternatives. Changes in the regulatory environment in countries in which the Group operates may have consequences for the Group, such as limiting the Group's ability to do business in a jurisdiction because of a change in laws or an imposition of trade barriers.

The Group may be affected by revised or new legislation and guidelines by the government in response to market conditions. Such regulatory changes may impact on the New Businesses and in particular, the Group's ability to deliver on projects and services.

(h) The Group may be exposed to risks associated with acquisitions, joint ventures and/or strategic alliances

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the New Businesses may involve acquisitions, joint ventures and/or strategic alliances with third parties in overseas markets that the Group may intend to focus on. There is no assurance that such acquisitions, joint ventures, strategic alliances and/or the joint management of such enterprises will be successful.

Participation in joint ventures, strategic alliances, acquisitions and/or other investment opportunities involves numerous risks, including the possible diversion of the management's attention and loss of capital or other investments deployed in such ventures, alliances, acquisitions and/or opportunities.

Furthermore, the Group may rely on its joint venture partners at the initial stage of its foray into the New Businesses and there is a risk that any of the joint venture partners may fail to perform by not possessing the adequate experience or skill set expected of them or experience financial or other difficulties which may affect their ability to carry out their contractual obligations, thus resulting in additional costs to the Group. In such events, the Group's business operations, financial condition, results of operations and prospects may be adversely affected.

(i) The New Businesses may be subject to the general risk of doing business overseas

The Group does not plan to restrict the New Businesses to any specific geographical market. As such, the Group is subject to the general risk of doing business overseas. These general risks include unexpected changes in regulatory requirements, difficulty in staffing and managing foreign operations, social and political instability, fluctuations in foreign currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding legal liability or enforcement of legal rights, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits, any which could materially affect the overseas operations of the Group. These risks, if materialised, may affect the Group's business, financial condition, results of operations and prospects.

LETTER TO SHAREHOLDERS

In addition, if the governments of countries in which the Group operates tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currencies, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group may be adversely affected.

(j) The Group may be subject to exposure to litigation regarding intellectual property infringement

Where relevant, the Group intends to take advantage of newly developed or cutting-edge technologies in the New Businesses. As such, the New Businesses may be subject to exposure to litigation regarding intellectual property infringement. Such infringement claims may be frivolous or numerous, depending on the jurisdiction in which the Group operates its technologies, and the cost and inconvenience of defending such claims may have an effect on the Group's overall business performance.

(k) The Group is exposed to foreign exchange transaction risks

Foreign exchange may adversely affect the Group's financial position and operating results. The Group may conduct the New Businesses in various jurisdictions. The Group is therefore exposed to the effects of changes in foreign currency exchange rates. Unfavourable movements in these exchange rates may have an adverse effect on the Group's revenue and/or cost of operating.

(l) The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

While the Group will, where appropriate, obtain insurance policies to cover losses in respect of its assets and certain eventualities arising from the Group's business operations, the insurance obtained may not be sufficient to cover all potential losses, including losses arising from risks which are generally not insurable. These include losses arising from acts of God, earthquakes, war, civil disorder and acts of terrorism. Losses arising out of damage to the Group's assets covered by the insurance policies in excess of the amount they are insured may affect the Group's profitability.

(m) There is no assurance of the potential growth of the New Businesses

While the Group will actively seek opportunities in the New Businesses, there is no assurance that it will be able to identify such opportunities which suit its risk and returns profile.

(n) The Group is subject to risks inherent in investing in entities which it does not control

The Group may make investments in entities that are not the Group's subsidiaries and over which the Group does not have majority control. There is no assurance that the Group will be able to influence the management, operation and performance of these entities through its voting rights, in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

3. THE PROPOSED ADOPTION OF THE ANNICA PERFORMANCE SHARE PLAN AND THE ANNICA EMPLOYEE SHARE OPTION SCHEME

3.1 Rationale for the Share Plan and Option Scheme

By implementing the Share Plan and Option Scheme, the Company aims to foster an ownership culture by inculcating in all Participants a stronger and more lasting sense of identification with the Group. The Share Plan and Option Scheme will also operate to attract, retain and provide incentives to Participants to encourage greater dedication and loyalty by enabling the Company to give recognition for past contributions and services as well as motivating Participants generally to contribute towards the Group's long term success. The Company believes that attracting and retaining deserving Participants as employees and/or Directors is vital to the Group's objective of achieving growth, expansion and profitability in its business and operations.

LETTER TO SHAREHOLDERS

It is intended that the Share Plan and Option Scheme will complement each other to give the Company greater flexibility to align the interests of Group Employees with those of Shareholders through a tailored incentive programme. In this regard, both the Share Plan and Option Scheme will enable the Company to remain an attractive and competitive employer and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

(a) Share Plan

Unlike Options granted under the Option Scheme, the Share Plan contemplates the award of fully-paid Shares free of charge to Participants after the Conditions of the Share Plan have been met. Accordingly, the Share Plan allows the Company to target specific performance objectives and to provide an incentive for Participants to achieve these targets, which ultimately, will create and enhance economic value for Shareholders. The Board believes that the Share Plan will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the Share Plan, the Group will be able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long term prosperity. The Company believes that the Share Plan is intended to be a more attractive form of bonus than cash bonuses in motivating the personnel of the Group as it gives them a stake in the ownership of the Company.

(b) Option Scheme

The Option Scheme, which is to be administered concurrently with the Share Plan, is to provide an opportunity for deserving Group Employees to participate in the equity of the Company so as to motivate them to greater dedication and higher standards of performance, and to give recognition to past contribution and services.

The Option Scheme is proposed on the basis that it is important to acknowledge and secure future contribution by the Group Employees, which is essential to the well-being and prosperity of the Group. The Company, by adopting the Option Scheme, will give Participants a real and meaningful stake in the Company through the exercise of the Options. The adoption of the Option Scheme will also help to achieve the following objectives:

- (i) to motivate Participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group;
- (ii) to assist in the retention of key employees and Directors whose contributions are integral to the long-term growth and prosperity of the Group;
- (iii) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of the Group;
- (iv) to attract potential employees with relevant skills to contribute to the Group and to deliver long-term shareholder value; and
- (v) to align the interests of the Participants with the Shareholders of the Group.

3.2 Administration of the Share Plan and Option Scheme

The Share Plan and Option Scheme will be administered by the Committee. The Share Plan and Option Scheme may be modified and/or altered at any time by the Committee, provided, *inter alia*, that no modifications or alteration shall be made without Shareholders' approval.

In accordance with the requirements of the SGX-ST, a member of the Committee who is also a Participant of the Share Plan and Option Scheme must not be involved in its deliberations in respect of Awards and/or Options granted to or held by him or his Associates.

LETTER TO SHAREHOLDERS

4. SUMMARY OF THE RULES OF THE SHARE PLAN AND OPTION SCHEME

A summary of the rules of the Share Plan and Option Scheme is set out below. The detailed rules of the Share Plan and Option Scheme are set out in Appendix A and B of this Circular respectively.

4.1 Eligibility of Participants

Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the Share Plan and Option Scheme:

- (a) Group Employees; and
- (b) Directors,

provided that, as of the Date of Grant of the Award or Option, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of the Group for at least 12 months, or such shorter period as the Committee may determine.

Subject to the absolute discretion of the Committee, the Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the Share Plan and Option Scheme, provided that the participation of each Controlling Shareholder or his Associate and each grant of an Award or Option to any of them may only be effected with the specific prior approval of Shareholders in a general meeting by a separate resolution.

There shall be no restriction on the eligibility of any Participants to participate in any other share option or share incentive schemes implemented or to be implemented by the Company or another Company within the Group, provided that the Participant is eligible to participate in such other share option or share incentive scheme in accordance to its respective rules and provisions.

Participation by Non-Executive Directors

Although the Non-Executive Directors are not involved in the day to day management of the Group, these Directors serving in a non-executive capacity bring to the Group their wealth of knowledge, business expertise and contacts in the business community. They play a crucial role in helping the Group shape its business strategy and further the business interests of the Group by allowing the Group to draw on their different backgrounds and diverse working experiences. The Non-Executive Directors also sit on the Audit, Remuneration and Nominating Committees of the Company and the Independent Directors serve an important function in ensuring good corporate governance of the Group.

Currently, the Non-Executive Directors are remunerated for their services by way of Directors' fees paid in the form of cash. Extending the Share Plan and Option Scheme to the Non-Executive Directors will provide an alternative to remunerate them by cash as it may not always be possible to compensate such persons fully or appropriately by way of extra Directors' fees. For example, a specific Non-Executive Director may contribute more than just by fulfilling his duties as a Non-Executive Director. He may bring strategic and other values to the Group, which may be difficult to quantify in monetary terms.

The grant of Awards will allow the Company to reward the Non-Executive Directors for their significant contributions to the Company while the grant of Options will allow the Company to motivate them to take extra efforts to promote the interests of the Company and/or the Group. As described under paragraph 3.1, one of the rationales of the Share Plan and Option Scheme is to attract and retain experienced and qualified persons from different professional backgrounds to join the Group. To this end, the Company is of the view that all deserving and eligible Participants should be equally entitled to take part in and benefit from the Company's fair and equitable system of remuneration.

LETTER TO SHAREHOLDERS

The Board is of the view that the participation by the Non-Executive Directors in the Share Plan and Option Scheme will not compromise their independent status. The Non-Executive Directors as at the Latest Practicable Date are Nicholas Jeyaraj s/o Narayanan, Su Jun Ming, Ong Su Aun Jeffrey and Adnan Bin Mansor.

The selection of Directors (including Non-Executive Directors) to participate in the Share Plan and Option Scheme as well as the number of Awards and Options to be offered thereof will be made by the Committee taking into consideration among other things, the services and contributions made by such Directors to the growth, development and success of the Group. The Committee may, where it considers it relevant, take into account other factors such as the economic conditions and the Group's performance. Although the Directors may be appointed as members of the Remuneration Committee, the rules of the Share Plan and Option Scheme provide that a member of the Committee shall not be involved in the deliberations of the Committee in respect of the Awards and/or Options granted to or held by him or his Associates.

