

APPENDIX DATED 14 OCTOBER 2021

This Appendix is circulated to the shareholders of Sakae Holdings Ltd. (the “**Company**”) together with the Company’s annual report for the year ended 30 June 2021 (the “**Annual Report**”). Its purpose is to provide shareholders of the Company (the “**Shareholders**”) with information relating to, and to explain the rationale for, the Proposed Adoption of the 2021 SAKAE Performance Share Scheme (as defined in this Appendix) and the Proposed Renewal of the Share Buy-Back Mandate (as defined in this Appendix) to be tabled at the annual general meeting (the “**2021 AGM**”) to be held on 29 October 2021 at 3:00 p.m. at 28 Tai Seng Street, Sakae Building, Level 7, Singapore 534106.

The notice of the 2021 AGM (“**Notice of 2021 AGM**”) and a proxy form are enclosed with the Annual Report.

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

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Appendix with the Notice of 2021 AGM and the attached Proxy Form to the purchaser or the transferee as arrangements will be made by the CDP for a separate Appendix with the Notice of 2021 AGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Appendix, the Annual Report and proxy form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“SGX-ST”) assumes no responsibility for any statements made, reports contained or opinions expressed in this Appendix.



SAKAE HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 199604816E)

APPENDIX IN RELATION TO:

- (1) THE PROPOSED ADOPTION OF THE 2021 SAKAE PERFORMANCE SHARE SCHEME;**
- (2) THE PROPOSED GRANT OF AUTHORITY TO GRANT AWARDS AND TO ALLOT AND ISSUE SHARES UNDER THE 2021 PSS;**
- (3) THE PROPOSED PARTICIPATION OF MR DOUGLAS FOO PEOW YONG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE 2021 PSS;**

- (4) THE PROPOSED PARTICIPATION OF MS FOO LILIAN, ASSOCIATE OF MR DOUGLAS FOO PEOW YONG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE 2021 PSS;**
- (5) THE PROPOSED PARTICIPATION OF MR FOO KIA HEE, ASSOCIATE OF MR DOUGLAS FOO PEOW YONG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE 2021 PSS;**
- (6) THE PROPOSED PARTICIPATION OF MS FOO LENA, ASSOCIATE OF MR DOUGLAS FOO PEOW YONG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE 2021 PSS; AND**
- (7) THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

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DEFINITIONS

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

- “2003 ESOS”** : An employee share option scheme known as the “Apex-Pal Employee Share Option Scheme”, which was adopted by the Company on 14 July 2003, and which expired in July 2013
- “2008 PSS”** : A performance share scheme known as the “Apex-Pal Performance Share Scheme” which was adopted by the Company on 21 April 2008 and which expired in April 2018
- “2021 PSS”** : The proposed 2021 SAKAE Performance Share Scheme, as amended, modified or supplemented from time to time
- “AGM”** : The annual general meeting of the Company
- “Approval Date”** : The date of the AGM at which the Share Buy-Back Mandate is approved
- “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 Controlling Shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Associated Company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its Subsidiaries and **“Associated Companies”** shall be construed accordingly
- “Auditors”** : The auditors of the Company for the time being
- “Average Closing Price”** : The average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST, or such other stock exchange

on which the Shares are listed and quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Rules, for any corporate action that occurs after the relevant five (5) Market Day period.

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

“Award”	:	A contingent award of Shares granted under the 2021 PSS
“Award Acceptance Period”	:	In relation to the grant of an Award by the Company to a Participant, means thirty (30) Market Days from the Date of Grant
“Award Letter”	:	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee;
“Board”	:	The board of the Directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“Committee”	:	The Remuneration Committee of the Board, or such other committee comprising Directors duly authorised and appointed by the Board to administer the 2021 PSS
“Companies Act”	:	The Companies Act (Chapter 50 of Singapore) as amended, varied or supplemented from time to time
“Company”	:	Sakae Holdings Ltd.
“Constitution”	:	The memorandum and articles of association or the constitution of the Company, as may be amended or modified from time to time
“Controlling Shareholder”	:	A person who: (i) holds directly or indirectly 15% or more of the total number of issued Shares excluding Treasury shares in the Company (unless the SGX-ST determines that such a person is not a Controlling shareholder of the Company); or

(ii) in fact exercises control over the Company, as defined under the Listing Manual.

“Date of Grant”	:	in relation to each Award, shall mean the date on which that Award is granted to a Participant, pursuant to the 2021 PSS and as specified in the Award Letter;
“Directors”	:	The Directors of the Company for the time being
“EPS”	:	Earnings per Share
“Executive Director”	:	A director of the Company and/or any of its Subsidiaries, as the case may be, who performs an executive function
“FY”	:	Financial Year ended or ending 30 June
“Group”	:	The Company and its Subsidiaries
“Group Employee”	:	An employee of the Group (including any Group Executive Directors who meet the relevant age and rank criteria) selected by the Committee to participate in the 2021 PSS, in accordance with the provisions thereof
“Group Executive Director”	:	A Director and/or director of any of the Company’s Subsidiaries, as the case may be, who is a full-time employee and performs an executive function
“Group Non-Executive Director”	:	A Director and/or director of any of the Company’s Subsidiaries, who is not a Group Executive Director, including an Independent Director
“Independent Director”	:	An independent director of the Company and/or any of its Subsidiaries, as the case may be
“Latest Practicable Date”	:	30 September 2021, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	:	The listing manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“Listing Rules”	:	The listing rules of the SGX-ST as set out in the Listing Manual
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchases”	:	On-market purchases transacted through the SGX-ST’s trading system, or on any other securities exchange on which the Shares may for the time being be listed and quoted, or through one or more duly licensed dealers appointed by the Company for the purpose of the Share Purchase

“Maximum Price”	: The maximum price at which the Shares can be purchased pursuant to the Share Buy-Back Mandate, which shall not exceed:
	a) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price of the Shares; and
	b) in the case of an Off-Market Purchase, one hundred and twenty per cent (120%) of the Average Closing Price of the Shares,
	in either case, excluding related expenses of the Share Purchase.
“New Shares”	: The new Shares which may be allotted and issued from time to time pursuant to the release of Awards granted under the 2021 PSS
“Non-Executive Directors”	: A director (other than an Executive Director) from time to time of the Company, including an Independent Director
“NTA”	: Net tangible assets
“Off-Market Purchases”	: Off-market purchases effected otherwise than on an approved exchange in Singapore or any securities exchange outside Singapore, pursuant to an equal access scheme(s) (as defined in Section 76C of the Companies Act), which scheme(s) shall satisfy all the conditions prescribed by the Listing Rules
“Participant”	: A person who has been granted an Award pursuant to the 2021 PSS
“Performance Period”	: The period as determined by the Committee at its discretion during which the Performance Target(s) is to be satisfied
“Performance Target(s)”	: The performance target(s) prescribed by the Committee to be fulfilled by a Participant for any particular period under the 2021 PSS Award
“Proposed Adoption of the 2021 SAKAE Performance Share Scheme”	The proposed adoption of the 2021 SAKAE Performance Share Scheme to be approved by the Shareholders as set out in paragraph 2 of this Appendix
“Proposed Renewal of the Share Buy-Back Mandate”	: The proposed renewal of the Share Buy-Back Mandate to be approved by the Shareholders as set out in paragraph 3 of this Appendix
“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
“Registrar”	: The Registrar of Companies appointed under the

Companies Act

- “Relevant Period”** : The period commencing from the date on which the last AGM of the Company was held or was required by law to be held before the resolution relating to the Share Buy-Back Mandate is passed, and expiring on the date the next AGM is held or required by law to be held, whichever is the earlier, after the said resolution is passed
- “Securities Account”** : Securities account maintained by a depositor with CDP but not including securities sub-accounts maintained with a Depository Agent
- “SFA”** : Securities and Futures Act (Chapter 289) of Singapore, as may be amended, modified or supplemented from time to time
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Share Buy-Back Mandate”** : The proposed general mandate to be given by the Shareholders to authorise the Directors to exercise all powers of the Company to purchase or acquire, on behalf of the Company, Shares in accordance with the terms set out in this Appendix
- “Share Purchases”** : Off-Market Purchases or Market Purchases undertaken by the Company pursuant to the Share Buy-Back Mandate
- “Shareholders”** : Registered holders of the Shares, except where the registered holder is CDP, in which case the term **“Shareholders”** shall in relation to such Shares mean the Depositors whose securities accounts maintained with CDP are credited with Shares
- “Shares”** : Ordinary shares in the capital of the Company and **“Share”** shall be construed accordingly
- “SIC”** : Securities Industry Council of Singapore
- “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 and **“Subsidiaries”** shall be construed accordingly
- “Subsidiary Holdings”** : Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
- “Substantial Shareholder”** : A person who has an interest in one or more voting shares of a company, and the total votes attached to those shares are not less than 5% of the total votes attached to all the voting shares in the Company

“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, varied or supplemented from time to time
“Treasury Share”	:	A Share that was or is treated as having been acquired and held by the Company in circumstances in which Section 76H of the Companies Act applies and has been held continuously by the Company since it was so acquired and has not been cancelled
“Vesting”	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vesting” shall be construed accordingly
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested
“Vesting Period”	:	In relation to an Award, each period (if any), the duration of which is to be determined by the Committee on the Award Date, after the expiry of which, the relevant number of Shares which are subject to the applicable period shall be Vested to a Participant
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Per centum or percentage

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

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*. Reference to persons, where applicable, shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, Listing Manual, the SFA or any statutory modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning assigned to it under the Companies Act, Listing Manual, the SFA or any statutory modification thereof, as the case may be, unless otherwise provided.

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

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

SAKAE HOLDINGS LTD.

(Company Registration No. 199604816E)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS

Directors:

Douglas Foo Peow Yong (Executive Chairman)
Foo Lilian (Executive Director and Chief Executive Officer)
Loh Chee Peng (Independent Director)
Ngho York Chao Nicholas (Independent Director)
David Pang Kam Wei (Independent Director)

Registered Office:

28 Tai Seng Street
#07-00 Sakae Building
Singapore 534106

14 October 2021

To: The Shareholders of Sakae Holdings Ltd.