4.2 Entitlement of Participants

Awards represent the right of a Participant to receive fully-paid Shares, free of charge, provided that the Conditions (if any) are met and upon expiry of the prescribed performance period. Options represent the right of a Participant to subscribe for Shares in consideration for the Exercise Price upon the exercise of the Option.

Subject to limitations under the rules of the Share Plan, the Option Scheme and any other limits as may be prescribed by the SGX-ST, the number of Shares which are the subject of an Award granted under the Share Plan or Option granted under the Option Scheme will be determined at the sole discretion of the Committee, taking into consideration, where applicable, criteria such as rank, past performance, years of service and potential development of the Participant.

An Award may only be vested, and consequently any Shares under such Award may only be issued upon the Committee being satisfied at its absolute discretion that the Participant has achieved the relevant Conditions. The Committee may prescribe for a vesting schedule pursuant to which an Award shall vest at the end of each performance period, provided the Conditions for the period has been achieved.

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

4.3 Size of the Share Plan and Option Scheme

In compliance with the requirements of the Catalist Rules, the aggregate number of Shares for which an Award may be granted on any date under the Share Plan and the number of Shares over which Options may be granted on any date under the Option Scheme, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Awards granted under the Share Plan;
- (b) all Options granted under the Option Scheme; and
- (c) all Shares, options or award granted under any other share option or share scheme of the Company then in force,

shall not exceed 15% of the total issued Shares of the Company on the day preceding that date.

Furthermore, the aggregate number of Shares for which Awards may be granted under the Share Plan and the number of Shares over which Options may be granted under the Option Scheme to Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under each of the Share Plan and Option Scheme, respectively.

LETTER TO SHAREHOLDERS

The number of Shares for which Awards may be granted under the Share Plan and the number of Shares over which Options may be granted under the Option Scheme to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under each of the Share Plan and Option Scheme, respectively.

4.4 Duration of the Share Plan and Option Scheme

The Share Plan and Option Scheme shall continue concurrently at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the Share Plan and Option Scheme are both adopted by the Shareholders in a general meeting, provided that the Share Plan and Option Scheme may continue beyond the aforesaid period of time with approval of Shareholders in general meeting and of any relevant authorities which may then be required. The Share Plan and Option Scheme may also be terminated at any time by the Committee with approval of Shareholders in general meeting.

4.5 Operation of the Share Plan

(a) Grant of Awards

Subject to prevailing legislation and the Catalist Rules, the Company, in its sole and absolute discretion, will deliver Shares to Participants, upon vesting of their Awards, by way of either:

- (i) an issue of new Shares, deemed to be fully paid upon their issuance and allotment; or
- (ii) delivering 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 ("**Existing Shares**").

In determining whether to issue and allot new Shares or to deliver existing Shares to the Participants to satisfy the Awards, the Company and the Committee will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

Existing Shares procured by the Company for transfer on the release of an Award shall be subject to all the provisions of the Constitution, and both Existing Shares and new Shares allotted and issued, shall rank in full for all entitlements, excluding dividends or other distributions declared or recommended in respect of the then Existing Shares, the Record Date for which falls on or before the relevant vesting date, and shall in all other respects rank *pari passu* with other Existing Shares then in issue.

4.6 Operation of the Option Scheme

(a) Grant of Options

Subject to prevailing legislation and the Catalist Rules, the Company, in its sole and absolute discretion, will deliver Shares to Participants in relation to an exercise of an Option, by way of either:

- (i) an issue of new Shares, deemed to be fully paid upon their issuance and allotment; or
- (ii) delivering Existing Shares.

In determining whether to issue and allot new Shares or to deliver Existing Shares to the Participants upon the exercise of the Options, the Company and the Committee will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

LETTER TO SHAREHOLDERS

New Shares allotted and issued, and Existing Shares procured by the Company for transfer, on the exercise of an Option shall be subject to all the provisions of the Constitution and shall rank in full for all entitlements, excluding dividends or other distributions declared or recommended in respect of the then Existing Shares, the Record Date for which falls on or before the relevant exercise date, and shall in all other respects rank *pari passu* with other Existing Shares then in issue.

(b) Exercise Price of Options

Subject to adjustments under the rules of the Option Scheme, the Exercise Price for the Shares in respect of which an Option is exercisable shall be fixed by the Committee in its absolute discretion at:

- (i) the Market Price; or
- (ii) 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 is approved by Shareholders in a general meeting in a separate resolution.

In determining whether to give a discount and the quantum of such discount in respect of the Exercise Price, the Committee may take into account factors such as the performance of the Group, years of service and individual performance of the Participant, his contribution to the success and development of the Group, and prevailing market and economic conditions.

(c) Grant of Options at a Discounted Price

Under the Option Scheme, the Exercise Price of the Options granted will be determined by the Committee. The Committee has the discretion to grant Options at a discounted Exercise Price. In the event that Options are granted at a discount, the discount shall not exceed 20% of the Market Price.

The ability to offer Options at a discount to the Market Price of the Shares will 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 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 employees rather than 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 Option Scheme are subject to a longer vesting period (two (2) years) than those granted at the Market Price (one (1) year), holders of such Options are encouraged to have a long term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

The Company believes that the 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.

LETTER TO SHAREHOLDERS

(d) Exercise Period of Options

An Option granted with the Exercise Price set at the Market Price shall be exercisable at any time by the Participant after the first (1st) anniversary of the Date of Grant, provided that the Option shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which the unexercised Option shall immediately lapse and become null and void.

An Option granted with the Exercise Price set at a discount to the Market Price shall be exercisable at any time by the Participant after the second (2nd) anniversary of the Date of Grant, provided that the Option shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which the unexercised Option shall immediately lapse and become null and void.

5. FINANCIAL EFFECTS OF THE SHARE PLAN AND OPTION SCHEME

5.1 Potential Costs of the Awards and Options

The grant of Awards under the Share Plan and/or Options under the Option Scheme will result in an increase in the Company's issued Shares to the extent that new Shares are issued to the Participants pursuant to the exercise of the Options and/or the grant of the Awards. This will in turn depend on, *inter alia*, the number of Shares to be issued under the Options and Awards. As such, there would be no impact on the Company's issued Shares if the relevant Options are not exercised or the relevant Awards are not vested.

Based on the SFRS, no cash outlays would be expended by the Company at the time Options and Awards are issued by it (as compared with cash bonuses). However, the Company would recognise an expense in the financial statements based on the fair value of the Option or the Award at the Date of Grant.

Participants will receive Shares in settlement of the Options and Awards, and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards and Options would be recognised as a charge to the income statement over the vesting period of an Award or 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. As for Awards, the total amount of charge over the vesting period is based on the market price at the Date of Grant adjusted to take into the account the terms and conditions upon which the Awards were granted. Before the end of the vesting period, at each accounting year end, the estimate of the number of Options and Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement 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.

In the case of Awards, the amount of the charge to the income statement depends on whether or not the Condition attached to an Award is a "**market condition**", that is a condition which is related to the market price of the Shares. If the Condition is not a market condition, the fair value of the Shares granted at the Date of Grant is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, if the Awards do not ultimately vest due to a failure to meet the Conditions, the amount charged to the income statement would be reversed.

LETTER TO SHAREHOLDERS

5.2 Share Capital

The Share Plan and Option Scheme will result in an increase in the Company's issued Shares when new Shares are issued to the Participants pursuant to the exercise of Options and grant of Awards. This increase will in turn depend on, *inter alia*, the number of Shares under the Options and the Awards, and the prevailing market price of the Shares on the SGX-ST. However, there will be no change to the Company's issued Shares where Options (when exercised) and Awards are satisfied by treasury shares held by the Company.

5.3 Earnings per Share

The Share Plan and Option Scheme will have a dilutive effect on the EPS of the Group and of the Company following the increase in the Company's issued Shares to the extent that new Shares are issued to the Participants pursuant to the Share Plan and Option Scheme.

5.4 Net Tangible Assets

The issue of new Shares upon the exercise of the Options under the Option Scheme will increase the consolidated NTA of the Group and of the Company by the aggregate Exercise Price of the new Shares. On a per Share basis, the effect on the NTA of the Group and of the Company is accretive if the Exercise Price is above the NTA per Share but dilutive otherwise.

As described in paragraph 5.1, the grant of Awards under the Share Plan is likely to result in a charge to the income statement of the Group and of the Company over the period from the date of the grant of the Awards to the vesting date of the Awards. The amount of the charge will be computed in accordance with the grant date method under SFRS 102. If new Shares are issued to Participants, there would be no effect on the NTA of the Group and of the Company.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the direct and indirect interests of each of the Directors in the Shares of the Company are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	%	Number of Shares	%
<u>Directors</u>						
Sandra Liz Hon Ai Ling	–	–	–	–	–	–
Nicholas Jeyaraj s/o Narayanan	–	–	–	–	–	–
Su Jun Ming	–	–	–	–	–	–
Ong Su Aun Jeffrey	–	–	–	–	–	–
Adnan Bin Mansor	–	–	–	–	–	–
<u>Substantial Shareholders</u>						
Chong Shin Mun	874,500,000	9.2	–	–	874,500,000	9.2
IPCO International Limited	500,000,000	5.2	–	–	500,000,000	5.2

Note:

(1) Based on 9,551,985,206 Shares, the total issued Shares of the Company as at the Latest Practicable Date.

7. DIRECTORS' RECOMMENDATIONS

7.1 The Proposed Diversification

Having reviewed, *inter alia*, the rationale for the Proposed Diversification, the Board is unanimously of the view that the Proposed Diversification is in the best interests of the Company, and the Board recommends that Shareholders vote in favour of the Proposed Diversification at the EGM.