- (1) **THE PROPOSED ADOPTION OF THE 2021 SAKAE PERFORMANCE SHARE SCHEME (“2021 PSS”);**
- (2) **THE PROPOSED GRANT OF AUTHORITY TO GRANT AWARDS AND TO ALLOT AND ISSUE SHARES UNDER THE 2021 PSS;**
- (3) **THE PROPOSED PARTICIPATION OF MR DOUGLAS FOO PEOW YONG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE 2021 PSS;**
- (4) **THE PROPOSED PARTICIPATION OF MS FOO LILIAN, ASSOCIATE OF MR DOUGLAS FOO PEOW YONG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE 2021 PSS;**
- (5) **THE PROPOSED PARTICIPATION OF MR FOO KIA HEE, ASSOCIATE OF MR DOUGLAS FOO PEOW YONG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE 2021 PSS;**
- (6) **THE PROPOSED PARTICIPATION OF MS FOO LENA, ASSOCIATE OF MR DOUGLAS FOO PEOW YONG, A CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE 2021 PSS; AND**
- (7) **THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

1. INTRODUCTION

1.1 The purpose of this Appendix is to provide Shareholders with the relevant information pertaining to, and to seek the Shareholders’ approval at the 2021 AGM for, the following:

- (1) the proposed adoption of the 2021 PSS;
- (2) the proposed grant of authority to grant awards and to allot and issue shares under the 2021 PSS;
- (3) the proposed participation of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, in the 2021 PSS;
- (4) the proposed participation of Ms Foo Lilian, Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, in the 2021 PSS;
- (5) the proposed participation of Mr Foo Kia Hee, Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, in the 2021 PSS;
- (6) the proposed participation of Ms Foo Lena, Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, in the 2021 PSS; and
- (7) the proposed renewal of the Share Buy-Back Mandate.

1.2 The proposed adoption of the 2021 PSS, the proposed grant of authority to grant awards and to allot and issue shares under the 2021 PSS and the proposed renewal of the Share Buy-

Back Mandate are set out as ordinary resolutions in the Notice of 2021 AGM accompanying this Appendix.

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

1.4 LONGBOW Law Corporation is the legal adviser to the Company in relation to the preparation of this Appendix.

2. THE PROPOSED ADOPTION OF THE 2021 SAKAE PERFORMANCE SHARE SCHEME

2.1 Background

2.1.1 Previously, the Company adopted the following schemes:

- (a) an employee share option scheme known as the “Apex-Pal Employee Share Option Scheme”, which was adopted on 14 July 2003, and which expired in July 2013 (“**2003 ESOS**”), the material conditions and terms of which are set out in the Company’s Notice of the 14 July 2003 Extraordinary General Meeting; and
- (b) a performance share scheme known as the “Apex-Pal Performance Share Scheme” which was adopted on 21 April 2008 and which expired in April 2018 (“**2008 PSS**”), the material conditions and terms of which are set out in the Company’s Circular dated 28 March 2008.

2.1.2 As at the Latest Practicable Date:

- (a) since the expiry of the 2003 ESOS in 2013, no options to take up unissued Shares of the Company have been granted to participants;
- (b) since the expiry of the 2008 PSS in 2018, no Shares of the Company have been issued to and/or vested in participants; and
- (c) no Shares or Options have been granted to Controlling Shareholders and their Associates under the 2003 ESOS and the 2008 PSS.

2.1.3 Proposed adoption of the 2021 PSS

The Directors are proposing to implement a new employee performance share scheme, which shall be named the “**2021 SAKAE Performance Share Scheme**” (“**2021 PSS**”). The 2021 PSS, if approved and adopted by Shareholders at the 2021 AGM, will take effect from the date of its adoption at the 2021 AGM.

2.1.4 Listing of New Shares

The SGX-ST has granted in-principle approval for the listing and quotation of the New Shares arising from the 2021 PSS, subject to the independent Shareholders’ approval being obtained for the proposed 2021 PSS and the Company’s compliance with the SGX-ST’s listing requirements and guidelines. Such in-principle approval by the SGX-ST, and the admission to, and quotation of the New Shares on the Official List of SGX-ST is not to be taken as an indication of the merits of the proposed 2021 PSS, the New Shares, the Company and/or its Subsidiaries.

2.2 **Rationale**

2.2.1 **Rationale for the 2021 PSS**

The Directors believe that the 2021 PSS will increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve a high level of performance and contribution to the Group. The 2021 PSS will further strengthen and serve to enhance the Company's competitiveness in attracting and retaining talent.

The 2021 PSS will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the 2021 PSS, the Company will be able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term prosperity. In addition, the 2021 PSS aims to foster an ownership culture within the Group which aligns the interests of Group Employees and Non-Executive Directors with the interests of Shareholders. By giving the Participants the opportunity to participate in the equity of the Company as opposed to providing cash rewards for their performance, the 2021 PSS aims to cultivate a greater sense of involvement in the Company amongst the Participants. The Company believes that the 2021 PSS will be more effective than cash bonuses in motivating employees to work towards pre-determined targets and/or to put in their best efforts which create and enhance economic value for Shareholders whilst at the same time allowing the Company to offer incentives and remuneration packages that are competitive.

The 2021 PSS contemplates the award of fully paid Shares when or after pre-determined performance or service conditions are accomplished and/or when due recognition should be given to any good work performance and/or any significant contribution to the Company.

2.2.2 **Rationale for proposed participation by Controlling Shareholders and their Associates**

One of the objectives of the 2021 PSS is to motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group. The objectives of the 2021 PSS should apply equally to Group Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders. The Company's view is that all deserving and eligible Participants should be motivated whether or not they are Controlling Shareholders or Associates of Controlling Shareholders. The Company believes that as the 2021 PSS is designed to motivate, retain and reward Group Employees and Directors who contribute to the growth and development of the Company, Group Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders should be entitled to the same benefits as other Group Employees and should not be excluded from benefitting under the 2021 PSS solely for the reason that they are Controlling Shareholders or Associates of Controlling Shareholders. It is in the Group's interest that these Participants who are actively contributing to the Group's progress and development are given the incentive to continue to remain with the Company and contribute towards the Group's future progress and development. In respect of the determination as to eligibility and grant of Awards, the terms of the 2021 PSS do not differentiate between Group Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders and other Group Employees and Directors. In this manner, the 2021 PSS does not unduly favour Controlling Shareholders and/or their Associates of Controlling Shareholders over other Participants.

The Directors are of the view that there are sufficient safeguards against any abuse of the 2021 PSS resulting from the participation of Group Employees who are Controlling Shareholders or Associates of Controlling Shareholders. Clear justification or rationale for participation and the specific grants of such number of Awards to be made and their terms will be disclosed in circular(s) to Shareholders seeking such approval from independent

Shareholders. Thereafter, details of the number of Awards granted and the number of Shares vested and released will be disclosed in the annual report(s) of the Company accordingly.

(a) Participation of Mr Douglas Foo Peow Yong, a Controlling Shareholder in the 2021 PSS

Mr Douglas Foo Peow Yong is the Founder and Chairman of the Company, and he is responsible for the Group's growth and development, spearheading the overall strategic direction and management of the Group's global strategic plans, and the Group's philanthropic initiatives. Mr Douglas Foo Peow Yong owns 22.89% of the issued share capital of the Company and has a deemed interest of 43.02% of the issued share capital of the Company (of which 60,000,000 Shares in the Company are held on trust for him by Raffles Nominee (Pte) Ltd and 100 Shares in the Company are held by his wife, Ms Koh Yen Khoon) as at the Latest Practicable Date. As such, Mr Douglas Foo Peow Yong is a Controlling Shareholder of the Company pursuant to the Listing Manual, as he holds more than 15% of the total number of issued Shares excluding Treasury Shares in the Company.

The Directors are of the view that Mr Douglas Foo Peow Yong's contributions to the Group as the Founder and Chairman of the Company has been instrumental in the growth of the Group's business. The Directors believe that there is substantial potential future development and contribution that may be made by Mr Douglas Foo Peow Yong towards enhancing the competitiveness of the Company.

The Directors are of the view that the extension of the 2021 PSS to Mr Douglas Foo Peow Yong is consistent with the Company's objectives to motivate its Group Employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr Douglas Foo Peow Yong already has a shareholding interest in the Company, the extension of the 2021 PSS to him will ensure that he is equally entitled, with the other Group Employees who are not Controlling Shareholders to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company. Due to the above reasons, the Directors believe that Mr Douglas Foo Peow Yong deserves, and should be allowed to participate in the 2021 PSS.

Pursuant to Rule 853 of the Listing Manual, the Company is seeking specific approval from the independent Shareholders at the 2021 AGM, for the proposed participation of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS.

(b) Participation of Foo Lilian, an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS

Ms. Lilian Foo was appointed as the Company's Chief Executive Officer with effect from 1 March 2014, and has been the Company's Executive Director since 2 May 2002. She is responsible for the Group's strategic planning, overall management, business development and overseas strategic development and business expansion.

Ms Foo Lilian is a sister (an immediate family member) of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, as at the Latest Practicable Date. As such, Ms Foo Lilian is an Associate of a Controlling Shareholder of the Company pursuant to the Listing Manual.

The Directors are of the view that Ms Foo Lilian's contributions to the Group as the Chief Executive Officer and Executive Director of the Company has been instrumental in the growth of the Group's business. The Directors believe that there is substantial

potential future development and contribution that may be made by Ms Foo Lilian towards enhancing the competitiveness of the Company.

The Directors are of the view that the extension of the 2021 PSS to Ms Foo Lilian is consistent with the Company's objectives to motivate its Group Employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Ms Foo Lilian is an Associate of a Controlling Shareholder, the extension of the 2021 PSS to her will ensure that she is equally entitled, with the other Group Employees who are not Controlling Shareholders to take part in and benefit from this system of remuneration, thereby enhancing her long-term commitment to the Company. Due to the above reasons, the Directors believe that Ms Foo Lilian deserves, and should be allowed to participate in the 2021 PSS.

Pursuant to Rule 853 of the Listing Manual, the Company is seeking specific approval from the independent Shareholders at the 2021 AGM, for the proposed participation of Ms Foo Lilian, an Associate of a Controlling Shareholder, in the 2021 PSS.

(c) Participation of Mr Foo Kia Hee, an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS

Mr Foo Kia Hee is an Advisor of the Company, and he is responsible for providing technical expertise and advice to the team. He played a vital role in the designing and re-modelling of the conveyor belt to achieve efficiency for our operations. He continues to apply his valuable technical know-how to increase efficiency and productivity in our operations while continuing the technical research and development for the business. With his network of contacts, the Company has also gained much in working with partners to create green features in our building such as water irrigation fountain, food wastes recycling plant and solar panels, found in our building.

Mr Foo Kia Hee is the father (an immediate family member) of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, as at the Latest Practicable Date. As such, Mr Foo Kia Hee is an Associate of a Controlling Shareholder of the Company pursuant to the Listing Manual.

The Directors are of the view that Mr Foo Kia Hee's contributions to the Group Advisor of the Company has been instrumental in the growth of the Group's business. The Directors believe that there is substantial potential future development and contribution that may be made by Mr Foo Kia Hee towards enhancing the competitiveness of the Company.