LETTER TO SHAREHOLDERS

7.2 The Proposed Annica Performance Share Plan

The Directors are eligible to participate, and are therefore interested, in the Share Plan and shall therefore refrain from making any recommendations in relation to the proposed adoption of the Share Plan.

7.3 The Proposed Annica Employee Share Option Scheme

The Directors are eligible to participate, and are therefore interested in the Option Scheme and shall therefore refrain from making any recommendations in relation to the proposed adoption of the Option Scheme.

7.4 The Proposed Grant of Options at a Discount under the Proposed Annica Employee Share Option Scheme

The Directors are eligible to participate, and are therefore interested in the proposed grant of Options at a Discount under the Option Scheme and shall therefore refrain from making any recommendations in relation to the proposed grant of Options at a discount under the Option Scheme.

7.5 Note to Shareholders

As different Shareholders would have different investment objectives and profiles with specific investment objectives, financial situation, tax position or unique needs or constraints, the Board recommends that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

8. ABSTENTION FROM VOTING

Shareholders who are entitled to participate in the Share Plan and Option Scheme should abstain from voting at the EGM on the Proposed Resolutions as set out in the Notice of EGM at pages N-1 to N-3 of this Circular, and should decline appointment as proxies for voting at the EGM in respect of the Proposed Resolutions, unless specific instructions have been given in the proxy form on how the votes are to be cast for each of the Proposed resolutions.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held at Raffles Town Club, Private Lounge, Level 2, 1 Plymouth Avenue, Singapore 297753 on 2 September 2016 at 2.30 p.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing (with or without any modification) the Proposed Resolutions set out in the Notice of EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's share registrar at B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than 48 hours before the time fixed for holding the EGM. The completion and lodgement of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the EGM. Depositors who are individuals and who wish to attend the EGM in person need not take any further action and can attend and vote at the EGM without the lodgement of any proxy form.

LETTER TO SHAREHOLDERS

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 1 Raffles Place, #18-61 Tower 2, Singapore 048616 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the annual report of the Company for FY2015;
- (b) the Constitution;
- (c) the rules of the proposed Annica Performance Share Plan; and
- (d) the rules of the proposed Annica Employee Share Option Scheme.

By Order of the Board
Annica Holdings Limited

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

18 August 2016
Singapore

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

1 NAME OF THE PLAN

The share plan shall be called the “**Annica Performance Share Plan**”.

2 DEFINITIONS

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

- “**Associate**” : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (i) 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
 - (ii) any company in which he and his immediate 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.
- “**Award**” : A contingent award of Shares granted under Rule 7.
- “**Award Letter**” : The meaning as defined in Rule 7.3.
- “**Board**” : The board of Directors of the Company.
- “**CDP**” : The Central Depository (Pte) Limited.
- “**Committee**” : A committee comprising Directors and such other persons or body to which the Board duly delegates its powers and authorities to under this Share Plan.
- “**Company**” : Annica Holdings Limited.
- “**Companies Act**” : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
- “**Condition**” : One or more performance or service related conditions prescribed by the Committee which must be satisfied before an Award Vests.
- “**Constitution**” : The constitution of the Company, as amended, modified or supplemented from time to time.
- “**Control**” : The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of the Company.

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of voting Shares in the Company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or
 - (b) in fact exercises Control over the Company.
- “CPF”** : The Central Provident Fund.
- “Date of Grant”** : In relation to an Award, the date on which the Award is granted to a Participant pursuant to the Share Plan as notified by the Committee.
- “Director”** : A person holding office as a director for the time being of the Company and may include an Executive Director or Non-Executive Director, as the context requires.
- “Eligible Person”** : A Group Employee or Director or another person determined by the Committee as eligible to participate in the Share Plan in accordance with Rule 4.1.
- “Executive Director”** : A Director of the Company who performs an executive function within the Company or the Group.
- “FY” or “Financial Year”** : Each period, at the end of which the accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company.
- “Group”** : The Company, its Subsidiaries and any other entity declared by the Board to be a member of the Group for the purposes of the Share Plan, and **“Group Company”** means any member of the Group.
- “Group Employee”** : Any person who is a full-time or permanent part-time employee of the Group (including the Directors of the Company and directors of a Subsidiary) selected by the Committee to participate in the Share Plan in accordance with the rules thereof.
- “Law”** : The laws applicable to the operation of the Share Plan from time to time, including any applicable securities laws of the jurisdiction in which an Eligible Person receiving an Award under the Share Plan is located.
- “Listing Manual” or “Catalist Rules”** : The Listing Manual Section B: Rules of Catalist of the SGX-ST, as the same may be amended, modified or supplemented from time to time.
- “Listing Rules”** : The rules constituted in the Listing Manual.
- “Market Day”** : A day on which the SGX-ST is open for trading in securities.
- “Non-Executive Director”** : A Director of the Company other than an Executive Director but including the independent Directors of the Company.
- “Option”** : The right to subscribe for Shares granted pursuant to the rules of the Option Scheme.

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

- “Option Scheme”** : The Annica Employee Share Option Scheme, as modified or altered from time to time.
- “Participant”** : Any Eligible Person who has been offered Awards under the Share Plan.
- “Performance Period”** : The period or periods over which the Conditions are measured or tested as specified by the Committee for the purpose of the Award.
- “Personal Data Protection Act”** : The Personal Data Protection Act 2012 of Singapore, as amended or modified from time to time.
- “Record Date”** : The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- “Rules”** : Rules of the Share Plan, as the same may be modified or altered from time to time.
- “SFA”** : The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
- “SGX-ST”** : Singapore Exchange Securities Trading Limited.
- “Share Plan”** : This Annica Performance Share Plan, as the same may be modified or altered from time to time.
- “Shareholders”** : The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares and where the context so admits, mean the Depositors whose securities accounts are credited with such Shares.
- “Shares”** : Fully paid ordinary shares in the capital of the Company.
- “Subsidiary”** : A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act.
- “Substantial Shareholder”** : A person who has an interest, directly or indirectly, in 5% or more of the total number of Shares.
- “Trading Restriction”** : Restriction on transfer imposed on Shares that are subscribed pursuant to Awards granted under the Share Plan.
- “Vest”** : A Participant becoming entitled to have the Shares underlying his or her Awards allocated to him or her, subject to the Rules (and **Vested** or **Vesting** shall be construed accordingly).
- “S\$” and “cents”** : Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore.
- “%” or “per cent.”** : Per centum or percentage.

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

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

3 OBJECTIVES OF THE SHARE PLAN

- 3.1 The Share Plan will provide an opportunity for Eligible Persons who satisfy the eligibility criteria as set out in Rule 4 of the Share Plan, to participate in a grant of Awards.
- 3.2 The Share Plan is primarily an equity incentive programme. It recognises the fact that the services of particular Eligible Persons are important to the success and continued well-being of the Group. Implementation of the Share Plan will enable the Company to give recognition to the contributions made by such Eligible Persons. At the same time, it will give such Eligible Persons an opportunity to have an equity interest in the Company and will also help to achieve the following positive objectives:
- (a) the motivation of each Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
 - (b) the retention of key Eligible Persons whose contributions are essential to the long-term growth and profitability of the Group;
 - (c) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, the Group;
 - (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
 - (e) to align the interests of the Participants with the interests of the Shareholders.

4 ELIGIBILITY

- 4.1 Any Eligible Person shall be eligible to participate in the Share Plan at the absolute discretion of the Committee, if at the Date of Grant:
- (a) he shall be
 - (i) a Group Employee; or
 - (ii) a Director;
 - (b) he shall have attained the age of 21 years; and
 - (c) he shall not be an undischarged bankrupt,

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

PROVIDED ALWAYS THAT:

- (1) if any such person is a Controlling Shareholder or an Associate of a Controlling Shareholder, his participation in the Share Plan and the grant of Awards to whom, including the actual number and terms thereof, shall be subject to prior approval by independent Shareholders in a general meeting in separate resolutions for each Controlling Shareholder or Associate of a Controlling Shareholder; and
- (2) it shall not be necessary to obtain the approval of independent Shareholders for the participation of a person who is Controlling Shareholder or an Associate of a Controlling Shareholder in the Share Plan if such person is, at the relevant time, already a Participant.

4.2 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any other companies within the Group.

4.3 Subject to the Companies Act and any requirements of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the terms of eligibility for participation in the Share Plan may be amended from time to time at the absolute discretion of the Committee.

5 LIMITATIONS UNDER THE SHARE PLAN

5.1 The aggregate number of Shares for which an Award may be granted to an Eligible Person on any date under the Share Plan, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Awards granted under the Share Plan;
- (b) all Options granted under the Option Scheme; and
- (c) all Shares, options or award granted under any other share option or share scheme of the Company then in force,

shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares) on the day preceding that date.

5.2 The aggregate number of Shares for which Awards may be granted under the Share Plan to Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Share Plan, and the number of Shares for which an Award may be granted under the Share Plan to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Share Plan.

6 ENTITLEMENT

Subject to Rules 4 and 5, Awards may only be Vested, and consequently any Shares under such Award shall only be delivered to an Eligible Person at the absolute discretion of the Committee, which shall take into account, where applicable, criteria such as rank, past performance, years of service and potential development of the Eligible Person.

7 GRANT OF AWARDS

7.1 The Committee may, subject to the Companies Act, any requirements of the SGX-ST and the Share Plan, offer to grant the Award to such Eligible Persons as it may select in its absolute discretion at any time during the period when the Share Plan is in force, except that no Award shall be granted during the period of thirty (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 made, the Awards may only be Vested, and hence any Shares under such Awards may only be delivered, on or after the second (2nd) Market Day on which such announcement is released.

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

- 7.2 The Committee shall, in its absolute discretion, determine in relation to an Award:
- (a) the number of Shares which are the subject of the Award;
 - (b) the Date of Grant;
 - (c) details of any applicable Conditions, including performance and/or service conditions, and the applicable Performance Period;
 - (d) the time or times at which the applicable Conditions will be tested in respect of the Performance Period (at which time, the Awards may Vest provided the Conditions for the Performance Period have been achieved); and
 - (e) any other relevant terms and conditions to be attached to the Awards allocated under the Share Plan.
- 7.3 Upon its decision to grant the Award, the Committee shall as soon as practicable send to the Eligible Person an award letter in the form set out in Schedule 1 or in an alternative form otherwise approved by the Committee (the “**Award Letter**”) confirming such Award.
- 7.4 Awards are personal to the Eligible Person to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval, but may be exercised by the Participant’s duly appointed personal representative in the event of the death of such Participant.
- 7.5 In the event that a grant of an Award results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 7.6 Participants are not required to pay for the grant of Awards, unless the Committee determines otherwise or otherwise stated in the Award Letter.
- 7.7 A Participant must not enter into any arrangement or agreement (including derivative products) under which the Participant may alter the economic benefit to be derived from any Awards that remain subject to these Rules, irrespective of future changes in the market price of the underlying Shares.
- 7.8 Where the Participant enters, or purports to enter into any arrangement or agreement described in Rule 7.7, the Awards will immediately lapse.

8 VESTING OF AWARDS

- 8.1 Notwithstanding that a Participant may have satisfied the Condition(s), no Award shall be vested in the event of:
- (a) the decision of the Committee, in its absolute discretion, to revoke or annul such Award; or
 - (b) subject to Rule 10, the Participant, being a Group Employee, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to the Vesting of the Award;
 - (c) 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 Award;

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

- (d) misconduct on the part of the Participant, as determined by the Committee in its absolute discretion; or
- (e) the Company is liquidated or wound-up prior to the Vesting of the Award.

8.2 Upon the occurrence of any of the events specified in Rule 8.1, an Award then held by a Participant shall immediately lapse without any claim whatsoever against the Company and/or the Group.

8.3 If a Participant has fulfilled his Condition(s) but dies before the Shares under an Award are released, the Shares under the Award shall in such circumstances be given to the personal representatives of the Participant.

9 ALTERATION OF CAPITAL

9.1 If a variation in the issued Shares of the Company, whether by way of a capitalisation of profits or reserve or rights issue or reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or otherwise howsoever, should take place, then:

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

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

9.2 Notwithstanding the provisions of Rule 9.1 above:

- (a) no such adjustment shall be made:
 - (i) if as a result, the Participant receives a benefit that a Shareholder does not receive;
 - (ii) if as a result, such adjustment will result in the number of Shares under an Option, together with new Shares to be issued or issuable under the Option Scheme or the Share Plan, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares) for the time being; or
 - (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts not as arbitrators) to be in their opinion, fair and reasonable.

9.3 Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment under the provisions of this Rule 9:

- (a) the issue of securities as consideration for an acquisition of any assets by the Company, or a private placement of securities of the Company;

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Rules, undertaken by the Company on the SGX-ST, during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force;
- (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its Group Employees, including directors or employees of the Company or of any of its Subsidiaries, pursuant to purchase or option schemes approved by Shareholders in general meeting, including the Option Scheme and Share Plan;
- (d) any issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

9.4 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 class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

9.5 Divestment of a material business or subsidiary

Where the Company divests a business of the Group designated by the Committee for this purpose as 'material', the Committee may make special rules that apply to Participants in relation to the Awards or Shares held pursuant to the Share Plan (and any other entitlements or shares that may arise in relation to those Shares). Without limiting the Committee's discretion, such rules may include:

- (a) varying the Conditions applying to the Participant's Awards to take into account the divestment of the business (if applicable); and
- (b) deeming the Participant to remain a Group Employee for a specific period.

In order to bind a Participant, any special rules made under this Rule 9.5 must be notified to a Participant.

10 SPECIFIC RULES ON CESSATION OF EMPLOYMENT

10.1 Where a Participant ceases to be an employee of the Group before Awards held by that Participant has Vested, all unvested Awards held by that Participant shall lapse.

10.2 Notwithstanding Rule 10.1, if a Participant cease to be in the employment of the Group before Awards held by that Participant has Vested by reason of:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) *bona fide* redundancy;
- (c) retirement at or after the legal retirement age;
- (d) retirement before that age with the consent of the Committee;

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

- (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;

and at that time the Participant continues to satisfy any other relevant conditions imposed by the Committee at the time of grant, the Committee may, in its discretion, determine any of the following:

- (i) some or all of the Participant's unvested Awards will be tested at the end of the applicable Performance Period, and Vest to the extent the Conditions have been satisfied; or
- (ii) modify or waive any applicable Conditions or Performance Period in respect of the Awards;

and, in making such determination, the Committee may have regard to the proportion of the Performance Period that has passed and the degree to which any Conditions have been satisfied at the time of cessation of employment.

The Committee will give written notice to each Participant of the number of Shares which are the subject of the Award that will Vest pursuant to this Rule 10.2.

- 10.3 For the purposes of this Share Plan, a Participant will not be treated as ceasing employment until such time as the Participant is no longer an employee of the Group.
- 10.4 Subject to applicable laws, at the discretion of the Committee, a Participant who is granted an approved leave of absence and who exercises his right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the Awards vest, will not be treated for those purposes as ceasing employment.
- 10.5 A Participant shall be deemed to have ceased to be in the employment of the Group on the date the notice of termination of employment is tendered by or is given to the Participant, unless such notice shall be withdrawn prior to its effective date.

11 TESTING OF CONDITIONS

- 11.1 Awards will only Vest once the Committee, in its discretion, determines any relevant Conditions have been satisfied.
- 11.2 Subject to Rule 11.1, following the end of the Performance Period, the Committee will:
 - (a) test the applicable Conditions and determine the extent to which the Conditions have been satisfied;
 - (b) the vesting schedule (if any), pursuant to which an Award shall Vest at the end of each Performance Period, provided the Conditions(s) has been achieved;
 - (c) determine the time when the Awards Vest; and
 - (d) within a reasonable timeframe, notify Participants of the extent to which any applicable Conditions have been satisfied and Awards will Vest or have Vested.
- 11.3 Notwithstanding Rule 11.1, the Committee may, in its discretion, determine that an Award Vests prior to the end of the Performance Period.
- 11.4 Any Award which do not Vest following the testing in Rule 11.2 will lapse.

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

12 SETTLEMENT OF AWARDS

12.1 Subject to any applicable Trading Restrictions imposed by Law, the Company must allocate or procure the transfer of the relevant number of Shares for each Vested Award to, or for the benefit of, the Participant who holds such Vested Awards.

12.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
- (b) compliance with the Rules of the Share Plan and the Constitution, the Company shall within one month after the Vesting of an Award, allot the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.

12.3 Share Settlement

- (a) Subject to Rule 12.1, each Vested Award entitles the Participant to receive the relevant number of Shares in the Company, as set out in the Award Letter.
- (b) All Shares allotted and issued upon the Vesting of an Award shall be subject to all provisions of the Companies Act and the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividend, right, allotment or other distribution, the Record Date for which falls on or before the relevant Vesting date of the Award.
- (c) If the Company issue Shares to the Participant, the Company shall, if necessary, as soon as practicable, apply to the SGX-ST for permission to deal in and for quotation of the Shares which may be issued upon the Vesting of the Award and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 9.
- (d) Shares which are the subject of an Award by a Participant shall be issued, as the Participant may elect, in his name or, if the Shares are listed and quoted on the SGX-ST, 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 CDP Depository Agent.

12.4 Sale of Shares

Subject to any applicable restriction imposed by the Committee or imposed under these Rules, no restrictions shall apply to any Shares issued and allotted under the Share Plan.

12.5 Except as set out in Rule 13.2 and subject to Rule 9, an Award does not confer on a Participant any right to participate in any new issue of Shares.

13 MODIFICATIONS TO THE SHARE PLAN

13.1 Any or all of the provisions of the Share Plan 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 attached to any Award granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of the Participant who shall be impacted, unless an amendment is made primarily for the purpose of complying with present or future Laws applicable to the Share Plan or a member of the Group, or to correct any manifest error or mistake;

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

- (b) any modification or alteration which would be to the advantage of the Participants under the Share Plan shall be subject to the prior approval of Shareholders at a general meeting; and
- (c) no modification or alteration shall be made without due compliance with the Listing Rules and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Award shall be final and conclusive.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution amend or alter the Share Plan in any way to the extent necessary to cause the Share Plan to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

14 DURATION OF THE SHARE PLAN

- 14.1 The Share Plan shall continue to be in operation at the discretion of the Committee for a maximum period of ten (10) years commencing on the date on which the Share Plan is adopted by Shareholders at a general meeting. Subject to compliance with applicable laws and regulations in Singapore, the Share Plan may continue beyond 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.
- 14.2 The Share Plan 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 Share Plan is so terminated, no further Awards shall be offered by the Company hereunder.
- 14.3 The termination, discontinuance or expiry of the Share Plan shall be without prejudice to the rights accrued to Awards which have been made to Participants.

15 TAKE-OVER AND WINDING-UP OF THE COMPANY

- 15.1 Notwithstanding Rule 8 but subject to Rule 15.5, in the event of a take-over offer being made for the Company, a Participant shall be entitled to the Shares under the Awards if the applicable Conditions have been satisfied (or estimated to have been satisfied) for the corresponding Performance Period. For the avoidance of doubt, the vesting of such Awards will not be affected by the take-over offer.
- 15.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant shall be entitled, notwithstanding the provisions under this Rule 15 but subject to Rule 15.5, to any Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later, if the applicable Conditions have been satisfied (or estimated to have been satisfied) for the corresponding Performance Period by the Participant.
- 15.3 If an order is made or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Awards, notwithstanding that Shares may have not been released to the Participants, shall be deemed or become null and void.