The Directors are of the view that the extension of the 2021 PSS to Mr Foo Kia Hee is consistent with the Company's objectives to motivate its Group Employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr Foo Kia Hee is an Associate of a Controlling Shareholder, the extension of the 2021 PSS to him will ensure that he is equally entitled, with the other Group Employees who are not Controlling Shareholders to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company. Due to the above reasons, the Directors believe that Mr Foo Kia Hee deserves, and should be allowed to participate in the 2021 PSS.

Pursuant to Rule 853 of the Listing Manual, the Company is seeking specific approval from the independent Shareholders at the 2021 AGM, for the proposed participation of Mr Foo Kia Hee, an Associate of a Controlling Shareholder, in the 2021 PSS.

(d) Participation of Ms Foo Lena, an Associate of Mr Douglas Foo Peow Yong, a Controlling Shareholder, in the 2021 PSS

Ms Foo Lena has been the Purchasing Officer of the Company since the start of our operations in 1997. She was instrumental in setting up the procurement division of the Company and has continued to be responsible for supporting and exploring alternative sources in the procurement division of the Company. She has explored and worked with overseas suppliers while continuing to build relationships with them.

Ms Foo Lena is also a sister (an immediate family member) of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, as at the Latest Practicable Date. As such, Ms Ms Foo Lena is an Associate of a Controlling Shareholder of the Company pursuant to the Listing Manual.

The Directors are of the view that Ms Foo Lena's contributions to the Group as Purchasing Officer of the Company has been instrumental in the growth of the Group's business. The Directors believe that there is substantial potential future development and contribution that may be made by Ms Foo Lena towards enhancing the competitiveness of the Company.

The Directors are of the view that the extension of the 2021 PSS to Ms Foo Lena is consistent with the Company's objectives to motivate its Group Employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Ms Foo Lena is an Associate of a Controlling Shareholder, the extension of the 2021 PSS to her will ensure that she is equally entitled, with the other Group Employees who are not Controlling Shareholders to take part in and benefit from this system of remuneration, thereby enhancing her long-term commitment to the Company. Due to the above reasons, the Directors believe that Ms Foo Lena deserves, and should be allowed to participate in the 2021 PSS.

Pursuant to Rule 853 of the Listing Manual, the Company is seeking specific approval from the independent Shareholders at the 2021 AGM, for the proposed participation of Ms Foo Lena, an Associate of a Controlling Shareholder, in the 2021 PSS.

In accordance with Rule 853 of the Listing Manual, participation in the 2021 PSS by Controlling Shareholders and their Associates (including Mr Douglas Foo Peow Yong, Ms Foo Lilian, Mr Foo Kia Hee and Ms Foo Lena) must be approved by independent Shareholders of the Company. The Company will seek the approval of the independent Shareholders of the Company for each such participating Controlling Shareholder and Associate.

Subject to the independent Shareholders' approval at the 2021 AGM for the Proposed Adoption of the 2021 PSS and for the participation of Mr Douglas Foo Peow Yong, a Controlling Shareholder and Ms Foo Lilian, Mr Foo Kia Hee, and Ms Foo Lena, who are Associates of Mr Douglas Foo Peow Yong (a Controlling Shareholder) in the 2021 PSS, in the event that the Company decides to grant any Awards under the 2021 PSS to any of Mr Douglas Foo Peow Yong, Ms Foo Lilian, Mr Foo Kia Hee, or Ms Foo Lena, the Company will seek the approval of the independent Shareholders at a general meeting and make full disclosure to its independent Shareholders of the rationale and justification for, and the actual number and terms of such grant of Awards.

2.2.3 Rationale for Participation by Non-Executive Directors (including Independent Directors)

While the 2021 PSS caters principally to Group Employees, it is recognised that there are other persons who make significant contributions to the Group through their close working

relationships with the Group, even though they are not employed within the Group. Such persons include the Non-Executive Directors (including Independent Directors).

The Non-Executive Directors are persons from different professions and working backgrounds, bringing to the Group their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping the Group shape its business strategy by allowing the Group to draw on their diverse backgrounds and working experience. It is crucial for the Group to attract, retain and incentivise the Non-Executive Directors. By aligning the interests of the Non-Executive Directors with the interests of Shareholders, the Company aims to inculcate a sense of commitment on the part of the Non-Executive Directors towards serving the short and long-term objectives of the Group.

The Directors are of the view that including the Non-Executive Directors in the 2021 PSS will show the Company's appreciation for, and further motivate them in their contribution towards the success of the Group. However, as their services and contributions cannot be measured in the same way as the full-time employees of the Group while it is desired that participation in the 2021 PSS be made open to the Non-Executive Directors, any Awards that may be granted to any such Non-Executive Director would be intended only as a token of the Company's appreciation.

For the purpose of assessing the contributions of the Non-Executive Directors, the Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as the extent of involvement and responsibilities shouldered by the Non-Executive Directors. In addition, the Committee will also consider the nature and extent of their input, the assistance and expertise rendered by them to the Board and the impact thereof on the growth, success and development of the Group. The Committee may, where it considers relevant, take into account other factors such as the economic conditions and the Company's performance. The Committee may also decide that no Awards shall be made in any financial year or no grant and/or Award may be made at all. Non-Executive Directors will abstain from making any recommendation as a Director and abstain from voting as a member of the Company when the grant of Awards to him is being considered.

It is envisaged that the vesting of Awards, and hence the number of Shares to be delivered to the Non-Executive Directors based on the criteria set out above will be relatively small, in terms of frequency and numbers. Based on this, the Directors are of the view that the participation by the Non-Executive Directors in the 2021 PSS will not compromise their independent status.

The 2021 PSS will also enable grants of fully paid Shares to be made to certain Non-Executive Directors as part of their remuneration in respect of their office as such in lieu of cash. Currently, the intention is for up to 30% (or such other percentage as may be determined by the Committee) of a Non-Executive Director's fees approved by Shareholders for a particular financial year to be paid out in the form of Shares comprised in such Awards. Where Shareholders' approval for Directors' fees payable to Non-Executive Directors is sought at an AGM and where the intention is that such fees will comprise a share component, the formula for converting the relevant amount of cash into Shares (which will be based on the market price of the Shares) will be disclosed in the Notice of that AGM, along with information on the quantum, conditions, timing, etc. for such Awards. No performance conditions may be attached to Awards granted to Non-Executive Directors under the 2021 PSS. Although the 2021 PSS will permit time-based vesting periods to be imposed on such Awards, the current intention is that such Awards will consist of the grant of fully paid Shares outright, with no vesting periods imposed. However, in order to encourage the alignment of the interests of the participating Non-Executive Directors with the interests of Shareholders, it is currently intended that a retention period, during which the Shares awarded under the 2021 PSS as part of such Non-Executive Directors' fees may not be transferred or otherwise disposed of (except to the extent set out in the Award Letter or with the prior approval of the Committee), will be imposed in respect of such Shares.

Where an Award is to be granted to a Non-Executive Director as part of his Directors' fees in lieu of cash for a financial year, the Committee shall take into account such criteria as it considers fit, including (but not limited to) such Non-Executive Director's board and committee appointments and attendance, and his contribution to the success and development of the Group.

2.3 Summary of the 2021 PSS

The 2021 PSS Rules are set out in **Schedule A** to this Appendix. The 2021 PSS Rules are in compliance with the rules of the Listing Manual relating to share schemes. The following is a summary of the 2021 PSS Rules.

2.3.1 Eligibility

The following persons may be eligible to participate in the 2021 PSS at the absolute discretion of the Committee:

- (a) confirmed full-time employees;
- (b) Group Executive Directors; and
- (c) Group Non-executive Directors (including without limitation Independent Directors),

who have attained the legal age of twenty-one (21) years, who have been in the full time employment of the Group for a period of at least twelve (12) months (or in the case of any Group Executive Director, such shorter period as the Committee may determine or in the case of any Group Non-Executive Director and Independent Directors, this requirement shall not be applicable), who in the opinion of the Committee, have contributed or will contribute to the success and the development of the Group, provided that such persons are not undischarged bankrupts and have not entered into compositions with their respective creditors at the relevant time.

For the avoidance of doubt, non-executive directors, directors and employees of the Company's Associated Companies are not eligible to participate in the 2021 PSS.

In accordance with Rule 853 of the Listing Manual, persons who are Controlling Shareholders and their Associates shall not participate in the 2021 PSS unless they meet the eligibility criteria set out above and satisfying the requirements under the Listing Rules and:

- (a) his participation in the 2021 PSS; and
- (b) the actual number or maximum number of Shares comprised in the Award to be issued or transferred and the terms of any Awards to be granted to them,

has been approved by independent Shareholders in general meeting in separate resolutions for each Controlling Shareholder or Associate of a Controlling Shareholder, and in respect of each such person, in separate resolutions for each such person.

Subject to the Companies Act, the Listing Rules and any requirements of the SGX-ST, the terms of eligibility for participation in the 2021 PSS may be amended from time to time at the absolute discretion of the Committee.

The Committee shall have absolute discretion to decide whether a person who is participating in the 2021 PSS shall be eligible to participate in any other share option scheme implemented by the Company or any other company within the Group. Subject to the Companies Act, the Listing Rules and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms

of eligibility for participation in the 2021 PSS may be amended from time to time at the absolute discretion of the Committee.

As at the Latest Practicable Date, approximately 110 persons are eligible for the 2021 PSS.

2.3.2 Operation of the 2021 PSS

Subject to prevailing legislation and SGX-ST guidelines, the Company will be delivering Shares to Participants upon vesting of their Awards by way of:

- (a) issue of New Shares
- (b) delivery of existing Treasury Shares; and/or
- (c) purchase of existing Shares.

In determining whether to issue New Shares or to purchase existing Shares for delivery to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on the Company of either issuing New Shares or purchasing existing Shares.

2.3.3 Administration of the 2021 PSS

The Committee shall administer the 2021 PSS in its absolute discretion, with such powers and duties as are conferred on it by the Board of Directors. A member of the Committee shall not be involved in the deliberations of the Committee in respect of the grant of the Awards to him. In exercising its discretion, the Committee must act in accordance with any guidelines that may be provided by the Board of Directors. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board of Directors. Shareholders who are eligible to participate in the 2021 PSS shall abstain from voting on any resolution relating to the 2021 PSS.

Neither the 2021 PSS nor the grant of Awards under the 2021 PSS shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:

- (a) the lapsing of any Awards pursuant to any provision of the 2021 PSS;
- (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the 2021 PSS; and/or
- (c) any decision or determination of the Committee made pursuant to any provision of the 2021 PSS.