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

- 15.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Shares under the Awards shall be released to the Participant for so long as, in the absolute determination by the Committee, the applicable Conditions have been satisfied (or estimated to have been satisfied) by the Participant for the corresponding Performance Period prior to the date on which the members' voluntary winding-up is deemed to have commenced or is effective in law.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 or the scheme referred to in Rule 15.2 or the winding-up referred to in Rule 15.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no release of Shares under the Award shall be made in such circumstances.

16 ADMINISTRATION OF THE SHARE PLAN

- 16.1 The Share Plan shall be administered by the Committee in its absolute discretion.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations for the implementation and administration of the Share Plan as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Share Plan (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Share Plan or any rule, regulation or procedure thereunder or as to any rights under the Share Plan).
- 16.4 A Director shall not be involved in the Committee's deliberation in respect of Awards or Shares granted to him.
- 16.5 The exercise of any powers under these Rules by the Committee is subject to any restrictions or procedural requirements relating to the amendment of the rules of an employee incentive scheme or of issued options imposed by any Law or by the Listing Rules and applicable to the Share Plan or Awards, as the case may be, unless those restrictions, conditions or requirements are relaxed or waived by the SGX-ST or any of its delegates either generally or in a particular case or class of cases and either expressly or by implication.

17 NOTICES

- 17.1 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.
- 17.2 Any notices or documents given by the Company to a Participant shall be sent to the Participant 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 third (3rd) day immediately following the date of posting.

18 TERMS OF EMPLOYMENT UNAFFECTED

- 18.1 The Share Plan or any Awards shall not form part of any contract of employment between the Company or 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 or her participation in the Share Plan or any right which he or she may have to participate in it or any Awards which he or she may hold and the Share Plan or any Awards 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. For the avoidance of doubt, this clause shall not limit any ability of the Company to offer Awards to prospective Group Employees.

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

18.2 The Share Plan shall not confer on any person any legal or equitable rights (other than those constituting the Awards themselves) against the Group directly or indirectly or give rise to any cause of action at law or in equity against any Group Company.

19 TAXES

19.1 Unless otherwise required by Law, no Group Company is responsible for any taxes which may become payable by a Participant as a consequence of or in connection with the grant of any Awards, the allocation or transfer of any Shares or any dealing with any Awards or any Shares.

19.2 The Company will have the right to withhold or collect from a Participant such taxes as any Group Company is obliged, or reasonably believes it is obliged, to account for to any taxation authority. In exercising this right, the Company may:

- (a) require the Participant to provide sufficient funds (by way of salary deduction or otherwise); or
- (b) sell Shares to be issued or transferred to the Participant, including the sale of sufficient Shares to cover any costs of such sale.

20 COSTS AND EXPENSES OF THE SHARE PLAN

20.1 Each Participant shall be responsible for all fees of CDP (if any) relating to or in connection with the issue and allotment of any Shares pursuant to the Awards in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant (collectively, the "**CDP Charges**").

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

21 CONDITION OF AWARD

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

22 DISCLOSURES IN ANNUAL REPORT

The Company shall, for so long as the Share Plan 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 of the Share Plan:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders and their Associates; and

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

- (iii) Participants (other than those in paragraphs (b)(i) and (b)(ii) above) who have received Shares pursuant to the release of Awards granted under the Share Plan which, in aggregate, represent 5% or more of the aggregate of the total number of Shares available under the Share Plan; and

Name of Participant	Aggregate number of Shares under Awards granted during the Financial Year under review (including terms)	Aggregate number of Shares under the Awards granted since commencement of the Share Plan to the end of the Financial Year under review	Aggregate number of Shares under the Awards which have been allotted and/or transferred pursuant to the Vesting of Awards since commencement of the Share Plan to the end of the Financial Year under review	Aggregate number of Shares under the Awards which have not been released as at the end of the Financial Year under review

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

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

23 DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Share Plan, including but not limited to the Company's delay in allotting and issuing the Shares or in applying for or procuring the listing of and quotation for the Shares on the SGX-ST.

24 PERSONAL INFORMATION

Subject to compliance with the Personal Data Protection Act and all applicable Law, each Participant consents to the Company, any Group Company or its agents (and each of their related parties) collecting, holding and using personal information that the Participant provides as part of the offer and application process to participate in the Share Plan or otherwise provides to the Company, a Group Company or their agents (and each of their related parties) as part of their employment, in order to carry out the administration and operation of the Share Plan in accordance with these Rules, including providing relevant information to:

- (a) the Share Plan manager or another entity that manages or administers the Share Plan on behalf of the Company;
- (b) any broker or external service provider, including a tax or financial adviser;
- (c) any government department or body; and
- (d) any other person or body as required or authorised by law.

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

25 DISPUTES

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

26 ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Share Plan must abstain from voting on any resolution relating to the Share Plan 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 Share Plan shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Share Plan; and (b) participation by and grant of Awards to Controlling Shareholders and their Associates.

27 GOVERNING LAW

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

APPENDIX A – RULES OF THE ANNICA PERFORMANCE SHARE PLAN

SCHEDULE 1

**ANNICA PERFORMANCE SHARE PLAN
LETTER OF AWARD**

Private and Confidential

Serial No : _____

Date : _____

To : [Name]
[Designation]
[Address]

Dear Sir/Madam

We have the pleasure of informing you that, pursuant to the Annica Performance Share Plan (the “**Share Plan**”), you have been nominated to participate in the Share Plan by the committee (the “**Committee**”) authorised and appointed by the Board of Directors to administer the Share Plan. Unless otherwise defined, terms as defined in the Share Plan shall have the same meaning when used in this letter.

Accordingly, you are hereby awarded _____ Shares (the “**Award**”), which shall Vest on _____ unless otherwise revoked or annulled by the Committee, and always subject to such terms and conditions as provided for in the Share Plan.

The Award is personal to you and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval.

The Award shall be subject to the terms of the Share Plan, a copy of which is available for inspection at the business address of the Company.⁽¹⁾

Yours faithfully
For and behalf of
Annica Holdings Limited

Name:
Designation:

⁽¹⁾ Conditions (if any) to be attached to Award will be determined by the Committee at its absolute discretion.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

1 NAME OF THE SCHEME

The share option scheme shall be called the “**Annica Employee Share Option Scheme**”.

2 DEFINITIONS

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

- “**Acceptance Form**” : The meaning as defined in Rule 8.1.
- “**Associate**” : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, 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.
- “**Award**” : A contingent award of Shares granted pursuant to the rules of the Share Plan.
- “**Board**” : The board of Directors of the Company.
- “**CDP**” : The Central Depository (Pte) Limited.
- “**Committee**” : A committee comprising Directors and such other persons or bodies to which the Board duly delegates its powers and authorities to under this Option Scheme.
- “**Company**” : Annica Holdings Limited.
- “**Companies Act**” : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
- “**Condition**” : One or more performance or service related conditions prescribed by the Committee which must be satisfied before an Option is granted.
- “**Constitution**” : The constitution of the Company, as amended, modified or supplemented from time to time.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

- “Control”** : The capacity to dominate decision making, directly or indirectly, in relation to the financial and operating policies of the Company.
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of voting Shares in the Company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or
 - (b) in fact exercises Control over the Company.
- “CPF”** : The Central Provident Fund.
- “Date of Grant”** : In relation to an Option, the date on which the Option is granted to a Participant pursuant to the Option Scheme as notified by the Committee.
- “Director”** : A person holding office as a director for the time being of the Company and may include an Executive Director or Non-Executive Director, as the context requires.
- “Eligible Person”** : A Group Employee or Director or another person determined by the Committee as eligible to participate in the Option Scheme in accordance with Rule 4.1.
- “Executive Director”** : A director of the Company who performs an executive function within the Company or the Group.
- “Exercise Notice”** : The meaning as defined in Rule 12.2.
- “Exercise Price”** : The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9, or as adjusted in accordance with Rule 9.
- “FY” or “Financial Year”** : Each period, at the end of which the accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company.
- “Group”** : The Company, its Subsidiaries and any other entity declared by the Board to be a member of the Group for the purposes of the Option Scheme, and **“Group Company”** means any member of the Group.
- “Group Employee”** : Any person who is a full-time or permanent part-time employee of the Group (including the Directors of the Company and directors of a Subsidiary) selected by the Committee to participate in the Option Scheme in accordance with the rules thereof.
- “Law”** : The laws applicable to the operation of the Option Scheme from time to time, including any applicable securities laws of the jurisdiction in which an Eligible Person receiving an Option under the Option Scheme is located.
- “Listing Manual” or “Catalist Rules”** : The Listing Manual Section B: Rules of Catalist of the SGX-ST, as the same may be amended, modified or supplemented from time to time.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

“Listing Rules”	: The rules constituted in the Listing Manual.
“Market Day”	: A day on which the SGX-ST is open for trading in securities.
“Market Price”	: The average of the last dealt prices for a Share determined by reference to the daily Official List (as defined in the Listing Rules) published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date of the Option, provided always that in the case of a Market Day on which the Shares of the Company 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.
“Non-Executive Director”	: A Director of the Company other than an Executive Director but including the independent Directors of the Company.
“Offer Date”	: The date on which an offer to grant an Option is made.
“Offer Letter”	: The meaning as defined in Rule 7.3.
“Option”	: The right to subscribe for Shares granted pursuant to the rules of the Option Scheme.
“Option Period”	: The term over which the Option may be exercised as determined by the Committee under Rule 11.
“Option Scheme”	: This Annica Employee Share Option Scheme, as the same may be modified or altered from time to time.
“Participant”	: Any Eligible Person who has been granted Options under the Option Scheme.
“Personal Data Protection Act”	: The Personal Data Protection Act 2012 of Singapore, as may be amended, modified or supplemented from time to time.
“Record Date”	: The date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
“Rules”	: Rules of the Option Scheme, as may be amended, modified or supplemented from time to time.
“SFA”	: The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
“SGX-ST”	: Singapore Exchange Securities Trading Limited.
“Share Plan”	: The Annica Performance Share Plan, as modified or altered from time to time.
“Shareholders”	: The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose securities accounts are credited with such Shares.
“Shares”	: Fully paid ordinary shares in the capital of the Company.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

- “Subsidiary”** : A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act.
- “Substantial Shareholder”** : A Shareholder who has an interest, directly or indirectly in not less than 5% of the total number of Shares.
- “Trading Restriction”** : Restriction on transfer imposed on Shares that are subscribed pursuant to Options granted under the Option Scheme.
- “S\$” and “cents”** : Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore.
- “%” or “per cent.”** : Per centum or percentage.