The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the 2021 PSS) for the implementation and administration of the 2021 PSS, to give effect to the provisions of the 2021 PSS and/or to enhance the benefit of the Awards and the released Awards to the Participants, as it may, at its absolute discretion, think fit. Decision of the Committee made pursuant to any provision of the 2021 PSS (other than a matter to be certified by the Auditors) shall be final and binding, including any decision pertaining to disputes as to interpretation of the 2021 PSS) or any rule, regulation or procedure thereunder as to any rights under the 2021 PSS. Any matter pertaining or pursuant to the 2021 PSS and any dispute and uncertainty as to the interpretation of the 2021 PSS, any rule, regulation or procedure thereunder or any rights under the 2021 PSS shall be determined by the Committee. The Committee shall not be required to furnish any reasons for any decision or determination made by it.

Awards may only be vested, and accordingly, any Shares comprised in such Awards, shall only be delivered upon the Committee being satisfied that a Participant has achieved the Performance Target(s) set forth by the Committee, which shall have the absolute discretion to determine the extent to which the Shares under that award shall be released on the prescribed Performance Target(s) being satisfied (whether fully or partially) or exceeded, as the case may be.

Performance Targets set under the 2021 PSS are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The Performance Targets are targets aimed at sustaining long-term growth. Examples of Performance Targets to be set include targets based on criteria such as sales growth, growth in earnings and return on investment.

In compliance with the requirements of the Listing Rules, any Participant of the 2021 PSS who is a member of the Committee shall not be involved in its deliberations in respect of Awards to be granted to or held by that member of the Committee.

2.3.4 Grant of Awards and Date of Grant

Awards represent the right conferred by the Company on a Participant to be issued or transferred Shares in the Company, free of charge, in accordance with the 2021 PSS. The Committee may grant Awards at any time, except that:

- (a) no Shares shall be granted during the period of two weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company adopts quarterly reporting);
- (b) no Shares shall be granted one month immediately preceding the announcement of the Company's half year and full year financial statements, as the case may be (if the Company does not adopt quarterly reporting); or
- (c) in the event that an announcement on any matter of any exceptional nature involving unpublished price sensitive information is imminent, Awards may only be granted on or after the second Market Day from the date on which the aforesaid announcement is made.

Where the grant of Awards to any Participant is subject to approval of specific resolution at a general meeting, the Committee shall grant such approved Awards within thirty (30) days from the conclusion of the general meeting that approved the resolution.

2.3.5 Details of Grant of Award

- (a) The Committee shall decide in relation to each Award:
 - (i) the Participant;
 - (ii) the Date of Grant;
 - (iii) the Performance Period and the Performance Target(s);
 - (iv) the number of Shares which are the subject of the Award;
 - (v) the Vesting Period(s);
 - (vi) such other conditions that the Committee may determine in relation to the Award.
- (b) The Committee may amend or waive the Vesting Period(s), the Performance Period, and/or the Performance Target(s) in respect of any Award:

- (i) if anything happens which causes the Committee to conclude that:
 - (A) an amended Vesting Period, Performance Target(s) or Performance Period would be a fairer measure of performance and would be no less difficult to satisfy;
 - (B) the Vesting Period, Performance Target(s) or Performance Period should be waived; or
- (ii) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares of the Company, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company,

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

- (c) Participants are not required to pay for the grant of Awards.
- (d) An Award is personal to the Participant to whom it is granted and it may not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse. However, the Shares granted to a Participant pursuant to a grant of the Award may be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part.

2.3.6 Acceptance of Awards

The grant of an Award to a Participant shall be accepted by the Participant within thirty (30) Market Days from the Date of Grant ("**Award Acceptance Period**"). The Participant may accept or refuse the whole but not part of the offer.

The Committee shall within fifteen (15) Market Days of receipt of the acceptance form acknowledge receipt thereof.

If the grant of the Award is not accepted by the Participant within the Award Acceptance Period, such offer shall upon the expiry of the Award Acceptance Period, automatically lapse and shall be null and void.

2.3.7 Release of Awards

Subject as provided in the 2021 PSS Rules, an Award shall be released, in accordance with any conditions that the Committee may, in its absolute discretion specify in the Award Letter.

Shares which are the subject of a released award shall be vested to a Participant on the Vesting Date and within ten (10) Market Days of the Vesting Date, the Committee will procure the allotment of such New Shares, the purchase and/or transfer of such existing Shares (including Treasury Shares) in accordance with the Award.

New Shares which are allotted and/or existing Shares (including Treasury Shares) which are transferred on the release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall

have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.

New Shares allotted and issued; and/or existing Shares purchased by the Company on behalf of the Participants for transfer; and/or Treasury Shares held by the Company for transfer, upon the release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company; and
- (b) rank for any dividend, right, allotment by other distribution the Record Date of which is on or after the relevant Vesting Date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.

Shares which are allotted or transferred pursuant to the release of an Award will not (save as otherwise provided by provisions of the Listing Manual or applicable laws) be subject to any restriction against disposal or sale or any other dealings by the Participant.

2.3.8 Events prior to Vesting Date

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

- (a) misconduct or breach of term of employment contract on the part of the Participant as determined by the Committee at its discretion;
- (b) the Participant, for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) ceases to be in the employment of the Company and/or any subsidiary or in the event the company by which the Employee is employed ceases to be a company in the Group; and/or
- (c) in the event that the Committee, in its sole and absolute discretion, deems it appropriate that such Award shall so lapse on the grounds that any of the objectives of the 2021 PSS have not been met; or
- (d) the Participant commits any breach of any of the terms of his Awards,

provided that the Awards shall be deemed not to have become void nor cease to have effect in accordance with the 2021 PSS if a Participant ceases to be employed before the release by reason of:

- (i) death of the Participant; or
- (ii) ill-health, injury, disability or accident (in each case evidenced to the satisfaction of the Committee); or
- (iii) any other ground where the release of the Award has been approved by the Committee in writing,

the Committee may waive the Vesting Period for all or any of the Awards not yet released to the Participant or his duly appointed representative(s) under any of the above stated circumstances.

In the event of a take-over offer (whether conditional or unconditional) being made for all or any part of the Shares, all Awards to the extent not yet released shall be released to all Participants and the Vesting Period waived so that they be entitled to exercise their rights under the take-over offer, on the date on which such take-over offer becomes or is declared unconditional (as the case may be).

If before the Vesting Date, any of the following occurs:

- (a) a Participant does or suffers any act or thing whereby he would or might be deprived of the legal or beneficial ownership of the Award;
- (b) a Participant commits an act of bankruptcy or is subject to a petition for bankruptcy;
- (c) a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Act;
- (d) an order for the compulsory winding-up of the Company is made;
- (e) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Committee may consider, at its discretion, whether or not to release any Award. If the Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period(s) which has elapsed and the extent to which the Performance Targets have been satisfied. Where such Awards are released, the Committee will, as soon as practicable after Awards have been released, procure the allotment of such New Shares and/or transfer of Treasury Shares (if any) to each Participant of the number of Shares so determined in accordance with such Award, such allotment and/or transfer to be made in accordance with the 2021 PSS.

2.3.9 **Size and duration of the 2021 PSS**

In accordance with Rule 845(1) of the Listing Manual, the aggregate number of Shares available under the 2021 PSS, when added to all Shares, options or awards granted under any other share option scheme, share award scheme or other share-based incentive schemes of the Company then in force, shall not exceed the maximum limit of fifteen per cent. (15%) of the Company's total issued share capital (excluding Treasury Shares and Subsidiary Holdings) from time to time.

In accordance with Rule 845 of the Listing Manual:

- (a) the aggregate number of Shares which may be issued and/or transferred pursuant to all Awards granted under the 2021 PSS to Controlling Shareholders and their Associates must not exceed twenty-five per cent. (25%) of all the Shares available under the 2021 PSS; and; and
- (b) the number of Shares which may be issued and/or transferred pursuant to all Awards granted under the 2021 PSS to each Controlling Shareholder or an Associate of a Controlling Shareholder must not exceed ten per cent. (10%) of all the Shares available under the 2021 PSS.

The Company currently does not have any other share incentive scheme in force.

The Directors believe that the size of the 2021 PSS is reasonable, taking into account the nature of the business, the contribution of the Participants, and the share capital of the Company. The Directors believe the size of the 2021 PSS will give the Company sufficient flexibility to decide the number of Shares to be awarded under the 2021 PSS. However, the Committee may not necessarily issue Shares up to the prescribed limit. The Committee will exercise its discretion in deciding the number of Shares to be awarded to each Participant under the 2021 PSS, which will depend on and be commensurate with the performance and value of each Participant to the Group.

The 2021 PSS shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date of adoption of the 2021 PSS, provided always that the 2021 PSS may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The 2021 PSS may be terminated at any time by the Committee, or, at the discretion of the Committee by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the 2021 PSS is so terminated, no further Awards shall be granted by the Committee hereunder.

The termination of the 2021 PSS shall not affect Awards which have been granted and accepted as provided in the 2021 PSS whether such Awards have been released (whether fully or partially) or not.

2.4 Adjustments and alterations under the 2021 PSS

2.4.1 Variation of Capital

If a variation in the issued ordinary share capital of the Company (whether by way of a bonus issue, rights issue, capital reduction, subdivision or consolidation of shares or distribution, or otherwise) shall take place, then the Committee may, in its absolute discretion, determine whether:

- (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 2021 PSS,

shall be adjusted and if so, in the manner in which such adjustments should be made provided that the rights of a Participant will be changed to the extent necessary to comply with the rules of any stock exchange on which the Company is listed that apply at the time of the event, including the rules that apply to a reorganisation of capital at that time, provided that:

- (i) any adjustments (other than a bonus issue) must be confirmed in writing by the Auditors to be fair and reasonable; and
- (ii) any adjustments must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

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

When any adjustment has to be made pursuant to the 2021 PSS, the Company shall notify the Participant (or his duly appointed personal representative where applicable) in writing and deliver to him (or his duly appointed personal representative where applicable) a statement setting forth the class and number of Shares and/or existing Shares (including Treasury Shares, if any) thereafter to be issued or transferred

respectively on the vesting of an Award and the date on which any adjustment shall take effect.

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

2.4.2 Modifications or Alterations to the 2021 PSS

Any or all of the provisions of the 2021 PSS may be modified and/or altered at any time and from time to time by a resolution of the Board on the recommendation of the Committee, provided that:

- (a) any modification or alteration which materially and adversely alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if the Awards were released to them would thereby become entitled to not less than three quarters (3/4) in aggregate such number of all the Shares which would be issued in full of all outstanding Awards under the 2021 PSS, as the case may be;
- (b) any modification or alteration (including modifications or alterations relating to matters contained in Rules 844 to 849 and 853 to 854 of the Listing Manual) which would be to the advantage of the Participants under the 2021 PSS shall be subject to the prior approval of the Company's Shareholders in general meeting; and
- (c) no modification or alteration shall be made without due compliance with the Listing Rules and the approval of the SGX-ST and such other regulatory authorities as may be necessary.

The opinion of the Committee as to whether any modification or alteration would materially and adversely alter the rights attaching to any Award or be to the advantage of the Participants shall be final, binding and conclusive.

The Committee may at any time by a resolution (and without other formality or approval of the Participants, save for the prior approval of the SGX-ST) amend or alter 2021 PSS in any way to the extent necessary to cause the 2021 PSS to comply with any statutory provision of the provision of the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

Written notice of any modification or alteration made in accordance with the above shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

2.5 Disclosures in Annual Report

The following disclosures or appropriate negative statements (as applicable) will be made by the Company in its annual report for so long as the 2021 PSS continues in operation and for so long as such disclosures are required to be made by the rules of any stock exchange on which the Company is listed or any other applicable laws:

- 2.5.1 the names of the members of the Committee administering the 2021 PSS;
- 2.5.2 in respect of the following Participants of the 2021 PSS:
- (a) Directors of the Company;
 - (b) Controlling Shareholders of the Company and their Associates;
 - (c) Group Employees (other than those in sub-paragraph (a) and (b) above) who receive Awards granted under the 2021 PSS which, in aggregate, represent five per cent. (5%) or more of the aggregate of the total number of Shares available under the 2021 PSS,

the following information:

Name of the Participant	Awards granted during financial year under review (including terms)	Aggregate Awards granted since commencement of the 2021 PSS to end of financial year under review	Aggregate Awards released since commencement of the 2021 PSS to end of financial year under review	Aggregate Awards not yet released as at end of financial year under review

The disclosures required by Rule 852(1)(c) of the Listing Manual will not be applicable as the Company does not have a parent company.

2.6 Financial Effects of the 2021 PSS

2.6.1 Cost of Awards

As Participants are not required to pay for the grant of the Awards, such grant of Awards will have a financial effect on the Company.

The 2021 PSS is considered a share-based payment that falls within the scope of Singapore Financial Reporting Standard (International) (“SFRS(I)”) 2 – Share-based Payment. The SFRS(I)2 requires the recognition of an expense in respect of Awards granted under the 2021 PSS. SFRS(I) 2 requires the recognition of an expense in respect of Awards granted under the PSP with a corresponding increase in the reserve account over the Vesting Period. The expenses will be based on the fair value of the Awards at the date of the grant and will be recognised over the expected Vesting Period. As at each financial year ended, the Company will revise its estimated number of Shares under the Awards that are expected to become exercisable on the vesting date and recognise the effect of the revision of estimates in the income statement with a corresponding adjustment to the reserve account over the remaining Vesting Period. After the vesting date, no adjustment to the charge to the income statement will be made.

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

However, if the Performance Target is not a market condition, the fair value per Share of the Awards granted at the date of grant is used to compute the expense to be recognised in the income statement at the end of each financial year, based on an

assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition and if the Awards do not ultimately vest, the amount charged to the income statement would be reversed at the end of the Vesting Period.

2.6.2 Details of the financial effects of the 2021 PSS

The following sets out the financial effects of the 2021 PSS:

(a) Share Capital

The 2021 PSS will result in an increase in the Company's issued share capital only if New Shares are issued to Participants. The number of New Shares issued will depend on, inter alia, the size of the Awards granted under the 2021 PSS. However, if existing Shares are purchased for delivery to Participants in lieu of issuing New Shares to Participants, the 2021 PSS will have no impact on the Company's issued share capital.

(b) NTA

As described below under sub-paragraph (c), the 2021 PSS will result in a charge to our Company's and Group's profit and loss account equal to the market value at which the New Shares are issued or the existing Shares are purchased to meet delivery under the Awards. If New Shares are issued under the 2021 PSS, the NTA of the Group and the Company would decrease by the amount charged. If existing Shares are purchased for delivery to Participants, the NTA of the Group and the Company would decrease by the amount charged.

Although the 2021 PSS will result in a charge to our profit and loss account of our Company and the Group, it should be noted that Awards are granted only on a selective basis and will be granted to Participants whom our Company believes would have contributed or will contribute significant value in its success including financial performance. In particular, the grant of Awards and delivery of Shares to Participants of the 2021 PSS, are contingent upon the Participants meeting prescribed Performance Targets. Therefore Participants would have contributed to or will contribute to significant value add to the NTA of our Company and the Group before the Awards are granted and Shares delivered.

(c) EPS

The 2021 PSS will result in a charge to earnings equivalent to the market value at which the existing Shares are purchased or the market value on the date at which New Shares are issued under the Awards.

Although the 2021 PSS will have a dilutive impact (to the extent that New Shares are issued pursuant to the 2021 PSS) on the EPS of the Company and the Group, it should again be noted that the delivery of Shares to Participants under the 2021 PSS will generally be contingent upon the Participants meeting the prescribed Performance Targets and conditions. Accordingly, the earnings of our Company and the Group should have grown before the Awards are granted and Shares delivered.

(d) Dilutive Impact

It is expected that any dilutive impact of the 2021 PSS on the NTA and the EPS would not be significant.

(e) Taxes

All taxes (including income tax) arising from the grant or vesting of any Award under the 2021 PSS shall be borne by the Participant.

2.7 The proposed grant of authority to grant awards and to allot and issue shares under the 2021 PSS

Subject to the Shareholders' approval of the Proposed Adoption of the 2021 PSS, the Company proposes to seek the Shareholders' grant of authority to the Directors of the Company:

- (a) to grant Awards in accordance with the provisions of the 2021 PSS;
- (b) pursuant to Section 161 of the Companies Act, to allot and issue new Shares pursuant to the Vesting of the Awards under the 2021 PSS from time to time; and
- (c) subject to the same being allowed by law, to apply any Share purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any Shares held as Treasury Shares) towards the satisfaction of the Awards granted under the 2021 PSS.

2.8 The proposed participation of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, in the 2021 PSS

Subject to the Shareholders' approval of the Proposed Adoption of the 2021 PSS, the Company proposes to seek the Shareholders' approval of the participation of Mr Douglas Foo Peow Yong, a Controlling Shareholder of the Company, in the 2021 PSS.

2.9 The proposed participation of Ms Foo Lilian, an Associate of a Controlling Shareholder of the Company, in the 2021 PSS

Subject to the Shareholders' approval of the Proposed Adoption of the 2021 PSS, the Company proposes to seek the Shareholders' approval of the participation of Ms Foo Lilian, a Controlling Shareholder of the Company, in the 2021 PSS.

2.10 The proposed participation of Mr Foo Kia Hee, an Associate of a Controlling Shareholder of the Company, in the 2021 PSS

Subject to the Shareholders' approval of the Proposed Adoption of the 2021 PSS, the Company proposes to seek the Shareholders' approval of the participation of Mr Foo Kia Hee, a Controlling Shareholder of the Company, in the 2021 PSS.

2.11 The proposed participation of Ms Foo Lena, an Associate of a Controlling Shareholder of the Company, in the 2021 PSS

Subject to the Shareholders' approval of the Proposed Adoption of the 2021 PSS, the Company proposes to seek the Shareholders' approval of the participation of Ms Foo Lena, a Controlling Shareholder of the Company, in the 2021 PSS.

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

3.1 Introduction

The Share Buy-Back Mandate is a general mandate to be given by the Shareholders to allow the Company to purchase or acquire its issued Shares at any time during the duration and on

the terms of the Share Buy-back Mandate. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by its Constitution, the Companies Act, the Listing Rules and such other laws and regulations as may be, for the time being, be applicable. The Company's Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares in accordance with the relevant laws on such terms and subject to such conditions as the Company may prescribe in general meeting. The Company is also required to obtain approval of its Shareholders at a general meeting if it wishes to purchase or acquire its own Shares.

At the AGM of the Company held on 30 October 2020 ("**2020 AGM**"), Shareholders had approved, *inter alia*, the renewal of the Share Buy-Back Mandate. The rationale for, the authority and limits on, and the financial effects of, the Share Buy-Back Mandate were set out in the Letter to Shareholders dated 15 October 2020 and Resolution 7 set out in the Notice of the 2020 AGM.

The Share Buy-Back Mandate was expressed to take effect on the date of the passing of the resolution at the 2020 AGM and will expire on the date of the forthcoming 2021 AGM. Accordingly, the Board is proposing to seek Shareholders' approval at the 2021 AGM for the renewal of the Share Buy-back Mandate.

3.2 **Rationale for Share Buy-Back Mandate**

The Company proposes to seek Shareholders' approval for the renewal of the Share Buy-back Mandate to give Directors the flexibility to undertake Share Purchases or acquisitions up to ten per cent (10%) of the Company's total issued shares (excluding Treasury Shares and Subsidiary Holdings, if any), as at the date of passing of the resolution at the Company's 2021 AGM, as described in paragraph 3.3 below at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force.

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

- (a) The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share buy-back at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. The Proposed Renewal of the Share Buy-Back Mandate will give the Directors the flexibility to purchase or acquire the Shares as and when circumstances permit.
- (b) The Directors believe that the Share Buy-Back Mandate provides the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's dividend payout, cash reserves and share capital structure with a view to enhancing the earnings and/or NTA value per Share.
- (c) The Directors further believe that the Share Buy-Back Mandate by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster the confidence of Shareholders.

The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company. If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and

the most cost-effective and efficient approach. The Directors do not propose to carry out Share Purchases to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares, the financial position of the Company and/or result in the Company being delisted from the SGX-ST. For example, the Directors will ensure that the Share Purchases will not be carried out to such an extent that the free float of the Company's Shares held by the public falls to below ten per cent (10%) (excluding treasury shares).

Any Share Purchase will have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution, and such other laws and regulations as may, for the time being, be applicable.

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

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

3.3.1 Maximum number of shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased by the Company under the Share Buy-Back Mandate is limited to that number of Shares representing not more than ten per cent (10%) of the issued ordinary share capital of the Company as at the Approval Date, unless the Company has reduced its share capital by a special resolution under Section 78C of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution. Any Shares which are held as Treasury Shares or Subsidiary Holdings will be disregarded for purposes of computing the ten per cent (10%) limit. As at the Latest Practicable Date, there are Treasury Shares in total of 2,528,000 held in the name of the Company.

For illustrative purposes only, on the basis of 139,472,000 Shares (excluding Treasury Shares and Subsidiary Holdings) in issue as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the 2021 AGM, not more than 13,947,200 Shares (representing ten per cent (10%) of the Shares in issue (excluding Treasury Shares and Subsidiary Holdings) as at the Approval Date) may be purchased or acquired by the Company pursuant to the proposed Share Buy-Back Mandate.