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

3 OBJECTIVES OF THE OPTION SCHEME

- 3.1 The Option Scheme will provide an opportunity for Eligible Persons who satisfy the eligibility criteria as set out in Rule 4 of the Option Scheme, to be granted Options for subscription of Shares under the Option Scheme.
- 3.2 The Option Scheme is primarily an equity incentive programme. It recognises the fact that the services of particular Eligible Persons are important to the success and continued well-being of the Group. Implementation of the Option Scheme will enable the Company to give recognition to the contributions made by such Eligible Persons. At the same time, it will give such Eligible Persons an opportunity to have an equity interest in the Company and will also help to achieve the following positive objectives:
- (a) the motivation of each Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;
 - (b) the retention of key Eligible Persons whose contributions are essential to the long-term growth and profitability of the Group;
 - (c) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, the Group;
 - (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
 - (e) to align the interests of the Participants with the interests of Shareholders.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

4 ELIGIBILITY

4.1 Any Eligible Person shall be eligible to participate in the Option Scheme at the absolute discretion of the Committee, if at the Offer Date:

- (a) he shall be
 - (i) a Group Employee; or
 - (ii) a Director;
- (b) he shall have attained the age of 21 years; and
- (c) he shall not be an undischarged bankrupt,

PROVIDED ALWAYS THAT:

- (1) if any such person is a Controlling Shareholder or an Associate of a Controlling Shareholder, his participation in the Option Scheme and the grant of Options to whom, including the actual number and terms thereof, shall be subject to prior approval by independent Shareholders in a general meeting in separate resolutions for each Controlling Shareholder or Associate of a Controlling Shareholder; and
- (2) it shall not be necessary to obtain the approval of independent Shareholders for the participation of a person who is Controlling Shareholder or an Associate of a Controlling Shareholder in the Option Scheme if such person is, at the relevant time, already a Participant.

4.2 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive scheme implemented by any other companies within the Group.

4.3 Subject to the Companies Act and any requirements of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted from time to time (if applicable), the terms of eligibility for participation in the Option Scheme may be amended from time to time at the absolute discretion of the Committee.

5 LIMITATIONS UNDER THE OPTION SCHEME

5.1 The aggregate number of Shares over which the Options may be granted to an Eligible Person on any date under the Option Scheme, when added to the number of Shares issued and/or issuable in respect of:

- (a) all Awards granted under the Share Plan;
- (b) all Options granted under the Option Scheme; and
- (c) all Shares, options or award granted under any other share option or share scheme of the Company then in force;

shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares) on the day preceding that date.

5.2 The aggregate number of Shares for which Options may be granted under the Option Scheme to Controlling Shareholders and their Associates shall not exceed 25% of the Shares available under the Option Scheme, and the number of Shares over which an Option may be granted under the Option Scheme to each Controlling Shareholder or his Associate shall not exceed 10% of the Shares available under the Option Scheme.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

6 ENTITLEMENT

Subject to Rules 4 and 5, the number of Shares over which the Options shall be granted to an Eligible Person for subscription under the Option Scheme shall be determined at the absolute discretion of the Committee, which shall take into account, where applicable, criteria such as rank, past performance, years of service and potential development of the Eligible Person.

7 OFFER OF OPTIONS

7.1 The Committee may, subject to the Companies Act, any requirements of the SGX-ST and the Option Scheme, offer to grant the Options to such Eligible Persons as it may select in its absolute discretion at any time during the period when the Option Scheme is in force, except that no Option shall be granted during the period of thirty (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 made, offers to grant Options may only be made on or after the second (2nd) Market Day on which such announcement is released.

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

- (a) the number of Options which are the subject of the offer;
- (b) the Offer Date;
- (c) the method and form of applying for, or rejecting of, a grant of Options;
- (d) details of any applicable Conditions, including performance and/or service conditions, required prior to the exercise of the Options;
- (e) the Option Period, provided that:
 - (i) in the case of an Option granted with the Exercise Price set at a discount to the Market Price, the Option may only be exercised only after two (2) years from the Date of Grant; and
 - (ii) in the case of an Option granted with the Exercise Price set at the Market Price or at a premium to the Market Price, the Option may only be exercised after one (1) year from the Date of Grant;
- (f) the maximum entitlement in a financial year, if any, which may be granted to an Eligible Person; and
- (g) any other relevant terms and conditions to be attached to the Options allocated under the Option Scheme.

7.3 Upon its decision to grant an Option to an Eligible Person, the Committee shall as soon as practicable send to the Eligible Person an offer letter in the form set out in Schedule 1 or in an alternative form otherwise approved by the Committee (the "**Offer Letter**") confirming such Option.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

8 ACCEPTANCE OF OFFER

- 8.1 An Option offered to an Eligible Person pursuant to Rule 7 may only be accepted by the Eligible Person within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the 30th day from such Offer Date, or such other date or period approved by the Committee, by (a) completing, signing and returning to the Company the acceptance form in or substantially in the form set out in Schedule 2 or in an alternative form otherwise approved by the Committee (the “**Acceptance Form**”), subject to such modifications as the Committee may from time to time determine accompanied by the payment of S\$1.00 as consideration (the “**Consideration**”) or such other amounts and such other documentation as the Committee may require; and (b) if, at the date on which the Committee, for and on behalf of the Company, receives from the Eligible Person the Acceptance Form and the Consideration in respect of the Option as aforesaid, he remains eligible to participate in the Option Scheme in accordance with these Rules.
- 8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the 30-day period referred to in Rule 8.1, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.
- 8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 12.3 which does not strictly comply with the terms of the Option Scheme.
- 8.4 For the avoidance of doubt, an Eligible Person does not have any right to receive an Option under the Option Scheme until the Option is actually granted by the Committee on the Date of Grant.
- 8.5 Options are personal to the Participant to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval, but may be exercised by the Participant’s duly appointed personal representative in the event of the death of such Participant.
- 8.6 Unless the Committee determines otherwise, the Eligible Person may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Eligible Person shall accept the offer in multiples of 100 Shares. The Committee shall within fifteen (15) Market Days of receipt of the Acceptance Form and the Consideration, acknowledge receipt of the same.
- 8.7 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.8 A Participant must not enter into any arrangement or agreement (including derivative products) under which the Participant may alter the economic benefit to be derived from any Options that remain subject to these Rules, irrespective of future changes in the market price of the underlying Shares.
- 8.9 Where the Participant enters, or purports to enter into any arrangement or agreement described in Rule 8.8, the Options will immediately lapse.
- 8.10 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) the Option is not accepted in the manner as provided in Rule 8.1 within the 30-day period referred to therein;
 - (b) subject to Rules 11.4, 11.5, 11.6 and 11.7, the Participant, being a Group Employee, ceases to be in the employment of the Group or ceases to be a Director, in each case, for any reason whatsoever prior to his acceptance of the Option;
 - (c) the Participant fails to meet the relevant Conditions;

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

- (d) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;
- (e) misconduct on the part of the Participant, as determined by the Committee in its absolute discretion; or
- (f) the Company is liquidated or wound-up prior to the Participant's acceptance of the Option.

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 at its absolute discretion, and fixed by the Committee at:

- (a) the Market Price; or
- (b) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee at 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 (or such other percentage or amount prescribed or permitted by the SGX-ST) and approved by the Shareholders at a general meeting in a separate resolution in respect of that 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 and its subsidiaries, 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 Group Employee;
- (c) the contribution of the eligible Group Employee to the success and development of the Company and/or the Group; and
- (d) the prevailing market and economic conditions.

10 ALTERATION OF CAPITAL

10.1 If a variation in the issued Shares of the Company, whether by way of a capitalisation of profits or reserve or rights issue or reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued Shares), subdivision, consolidation or distribution, or otherwise howsoever, should take place, then:

- (a) the Exercise Price in respect of the Shares under any Option(s) to the extent unexercised;
- (b) the class and/or number of Shares under any Option(s) to the extent unexercised and the rights attached thereto;
- (c) the maximum entitlement in any one Financial Year; and/or
- (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants;

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

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

10.2 Notwithstanding the provisions of Rule 10.1 above:

- (a) no such adjustment shall be made:
 - (i) if as a result, the Participant receives a benefit that a Shareholder does not receive;
 - (ii) if as a result, such adjustment will result in the number of Shares under an Option, together with new Shares to be issued or issuable under the Option Scheme or the Share Plan, to exceed 15% of the total number of issued Shares of the Company (excluding treasury shares) for the time being; or
 - (iii) unless the Committee after considering all relevant circumstances considers it equitable to do so; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts not as arbitrators) to be in their opinion, fair and reasonable.

10.3 Unless the Committee considers an adjustment to be appropriate, the following events shall not normally be regarded as a circumstance requiring adjustment under the provisions of this Rule 10:

- (a) the issue of securities as consideration for an acquisition of any assets by the Company, or a private placement of securities of the Company;
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Rules, undertaken by the Company on the SGX-ST, during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force;
- (c) an issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its Group Employees, including Directors or employees of the Company or of any of its subsidiaries, pursuant to purchase or option schemes approved by Shareholders in general meeting, including the Option Scheme and Share Plan;
- (d) any issue of Shares or securities convertible into or with rights to acquire or subscribe for Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business; and
- (e) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by the Company.