Although the Share Buy-Back Mandate would authorise the Company to purchase or acquire up to 10% of the issued ordinary share capital of the Company (excluding Treasury Shares and Subsidiary Holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued ordinary share capital of the Company (excluding Treasury Shares and Subsidiary Holdings). In particular, no purchase or acquisition of the Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group.

The Company may not acquire its own Shares if as a result thereof, the issued share capital of the Company would be reduced below the minimum subscribed capital

specified in the Constitution, or if the Share Purchases is carried out to such an extent that it affects the listing status of the Company on the SGX-ST or causes the Company to be unable to meet the minimum public float requirement.

3.3.2 Duration of authority

The Share Buy-Back Mandate will take effect from the Approval Date and continues in force up to the earliest of:

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

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

3.4 **Manner of Share Purchases**

Share Purchases may be made by way of:

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

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Rules, the listing rules of any other stock exchange on which the Shares may for the time being be listed and quoted, the Constitution, and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

Under Section 76C of the Companies Act, an Off-Market Purchase pursuant to an equal access scheme must satisfy all of the following conditions:

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

- (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share Purchase;
- (d) the consequences, if any, of Share Purchases by the Company that will arise under the Takeover Code or other applicable take-over rules;
- (e) whether the Share Purchase, if made, could affect the listing of the Shares on the SGX-ST;
- (f) details of any Share Purchases made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

3.5 **Maximum Purchase Price**

The purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors.

However, the purchase price to be paid for a Share pursuant to the Share Purchases as determined by the Directors must not exceed:

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

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

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST, or such other stock exchange on which the Shares are listed and quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with

the Listing Rules, for any corporate action that occurs after the relevant five (5) Market Day period;

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

3.6 **Status of Purchased Shares**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation), unless such Share is held by the Company as a Treasury Share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Companies Act) will be automatically de-listed by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

The Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at the time of the Share Purchase.

3.7 **Treasury Shares**

Under the Companies Act, Shares purchased or otherwise acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Companies Act are summarised below:

3.7.1 Maximum holdings

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

3.7.2 Voting and other rights

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

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Shares into Treasury

Shares of a greater or smaller amount is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as the total value before the subdivision or consolidation, as the case may be.

3.7.3 Disposal and cancellation

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

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of, or pursuant to share schemes implemented by the Company;
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in, or assets of, another company or assets of a person;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

Under Rule 704(28) of the Listing Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage and the value of the treasury shares in relation to the usage.

3.8 **Source of funds for Share Buy-Back**

In making the Share Purchases, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and the applicable laws of Singapore. As stated in the Companies Act, the share buy-back may be made out of the Company’s profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, a company is solvent if:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's Share Purchases. In making the Share Purchases, the Directors will, firstly, consider the availability of internal resources before considering the availability of external financing. The Company will only make Share Purchases in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or would cause the Company to be insolvent.

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

3.9 Financial effects of the Share Buy-Back Mandate

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buy-Back Mandate will depend on, *inter alia*, how the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

The Company's total issued share capital will be diminished by the total nominal amount of the Shares purchased by the Company. The NTA of the Company and the Group will be reduced by the aggregate purchase price paid by the Company for the Shares. The purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 30 June 2021, are based on the following principal assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate had taken place on 1 July 2020 for the purpose of computing the financial effects on the EPS of the Group and the Company;
- (b) the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate had taken place on 1 July 2020 for the purpose of computing the financial effects on the Shareholders' equity, NTA per Share and gearing of the Group and the Company; and
- (c) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

3.9.1 Purchase or acquisition out of capital or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced but the issued share capital of the Company will be reduced by the value of the Shares purchased.

3.9.2 Financial effects

For illustrative purposes only, and on the basis of the principal assumptions (a) to (c) in paragraph 3.9 above and the assumptions set out below, the financial effects of the:

- (a) acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate by way of purchases made entirely out of capital and held as treasury Shares; and
- (b) acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate by way of purchases made entirely out of capital and cancelled,

based on the audited financial statements of the Group and the Company for the financial year ended 30 June 2021 are set out in the sections below.

(i) **Purchases made entirely out of capital and held as treasury Shares**

Market Purchase

For illustrative purposes only, in a Market Purchase, based on the assumption that such purchase or acquisition of Shares is financed solely by borrowings of approximately S\$4,301,986 (comprising the principal amount and accrued interest thereon), and assuming that the Maximum Price is S\$0.3024 which is 5% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 13,947,200 Shares (representing approximately 10% of the issued ordinary share capital of the Company (excluding treasury Shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buy-Back Mandate, is approximately S\$4,217,633. On these assumptions, the impact of the Share Purchases by the Company undertaken in accordance with the proposed Share Buy-Back Mandate on the Company's and Group's audited financial statements for the financial year ended 30 June 2021 is as follows:

As at 30 June 2021	Company		Group	
	Before the Share Purchase	After the Share Purchase	Before the Share Purchase	After the Share Purchase
Shareholders' equity (S\$'000)	47,092	42,790	56,417	52,115
NTA (S\$'000)	47,092	42,790	56,417	52,115
Current Assets (S\$'000)	1,195	1,111	9,720	9,636
Current Liabilities (S\$'000)	46,867	51,085	35,731	39,949
Total Borrowings (S\$'000)	32,724	36,942	33,094	37,312
Cash & Cash Equivalents (S\$'000)	841	757	3,042	2,958
Net Profit (S\$'000)	3,737	3,653	2,317	2,233
Number of Shares ('000)	139,472	125,525	139,472	125,525
Financial Ratios				
NTA per Share (cents)	33.76	34.09	40.45	41.52
Basic EPS (cents)	2.68	2.91	1.66	1.78
Gearing Ratio	0.69	0.86	0.59	0.72
Current Ratio (times)	0.03	0.02	0.27	0.24

Note:

(1) Number of Shares excludes 2,528,000 Shares that are held as Treasury Shares.

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, based on the assumption that such purchase or acquisition of Shares is financed solely by borrowings of approximately S\$4,506,842 (comprising the principal amount and accrued interest thereon), and assuming that the Maximum Price is S\$0.3168, which is 10% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 13,947,200 Shares (representing approximately 10% of the total issued ordinary share capital of the Company (excluding treasury Shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buy-Back Mandate, is approximately S\$4,418,473. On these assumptions, the impact of the Share Purchases by the Company undertaken in

accordance with the proposed Share Buy-Back Mandate on the Company's and the Group's audited financial statements for the financial year ended 30 June 2021 is as follows:

As at 30 June 2021	Company		Group	
	Before the Share Purchase	After the Share Purchase	Before the Share Purchase	After the Share Purchase
Shareholders' equity (S\$'000)	47,092	42,585	56,417	51,910
NTA (S\$'000)	47,092	42,585	56,417	51,910
Current Assets (S\$'000)	1,195	1,106	9,720	9,631
Current Liabilities (S\$'000)	46,867	51,285	35,731	40,149
Total Borrowings (S\$'000)	32,724	37,142	33,094	37,512
Cash & Cash Equivalents (S\$'000)	841	752	3,042	2,953
Net Profit (S\$'000)	3,737	3,648	2,317	2,228
Number of Shares ('000)	139,472	125,525	139,472	125,525
Financial Ratios				
NTA per Share (cents)	33.76	33.93	40.45	41.35
Basic EPS (cents)	2.68	2.91	1.66	1.77
Gearing Ratio	0.69	0.87	0.59	0.72
Current Ratio (times)	0.03	0.02	0.27	0.24

Note:

(1) Number of Shares excludes 2,528,000 Shares that are held as Treasury Shares.

(ii) **Purchases made entirely out of capital and cancelled**

Market Purchase

For illustrative purposes only, in a Market Purchase, based on the assumption that such purchase or acquisition of Shares is financed solely by borrowings of approximately S\$4,301,986 (comprising the principal amount and accrued interest thereon), and assuming that the Maximum Price is S\$0.3024, which is 5% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 13,947,200 Shares

(representing approximately 10% of the total issued ordinary share capital of the Company (excluding treasury Shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buy-Back Mandate, is approximately S\$4,217,633. On these assumptions, the impact of the Share Purchases by the Company undertaken in accordance with the proposed Share Buy-Back Mandate on the Company's and the Group's audited financial statements for the financial year ended 30 June 2021 is as follows:

As at 30 June 2021	Company		Group	
	Before the Share Purchase	After the Share Purchase	Before the Share Purchase	After the Share Purchase
Shareholders' equity (S\$'000)	47,092	42,790	56,417	52,115
NTA (S\$'000)	47,092	42,790	56,417	52,115
Current Assets (S\$'000)	1,195	1,111	9,720	9,636
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Net Profit (S\$'000)	3,737	3,653	2,317	2,233
Number of Shares ('000)	139,472	125,525	139,472	125,525
Financial Ratios				
NTA per Share (cents)	33.76	34.09	40.45	41.52
Basic EPS (cents)	2.68	2.91	1.66	1.78
Gearing Ratio	0.69	0.86	0.59	0.72
Current Ratio (times)	0.03	0.02	0.27	0.24

Note:

(1) Number of Shares excludes 2,528,000 Shares that are cancelled.

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, based on the assumption that such purchase or acquisition of Shares is financed solely by borrowings of approximately S\$4,506,842 (comprising the principal amount and accrued interest thereon), and assuming that the Maximum Price is S\$0.3168, which is 10% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares

were recorded immediately preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 13,947,200 Shares (representing approximately 10% of the total issued ordinary share capital of the Company (excluding treasury Shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buy-Back Mandate, is approximately S\$4,418,473. On these assumptions, the impact of the Share Purchases by the Company undertaken in accordance with the proposed Share Buy-Back Mandate on the Company's and the Group's audited financial statements for the financial year ended 30 June 2021 is as follows:

As at 30 June 2021	Company		Group	
	Before the Share Purchase	After the Share Purchase	Before the Share Purchase	After the Share Purchase
Shareholders' equity (S\$'000)	47,092	42,585	56,417	51,910
NTA (S\$'000)	47,092	42,585	56,417	51,910
Current Assets (S\$'000)	1,195	1,106	9,720	9,631
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Total Borrowings (S\$'000)	32,724	37,142	33,094	37,512
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Number of Shares ('000)	139,472	125,525	139,472	125,525
Financial Ratios				
NTA per Share (cents)	33.76	33.93	40.45	41.35
Basic EPS (cents)	2.68	2.91	1.66	1.77
Gearing Ratio	0.69	0.87	0.59	0.72
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Note:

(1) Number of Shares excludes 2,528,000 Shares that are cancelled.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The Share Purchases by the Company will only be effected after assessing the relative impact of a Share Purchase taking into consideration both financial factors (such as

cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2021, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent (10%) of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution. Taking all these things into consideration, the Board will only consider to proceed with the execution of the Share Purchase if the effects are beneficial to the Company and its shareholders.

3.10 Reporting requirements

Within thirty (30) days of the passing of a Shareholders' resolution to approve the proposed Share Buy-Back Mandate, the Directors shall lodge a copy of the relevant Shareholders' resolution with the Registrar.

The Directors shall lodge with the Registrar a notice of share purchase in the prescribed form within thirty (30) days of a share purchase. Such notification shall include the date of the purchases or acquisitions, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued ordinary share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of profits or the capital of the Company, and such other particulars as may be required in the prescribed form.

The Listing Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

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

Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) currently requires the inclusion of details of, *inter alia*, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

3.11 **No purchases during price or trade sensitive developments**

While the Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “**insider**” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period of two (2) weeks and one (1) month immediately preceding the announcement of the Company’s interim results and the annual (full-year) results respectively.

The Company’s decision to purchase or acquire Shares would only be made with an arrangement that could reasonably be expected to ensure that information that is not generally available would not be communicated or informed to the person within the Company who makes the decision to transact.

At any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate until the price-sensitive information has been publicly announced.

3.12 **Listing Status of the Shares**

The Listing Rules requires a listed company to ensure that at least 10% of any class of its issued Shares (excluding Treasury Shares) must be held by public shareholders. The “**public**”, as defined under the Listing Rules, are persons other than the Directors, substantial shareholders, chief executive officers or controlling shareholders of the company and its subsidiaries, as well as Associates of such persons.

Based on the Register of Members’ shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, there are 28,109,760 Shares in the hands of public shareholders, representing approximately 20.15% of the issued Shares. As at the Latest Practicable Date and assuming the Company undertakes Share Purchases up to the full ten per cent (10%) limit pursuant to the Share Buy-Back Mandate, approximately 14,162,560 Shares, representing approximately 10.15% of the issued Shares will be held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

3.13 **Take-over Implications**

Appendix 2 of the Take-over Code contains the share buy-back guidance note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

3.13.1 Obligation to make a take-over offer

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

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

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent (1%) of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

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

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

3.13.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company.

Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:

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

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

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

In general terms, the effect of Rule 14 when read with Appendix 2 is that:

- (a) unless exempted, directors of a company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such directors and their concert parties would increase to thirty per cent (30%) or more, or if the voting rights of such directors and their concert parties fall between thirty per cent (30%) and 50 per cent (50%) of the Company's voting rights, the voting rights of such directors and their concert parties would increase by more than one per cent (1%) in any period of six (6) months; and
- (b) a Shareholder who is not acting in concert with directors will not be required to make a takeover offer under Rule 14 if, as a result of the Company

purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty per cent (30%) or more, or if such Shareholder holds between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Buy-Back Mandate as the case may be.

However, Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after the Company's Share Purchases. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than one per cent (1%) in any period of six (6) months.

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

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

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

Mr Douglas Foo Peow Yong, a trustee company, his father Mr Foo Kia Hee, his sisters Ms Foo Lena and Ms Foo Lilian, and his wife Ms Koh Yen Khoo, who collectively hold 92,697,500 Shares representing 66.5% of the issued share capital of the Company are deemed parties acting in concert with each other under the Take-over Code. In the circumstances, Rule 14 of the Code will not be triggered pursuant to any acquisition or purchases of Shares under the Share Buy-Back Mandate.

Save as disclosed above and to the best of their knowledge, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-Back Mandate.

Based on the Register of Members' Shareholding and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Director or Substantial Shareholder (together with persons acting in concert with them) who may become obliged to make a mandatory offer under Rule 14 of the Take-over Code in the event that the Company purchases the maximum number of 13,947,200 Shares under the proposed Share Buy-Back Mandate.

The statements herein in relation to the Take-over Code do not purport to be a comprehensive or exhaustive description of all implications that may arise

under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share Purchases or acquisitions by the Company pursuant to the Share Buy-Back Mandate.

3.14 Limits on shareholdings

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

3.15 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive of the Company or Controlling Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

3.16 Shares purchased by the Company in the previous 12 months

The Company has not purchased or acquired any Shares during the 12-month period preceding the Latest Practicable Date.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

As at the Latest Practicable Date, the interests of the Directors in the Shares, as extracted from the Register of Directors' shareholdings, and the interests of the substantial Shareholders in the Shares (being a Shareholder whose interests in the Company's issued ordinary share capital is equal to or more than 5%), as extracted from the Register of Substantial Shareholders, are as follows:

Names of Directors and Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Douglas Foo Peow Yong	31,926,740	22.89	60,000,100 ⁽²⁾	43.02
Foo Lilian	100	-	-	-
Loh Chee Peng	1,200	-	-	-
Substantial Shareholders				
Douglas Foo Peow Yong	31,926,740	22.89	60,000,100 ⁽²⁾	43.02
28 Holdings Pte. Ltd.	-	-	13,860,000 ⁽³⁾	9.94
Goh Khoon Lim	4,320,000	3.10	13,860,000 ⁽⁴⁾	9.94
Gan Suat Lui	-	-	13,860,000 ⁽⁵⁾	9.94

Notes:

- (1) As a percentage of the total 139,472,000 issued Shares as at the Latest Practicable Date.
- (2) Mr Douglas Foo Peow Yong is deemed to be interested in the 60,000,100 Shares comprising 60,000,000 Shares held in trust by Raffles Nominees (Pte) Ltd and 100 Shares held by his wife, Ms Koh Yen Khoon.
- (3) 28 Holdings Pte. Ltd. is deemed to be interested in 13,860,000 shares held in trust by KGI Securities (Singapore) Pte. Ltd.
- (4) Mr Goh Khoon Lim is deemed to be interested in 13,860,000 Shares held by 28 Holdings Pte. Ltd. through his shareholdings of not less than 20% in 28 Holdings Pte. Ltd.
- (5) Ms Gan Suat Lui is deemed to be interested in 13,860,000 Shares held by 28 Holdings Pte. Ltd. through her shareholdings of not less than 20% in 28 Holdings Pte. Ltd.

Save as disclosed in this Appendix, none of the Directors or Substantial Shareholders has any direct or indirect interest in the above transactions other than their respective shareholdings in the Company.

5. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the 2021 PSS must abstain from voting on any resolution relating to the 2021 PSS. In particular:

- (a) all Shareholders who are eligible to participate in the 2021 PSS must abstain from voting on Resolutions 8 and 9 relating to the 2021 PSS, being the ordinary resolutions relating to the proposed adoption of the 2021 PSS and the proposed grant of authority to allot and issue shares under the 2021 PSS, to be proposed at the 2021 AGM; and
- (b) Mr Douglas Foo Peow Yong and his Associates, and Ms Foo Lilian, Mr Foo Kia Hee, and Ms Foo Lena, shall in addition, abstain from voting in respect of Resolutions 10, 11, 12 and 13, being ordinary resolutions relating to the proposed participation of Mr Douglas Foo Peow Yong, a Controlling Shareholder, and Ms Foo Lilian, Mr Foo Kia Hee, and Ms Foo Lena, Associates of Mr Douglas Foo Peow Yong, in the 2021 PSS, to be proposed at the 2021 AGM.

The Company will disregard any votes cast by any Directors and any Shareholders (including Controlling Shareholders and their Associates), in respect of the aforementioned Resolutions 8, 9, 10, 11, 12 and 13, as set out in the Notice of AGM, who are required to abstain from voting on such resolutions.

Such Shareholders should also not accept nominations as proxy or otherwise for voting at the 2021 AGM unless specific instructions have been given in the proxy form by the independent shareholders appointing them on how they wish their votes to be cast for the resolution.

6. THE 2021 ANNUAL GENERAL MEETING

The 2021 AGM, notice of which is circulated with this Appendix, will be held at 28 Tai Seng Street, Sakae Building, Level 7, Singapore 534106 on 29 October 2021 at 3:00 p.m. for the purpose of considering and, if thought fit, passing, with or without modification the ordinary resolutions set out in the Notice of 2021 AGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2021 AGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the attached Proxy Form in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 28 Tai Seng Street, Sakae Building, Level 7, Singapore 534106, not later than forty-eight (48) hours before the time fixed for the 2021 AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2021 AGM if he so wishes in place of the proxy if he finds that he is able to do so.

A depositor shall not be regarded as a member of the Company entitled to attend the 2021 AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP pursuant to Division 7A of Part IV of the Companies Act at least seventy-two (72) hours before the 2021 AGM.

8. DIRECTORS' RECOMMENDATION

a. Proposed adoption of the 2021 PSS (and proposed grant of authority to grant Awards and to allot and issue Shares under the 2021 PSS)

Subject to the Shareholders' approval sought at the 2021 AGM, all the Directors will be eligible to participate in and are therefore interested in the proposed adoption of the 2021 PSS. Accordingly, the Directors have abstained from making any recommendation on how Shareholders should vote.

b. Proposed participation of Mr Douglas Foo Peow Yong (Controlling Shareholder of the Company) and Ms Foo Lilian, Mr Foo Kia Hee and Ms Foo Lena, (Associates of Mr Douglas Foo Peow Yong) in the 2021 PSS

Mr Douglas Foo Peow Yong and Ms Foo Lilian have refrained from making any recommendation as to how Shareholders should vote in respect of Ordinary Resolutions 10, 11, 12 and 13 for the proposed participation of Mr. Douglas Foo Peow Yong, Controlling Shareholder of the Company, and Ms Foo Lilian, Mr Foo Kia Hee and Ms Foo Lena, Associates of Mr Douglas Foo Peow Yong, in the 2021 PSS, as set out in the Notice of AGM.

The Directors (other than Mr. Douglas Foo Peow Yong and Ms Foo Lilian) having carefully considered, inter alia, the rationale for and information relating to the proposed participation of Mr. Douglas Foo Peow Yong, Controlling Shareholder of the Company, and Ms Foo Lilian, Mr Foo Kia Hee and Ms Foo Lena, Associates of Mr Douglas Foo Peow Yong, in the 2021 PSS, are of the opinion that the proposed participation of Mr. Douglas Foo Peow Yong, Ms Foo Lilian, Mr Foo Kia Hee and Ms Foo Lena, in the 2021 PSS is in the best interests of the Company. Accordingly, the Directors (other than Mr. Douglas Foo Peow Yong and Ms Foo Lilian) recommend that Shareholders vote in favour of Ordinary Resolutions 10, 11, 12 and 13 for the proposed participation of Mr. Douglas Foo Peow Yong, Controlling Shareholder of the Company, and Ms Foo Lilian, Mr Foo Kia Hee and Ms Foo Lena, Associates of Mr Douglas Foo Peow Yong in the 2021 PSS as set out in the Notice of AGM.

c. Proposed Renewal of the Share Buy-Back Mandate

The Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in

favour of the Resolution 14 relating to the proposed renewal of the Share Buy-Back Mandate as set out in the Notice of 2021 AGM.