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 under the Option so far as unexercised and the maximum entitlement in any one Financial Year. Any adjustment shall take effect upon such written notification being given.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

10.5 Divestment of a material business or subsidiary

Where the Company divests a business of the Group designated by the Committee for this purpose as 'material', the Committee may make special rules that apply to Participants in relation to the Options or Shares held pursuant to the Option Scheme (and any other entitlements or shares that may arise in relation to those Shares). Without limiting the Committee's discretion, such rules may include:

- (a) varying the Conditions that apply to the Participant's Options to take into account the divestment of the business (if applicable); and
- (b) deeming the Participant to remain a Group Employee of the Group for a specific period.

In order to bind a Participant, any special rules made under this Rule 10.5 must be notified to a Participant.

11 OPTION PERIOD

11.1 Options granted with the Exercise Price set at the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof) at any time, by a Participant after the first (1st) anniversary of the Date of Grant of that Option, provided always that Options shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

11.2 Options granted with the Exercise Price set at a discount to the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof) at any time, by a Participant after the second (2nd) anniversary of the Date of Grant of that Option, provided always that the Options shall be exercised before the tenth (10th) anniversary of the relevant Date of Grant or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

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, 11.6 and 11.7, upon the Participant ceasing to be a Group Employee or a 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; or
- (c) in the event of events resulting in termination for cause including but not limited to gross negligence, wilful misconduct, insubordination or incompetence on the part of the Participant, as determined by the Committee in its absolute discretion.

11.4 Subject to applicable laws, at the discretion of the Committee, a Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise of the Option, will not be treated for those purposes as ceasing employment.

11.5 A Participant shall be deemed to have ceased to be in the employment of the Group on the date the notice of termination of employment is tendered by or is given to the Participant, unless such notice shall be withdrawn prior to its effective date.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

11.6 If a Participant cease to be in the employment of the Group by reason of:

- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
- (b) *bona fide* 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.

11.7 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 exercisable by the duly appointed legal 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.

11.8 The Committee may, by notification, provide for further restrictions on the period during which the Options may be exercised (whether granted with the Exercise Price set at a discount to Market Price or not) whether by providing a schedule for the vesting of Shares under the relevant Options or otherwise.

12 SETTLEMENT OF OPTIONS

12.1 Subject to any applicable Trading Restrictions imposed by Law, the Company must allocate or procure the transfer of the relevant number of Shares upon the valid exercise of the Options to, or for the benefit of, the Participant who holds such Options.

12.2 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), by a Participant giving notice in writing to the Company in or substantially in the form set out in Schedule 3 (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price (if any) in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any), any other applicable administrative or handling fees or charges by the SGX-ST, CDP or agent, and any other documentation the Committee may require. All payment shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.3 Subject to:

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

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

- (b) compliance with the Rules of the Option Scheme and the Constitution, the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days (or such other period as may be permitted by the Listing Rules of the SGX-ST) after the date of the exercise of the said Option in accordance with Rule 12.3, allot and issue the Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to the Participant or, if the Shares are listed and quoted on the SGX-ST, to CDP for the credit of the securities account or securities sub-account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

12.4 Share Settlement

- (a) All Shares allotted and issued upon the exercise of the Options shall be subject to all provisions of the Companies Act and the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Shares, including those rights which arise from a liquidation of the Company) and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividend, right, allotment or other distribution, the Record Date for which falls on or before the relevant date such Option is exercised.
- (b) If the Company issue Shares to the Participant, the Company shall, if necessary, as soon as practicable, apply to the SGX-ST 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.
- (c) Shares which are allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in his name or, if the Shares are listed and quoted on the SGX-ST, 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 CDP Depository Agent.

12.5 Sale of Shares

Subject to any applicable restriction imposed by the Committee or imposed under these Rules, no restrictions shall apply to any Shares issued and allotted under the Option Scheme.

12.6 Except as set out in Rule 13.2 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.

12.7 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13 MODIFICATIONS TO THE OPTION SCHEME

13.1 Any or all of the provisions of the Option 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 attached 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(s) 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 of the total number of all the Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants under the Option Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
- (c) no modification or alteration shall be made without due compliance with the Listing Rules and such other regulatory authorities as may be necessary.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

For the purposes of Rule 13.1(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.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution amend or alter the Option Scheme in any way to the extent necessary to cause the Option 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).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

14 DURATION OF THE OPTION SCHEME

- 14.1 The Option Scheme shall continue to be in operation at the discretion of the Committee for a maximum period of ten (10) years commencing on the date on which the Option Scheme is adopted by Shareholders at a general meeting. Subject to compliance with applicable laws and regulations in Singapore, the Option Scheme may continue beyond 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.
- 14.2 The Option 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 Option Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 14.3 The termination, discontinuance or expiry of the Option 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.

15 TAKE-OVER AND WINDING-UP OF THE COMPANY

- 15.1 Notwithstanding Rule 11 and 12 but subject to Rule 15.5, in the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and/or 11.2) holding Options as yet unexercised shall be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
 - (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option(s) 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 any relevant regulatory provisions or legislation and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, all Options shall remain exercisable by the Participants until such specified date or the expiry of the respective Option Periods relating thereto, whichever is earlier.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

Any Option(s) not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period. For the avoidance of doubt, the provisions of this Rule 15.1 shall not come into operation in the event that a take-over offer which is conditional does not or is not declared unconditional.

- 15.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 or 11.2) shall notwithstanding Rule 11 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option(s) shall lapse and become null and void, provided always that the date of exercise of any Option(s) shall be before the expiry of the relevant Option Period.
- 15.3 If an order is made or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 15.4 In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 15.4) and thereupon, each Participant (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to in Rule 15.4 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 15.
- 15.6 If the events stipulated in this Rule 15 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 15, it shall lapse and become null and void.

16 ADMINISTRATION OF THE OPTION SCHEME

- 16.1 The Option Scheme shall be administered by the Committee in its absolute discretion.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations for the implementation and administration of the Option Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Option Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Option Scheme or any rule, regulation or procedure thereunder or as to any rights under the Option Scheme).

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

16.4 A Director shall not be involved in the Committee's deliberation in respect of Options or Shares granted to him.

16.5 The exercise of any powers under these Rules by the Committee is subject to any restrictions or procedural requirements relating to the amendment of the rules of an employee incentive scheme or of issued options imposed by any Law or by the Listing Rules and applicable to the Option Scheme or Options, as the case may be, unless those restrictions, conditions or requirements are relaxed or waived by the SGX-ST or any of its delegates either generally or in a particular case or class of cases and either expressly or by implication.

17 NOTICES

17.1 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.

17.2 Any notices or documents given by the Company to a Participant shall be sent to the Participant 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 third (3rd) day immediately following the date of posting.

18 TERMS OF EMPLOYMENT UNAFFECTED

18.1 The Option Scheme or any Options shall not form part of any contract of employment between the Company or 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 or her participation in the Option Scheme or any right which he or she may have to participate in it or any Option which he or she may hold and the Option Scheme or any Options 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. For the avoidance of doubt, this clause shall not limit any ability of the Company to offer Options to prospective Group Employees.

18.2 The Option Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Group directly or indirectly or give rise to any cause of action at law or in equity against any Group Company.

19 TAXES

19.1 Unless otherwise required by Law, no Group Company is responsible for any taxes which may become payable by a Participant as a consequence of or in connection with the grant of any Options, the allocation or transfer of any Shares or any dealing with any Options or any Shares.

19.2 The Company will have the right to withhold or collect from a Participant such taxes as any Group Company is obliged, or reasonably believes it is obliged, to account for to any taxation authority. In exercising this right, the Company may:

- (a) require the Participant to provide sufficient funds (by way of salary deduction or otherwise); or
- (b) sell Shares to be issued or transferred to the Participant, including the sale of sufficient Shares to cover any costs of such sale.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

20 COSTS AND EXPENSES OF THE OPTION SCHEME

- 20.1 Each Participant shall be responsible for all fees of CDP (if any) relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of the Options in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 19 which shall be payable by the relevant Participant (collectively, the "CDP Charges").
- 20.2 Save for the taxes referred to in Rule 19 and such other costs and expenses expressly provided in the Option Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Option Scheme including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of Shares pursuant to the exercise of any Option shall be borne by the Company.

21 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, any Listing Rule, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

22 DISCLOSURES IN ANNUAL REPORT

The Company shall, for so long as the Option 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 of the Option Scheme:
- (i) Directors of the Company;
- (ii) Controlling Shareholders and their Associates; and
- (iii) Participants (other than those in paragraphs (b)(i) and (ii) above) who have received Options granted under the Option Scheme which, in aggregate, represent 5% or more of the aggregate of the total number of Options available under the Share Plan;

Name of Participant	Aggregate number of Options granted during the Financial Year under review (including terms)	Aggregate number of Options granted since commencement of the Option Scheme to the end of the Financial Year under review	Aggregate number of Options exercised since commencement of the Option Scheme to the end of the Financial Year under review	Aggregate number of Options outstanding as at the end of the Financial Year under review
---------------------	--	---	---	--

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

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

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

23 DISCLAIMER OF LIABILITY

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

24 PERSONAL INFORMATION

Subject to compliance with the Personal Data Protection Act and all applicable Law, each Participant consents to the Company, any Group Company or its agents (and each of their related parties) collecting, holding and using personal information that the Participant provides as part of the offer and application process to participate in the Option Scheme or otherwise provides to the Company, a Group Company or their agents (and each of their related parties) as part of their employment, in order to carry out the administration and operation of the Option Scheme in accordance with these Rules, including providing relevant information to:

- (a) the Option Scheme manager or another entity that manages or administers the Option Scheme on behalf of the Company;
- (b) any broker or external service provider, including a tax or financial adviser;
- (c) any government department or body; and
- (d) any other person or body as required or authorised by law.

25 DISPUTES

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

26 ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Option Scheme must abstain from voting on any resolution relating to the Option 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 Option Scheme shall abstain from voting on the following resolutions, where applicable: (a) implementation of the Option 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.

27 GOVERNING LAW

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

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

SCHEDULE 1

ANNICA EMPLOYEE SHARE OPTION SCHEME LETTER OF OFFER

Private and Confidential

Serial No : _____
Date : _____
To : [Name]
[Designation]
[Address]

Dear Sir/Madam

We have the pleasure of informing you that, pursuant to the Annica Employee Share Option Scheme (the “**Option Scheme**”), you have been nominated to participate in the Option Scheme by the committee (the “**Committee**”) authorised and appointed by the Board of Directors to administer the Option Scheme. Unless otherwise defined, terms as defined in the Option Scheme shall have the same meaning when used in this letter.

Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of S\$ _____ for each Share (the “**Exercise Price**”). The Exercise Price represents a discount of _____% to the Market Price.⁽¹⁾

The Option Period applicable to the Option is as follows:⁽²⁾

Option Period	
Commencement Date	Expiry Date

The Option is personal to you and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval.

The Option shall be subject to the terms of the Option Scheme, a copy of which is available for inspection at the business address of the Company.⁽³⁾

If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully
For and behalf of
Annica Holdings Limited

Name:
Designation:

⁽¹⁾ Applicable only to an Option set at a discount to the Market Price.

⁽²⁾ An Option which is granted at Market Price may not be exercised before the first (1st) anniversary of the Offer Date, while an Option granted at a price which is set at a discount to the Market Price may not be exercised before the second (2nd) anniversary of the Offer Date.

⁽³⁾ Conditions (if any) to be attached to the exercise of the Option will be determined by the Committee at its absolute discretion.

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

SCHEDULE 2

**ANNICA EMPLOYEE SHARE OPTION SCHEME
ACCEPTANCE FORM**

Serial No : _____
Date : _____
To : The Committee
Annica Employee Share Option Scheme
1 Raffles Place
#18-61 Tower 2
Singapore 048616

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

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

I hereby accept the Option to subscribe for _____ Shares at S\$_____ for each Share. I enclose *cash/cheque/cashier's order/banker's draft/postal order no. _____ for S\$1.00 in 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, the Depository Agent or, if applicable, the CDP agent bank relating to or in connection with the allotment and issue or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP or my securities sub-account with a Depository Agent, or, if applicable, my CPF investment account with a CDP agent bank (collectively, the "**CDP charges**").

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

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

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

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC / Passport No. : _____

Signature : _____

Date : _____

**Delete accordingly*

Notes:

1. The Option must be accepted in full or in multiples of 100 shares.
2. The Acceptance Form must be forwarded to the above address in an envelope marked "Private and Confidential".

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

SCHEDULE 3

ANNICA EMPLOYEE SHARE OPTION SCHEME FORM OF EXERCISE OF OPTION

Total number of ordinary shares (the “**Shares**”) offered at S\$_____ for each Share (the “**Exercise Price**”) under the Scheme on _____ (Date of Grant) :

Number of Shares previously allotted thereunder :

Outstanding balance of Shares to be allotted thereunder :

Number of Shares now to be subscribed :

To : The Committee
Annica Employee Share Option Scheme
1 Raffles Place
#18-61 Tower 2
Singapore 048616

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

APPENDIX B – RULES OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC / Passport No. : _____

*Direct Securities Account No. : _____

OR

*Sub-account No. : _____

Name of Depository Agent : _____

OR

*CPF Investment Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

**Delete accordingly*

NOTICE OF EXTRAORDINARY GENERAL MEETING

ANNICA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198304025N)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Annica Holdings Limited (the “**Company**”) will be held at Raffles Town Club, Private Lounge, Level 2, 1 Plymouth Avenue, Singapore 297753 on 2 September 2016 at 2.30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

*All capitalised terms in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 18 August 2016 (“**Circular**”).*

ORDINARY RESOLUTION 1: THE PROPOSED DIVERSIFICATION OF THE CURRENT CORE BUSINESS OF THE GROUP TO INCLUDE THE (A) RECYCLING BUSINESS, (B) RENEWABLE ENERGY BUSINESS, (C) GREEN TECHNOLOGY BUSINESS, AND (D) COMPLEMENTARY TECHNOLOGY BUSINESS

THAT:

- (a) approval be and is hereby given for the diversification by the Group of its current core business to include the New Businesses (as defined below), as and when appropriate opportunities arise (the “**Proposed Diversification**”):
- (i) recycling and waste management, which includes the extraction and/or harvesting of waste products, and the supply of the by-products and recycled materials from waste products like used tires, such as oil, carbon black and other materials that can be used for energy, power generation, manufacturing, and other alternative purposes (the “**Recycling Business**”);
 - (ii) the production and supply of renewable energy, including the supply, distribution, trading and/or operating of equipment and technology used for the production of renewable energy and other sustainable energy sources (the “**Renewable Energy Business**”);
 - (iii) environmentally friendly technological solutions that brings innovative and sustainable solutions to businesses and end-consumers, ranging from the agricultural industry to the construction industry (the “**Green Technology Business**”); and
 - (iv) certain other technology businesses that are complementary to abovementioned Recycling Business, Renewable Energy Business and Green Technology Business (the “**Complementary Technology Business**”);
- (collectively, the “**New Businesses**”);
- (b) the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time, any such assets, investments and shares/interests in any entity that is in the New Businesses on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such absolute discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to exercise such absolute discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give full effect to this Resolution.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2: THE PROPOSED ADOPTION OF THE ANNICA PERFORMANCE SHARE PLAN

THAT:

- (a) the share plan to be named the “Annica Performance Share Plan” (“**Share Plan**”), the rules and summary of which have been set out in the Circular, be and is hereby approved and adopted, and the Directors be and are hereby authorised:
 - (i) to establish and administer the Share Plan;
 - (ii) to modify and/or amend the Share Plan from time to time provided that such modifications and/or amendments are effected in accordance with the rules of the Share Plan and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Plan; and
 - (iii) to grant awards (“**Awards**”) in accordance with the rules of the Share Plan and to allot and issue or deliver from time to time such number of new Shares or treasury shares required pursuant to the vesting of the Awards under the Share Plan; and
- (b) the Directors and each of them be and are hereby authorised to complete and do all acts and things (including executing all such documents as may be required in connection with the Share Plan) and exercise such discretion as the Director(s) may in their or his absolute discretion deem fit, advisable or necessary to give full effect to this Resolution and the Share Plan.

ORDINARY RESOLUTION 3: THE PROPOSED ADOPTION OF THE ANNICA EMPLOYEE SHARE OPTION SCHEME

THAT:

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 4: THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE ANNICA EMPLOYEE SHARE OPTION SCHEME

THAT:

- (a) subject to and contingent upon the passing of Ordinary Resolution 3, the Directors be and are hereby authorised to grant Options in accordance with the Rules of the Option Scheme with exercise prices set at a discount to the Market Price, provided that such discount does not exceed the relevant limits set by the Singapore Exchange Securities Trading Limited.

By Order of the Board
Annica Holdings Limited

Sandra Liz Hon Ai Ling
Executive Director and Chief Executive Officer

18 August 2016
Singapore

Notes:

- 1) Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the Proxy Form.
- 2) Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.
- 3) A proxy need not be a member of the Company.
- 4) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the office of the Company's share registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than forty-eight (48) hours before the time set for the EGM.
- 5) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- 6) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time set for the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

PERSONAL DATA PRIVACY TERMS:

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

This page has been intentionally left blank.

ANNICA HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198304025N)

PROXY FORM

IMPORTANT:

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

PERSONAL DATA PRIVACY TERMS:

By submitting an instrument appointing a proxy or proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 18 August 2016.

*I/We _____ (Name) _____ (*NRIC/Passport/Company Registration Number)

of _____ (Address)

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

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

*and/or

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

or failing *him/them, the Chairman of the Extraordinary General Meeting ("**EGM**") as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf, at the EGM to be convened on 2 September 2016 at 2.30 p.m. at Raffles Town Club, Private Lounge, Level 2, 1 Plymouth Avenue, Singapore 297753 and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, 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 EGM and at any adjournment thereof.

(Please indicate with an "**X**" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of EGM dated 18 August 2016. Alternatively, please indicate the number of vote(s) as appropriate.

Ordinary Resolution	For	Against
Ordinary Resolution 1: The proposed diversification of the Current Core Business of the Group to include the New Businesses		
Ordinary Resolution 2: The proposed adoption of the Annica Performance Share Plan		
Ordinary Resolution 3: The proposed adoption of the Annica Employee Share Option Scheme		
Ordinary Resolution 4: The proposed grant of Options at a discount under the Annica Employee Share Option Scheme		

Note: Please note that the short descriptions given above of the Ordinary Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Ordinary Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of EGM dated 18 August 2016 for the full purpose and intent of the Ordinary Resolutions to be passed.

Dated this _____ day of _____ 2016

Total number of Shares in:	
(a) In CDP Register	
(b) In Register of Members	

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

* please delete as appropriate

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the Proxy Form.
2. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.
3. A proxy need not be a member of the Company.
4. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this Proxy Form will be deemed to relate to all the Shares held by you.
5. The instrument appointing a proxy or proxies, duly executed, must be deposited at the office of the Company's share registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than forty-eight (48) hours before the time set for the EGM.
6. Completion and return of the instrument appointing a proxy or proxies by a member shall not preclude him from attending and voting at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
8. 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 (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act.
10. CPF Investors who buy Shares in the Company may attend and cast their vote at the meeting in person. CPF Investors who are unable to attend the meeting but would like to vote, may inform CPF Approved Nominees to appoint Chairman of the EGM to act as their proxy, in which case, the CPF Investor shall be precluded from attending the meeting.

GENERAL:

The Company shall be entitled to reject an instrument of 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 in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time set for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Affix
Postage
Stamp
here

ANNICA HOLDINGS LIMITED
c/o B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544