The Directors further recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisor.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 28 Tai Seng Street, Sakae Building, Level 7, Singapore 534106, during normal business hours from the date of this Appendix up to and including the date of the 2021 AGM:

- (a) the Annual Report 2021 and this Appendix; and
- (b) the proposed rules of the 2021 PSS Rules.

10. COMPLIANCE WITH GOVERNING LAWS, REGULATIONS AND THE ARTICLES OF ASSOCIATION

The proposed adoption of the 2021 PSS does not contravene any laws and regulations governing the Company and the Constitution.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Adoption of the 2021 PSS, the Proposed Renewal of Share Buy-Back Mandate, the Company, its Subsidiaries and its Associated Companies, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

Yours faithfully
For and on behalf of the Board of Directors of
SAKAE HOLDINGS LTD.

Douglas Foo Peow Yong
Executive Chairman

SCHEDULE A
RULES OF THE 2021 SAKAE PERFORMANCE SHARE SCHEME

1. DEFINITIONS

The following definitions shall apply throughout unless otherwise stated in this 2021 PSS Rules:

- “2021 PSS”** : The proposed 2021 SAKAE Performance Share Scheme, as amended, modified or supplemented from time to time
- “2021 PSS Rules”** : The rules of the 2021 PSS, as amended, supplemented or modified from time to time
- “Associate”** : c) in relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (iv) his immediate family;
 - (v) 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
 - (vi) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- d) in relation to a Substantial Shareholder or Controlling Shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Associated Company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its Subsidiaries and **“Associated Companies”** shall be construed accordingly
- “Auditors”** : The auditors of the Company for the time being
- “Award”** : A contingent award of Shares granted under the 2021 PSS
- “Award Acceptance Period”** : In relation to the grant of an Award by the Company to a Participant, means thirty (30) Market Days from the Date of Grant

“Award Letter”	: A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee
“Board”	: The board of the Directors of the Company for the time being
“CDP”	: The Central Depository (Pte) Limited
“Committee”	: The Remuneration Committee of the Board, or such other committee comprising Directors duly authorised and appointed by the Board to administer the 2021 PSS
“Companies Act”	: The Companies Act (Chapter 50 of Singapore) as amended, varied or supplemented from time to time
“Company”	: Sakae Holdings Ltd.
“Constitution”	: The memorandum and articles of association or the constitution of the Company, as may be amended or modified from time to time
“Controlling Shareholder”	: A person who: <ul style="list-style-type: none"> (iii) holds directly or indirectly 15% or more of the total number of issued Shares excluding Treasury shares in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or (iv) in fact exercises control over the Company, as defined under the Listing Manual.
“Date of Grant”	: in relation to each Award, shall mean the date on which that Award is granted to a Participant, pursuant to the 2021 PSS and as specified in the Award Letter;
“Directors”	: The Directors of the Company for the time being
“Executive Director”	: A director of the Company and/or any of its Subsidiaries, as the case may be, who performs an executive function
“Group”	: The Company and its Subsidiaries
“Group Employee”	: An employee of the Group (including any Group Executive Directors who meet the relevant age and rank criteria) selected by the Committee to participate in the 2021 PSS, in accordance with the provisions thereof

“Group Executive Director”	:	A Director and/or director of any of the Company’s Subsidiaries, as the case may be, who is a full-time employee and performs an executive function
“Group Non-Executive Director”	:	A Director and/or director of any of the Company’s Subsidiaries, who is not a Group Executive Director, including an Independent Director
“Independent Director”	:	An independent director of the Company and/or any of its Subsidiaries, as the case may be
“Listing Manual”	:	The listing manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“Listing Rules”	:	The listing rules of the SGX-ST as set out in the Listing Manual
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchases”	:	On-market purchases transacted through the SGX-ST’s trading system, or on any other securities exchange on which the Shares may for the time being be listed and quoted, or through one or more duly licensed dealers appointed by the Company for the purpose of a share purchase or acquisition undertaken by the Company pursuant to the Share Buy-Back Mandate
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the release of Awards granted under the 2021 PSS
“Non-Executive Directors”	:	A director (other than an Executive Director) from time to time of the Company, including an Independent Director
“Participant”	:	A person who has been granted an Award pursuant to the 2021 PSS
“Performance Period”	:	The period as determined by the Committee in its discretion during which the Performance Target(s) is to be satisfied
“Performance Target(s)”	:	The performance target(s) prescribed by the Committee to be fulfilled by a Participant for any particular period under the 2021 PSS Award
“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
“Registrar”	:	The Registrar of Companies appointed under the Companies Act

“Release”	:	The release at the end of the Performance Period relating to the Award of all or some of the Shares to which that Award relates in accordance with Rule 9 (Release of Awards) and to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 9 (Release of Awards), the Award in those Shares shall lapse accordingly and “Released” shall be construed accordingly
“Released Award”	:	An Award which has been released in accordance with Rule 9 (Release of Awards)
“Securities Account”	:	Securities account maintained by a depositor with CDP but not including securities sub-accounts maintained with a Depository Agent
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of the Shares, except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose securities accounts maintained with CDP are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company and “Share” shall be construed accordingly
“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 and “Subsidiaries” shall be construed accordingly
“Subsidiary Holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“Treasury Share”	:	A Share that was or is treated as having been acquired and held by the Company in circumstances in which Section 76H of the Companies Act applies and has been held continuously by the Company since it was so acquired and has not been cancelled
“Vesting”	:	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vesting” shall be construed accordingly
“Vesting Date”	:	In relation to Shares which are the subject of a Released Award the date (as determined by the Committee and

notified to the relevant Participant) on which those Shares have Vested

“Vesting Period” : In relation to an Award, each period (if any), the duration of which is to be determined by the Committee on the Award Date, after the expiry of which, the relevant number of Shares which are subject to the applicable period shall be Vested to a Participant

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

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

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*. Reference to persons, where applicable, shall include corporations.

Any reference in this 2021 PSS Rules to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, Listing Manual, SFA or any statutory modification thereof and not otherwise defined in this 2021 PSS Rules shall, where applicable, have the same meaning assigned to it under the Companies Act, Listing Manual, the SFA or any statutory modification thereof, as the case may be, unless otherwise provided.

The headings in this 2021 PSS Rules are inserted for convenience only and shall be ignored in construing this 2021 PSS Rules.

Any reference to a time of day and date in this 2021 PSS Rules shall be a reference to Singapore time and date, unless otherwise specified.

Any discrepancies in the figures included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this 2021 PSS Rules may not be an arithmetic aggregation of the figures that precede them.

2. RATIONALE FOR THE 2021 PSS

2.1 The Directors believe that the 2021 PSS will increase the Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve high level of performance and contribution to the Group. The 2021 PSS will further strengthen and serve to enhance the Company’s competitiveness in attracting and retaining talent.

2.2 The 2021 PSS will incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company. Through the 2021 PSS, the Company will be able to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group’s long-term prosperity. In addition, the 2021 PSS aims to foster an ownership culture within the Group which aligns the interests of Group Employees and Non-Executive Directors with the interests of Shareholders. By giving the Participants the opportunity to participate in the equity of the Company as opposed to providing cash rewards for their performance, the 2021 PSS aims to cultivate a greater sense of involvement in the Company amongst the Participants. The Company believes that the 2021 PSS will be more

effective than cash bonuses in motivating employees to work towards pre-determined targets and/or to put in their best efforts which create and enhance economic value for Shareholders whilst at the same time allowing the Company to offer incentives and remuneration packages that are competitive.

- 2.3 The 2021 PSS contemplates the award of fully paid Shares when or after pre-determined performance or service conditions are accomplished and/or when due recognition should be given to any good work performance and/or any significant contribution to the Company.

3. ELIGIBILITY

- 3.1 The following persons may be eligible to participate in the 2021 PSS at the absolute discretion of the Committee:

- (a) confirmed full-time Group Employees;
- (b) Group Executive Directors; and
- (c) Group Non-executive Directors (including without limitation Independent Directors).

who have attained the legal age of twenty-one (21) years, who have been in the full time employment of the Group for a period of at least twelve (12) months (or in the case of any Group Executive Director, such shorter period as the Committee may determine or in the case of any Group Non-Executive Director and Independent Directors, this requirement shall not be applicable), who in the opinion of the Committee, have contributed or will contribute to the success and the development of the Group, provided that such persons are not undischarged bankrupts and have not entered into compositions with their respective creditors at the relevant time.

- 3.2 For the avoidance of doubt, non-executive directors, directors and employees of the Company's Associated Companies are not eligible to participate in the 2021 PSS.

- 3.3 In accordance with Rule 853 of the Listing Manual, persons who are Controlling Shareholders and their Associates shall not participate in the 2021 PSS unless they meet the eligibility criteria set out above and satisfying the requirements under the Listing Rules and:

- (a) his participation in the 2021 PSS; and
- (b) the actual number or maximum number of Shares comprised in the Award to be issued or transferred and the terms of any Awards to be granted to them,

has been approved by independent Shareholders in general meeting in separate resolutions for each Controlling Shareholder or Associate of a Controlling Shareholder, and in respect of each such person, in separate resolutions for each such person.

For the purposes of obtaining such approval from the independent Shareholders, the Company shall procure that the letter to Shareholders in connection therewith shall set out (i) clear justifications for the participating of such Controlling Shareholder's or Associates of Controlling Shareholders; and (ii) clear rationale for the terms of the Awards to be granted to such Controlling Shareholders or Associates of Controlling Shareholder(s).

- 3.4 Subject to the Companies Act, the Listing Rules and any requirements of the SGX-ST, the terms of eligibility for participation in the 2021 PSS may be amended from time to time at the absolute discretion of the Committee.

- 3.5 The Committee shall have absolute discretion to decide whether a person who is participating in the 2021 PSS shall be eligible to participate in any other share option scheme implemented by the Company or any other company within the Group. Subject to the Companies Act, the

Listing Rules and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the 2021 PSS may be amended from time to time at the absolute discretion of the Committee.

4. OPERATION OF THE 2021 PSS

4.1 Subject to prevailing legislation and SGX-ST guidelines, the Company will be delivering Shares to Participants upon vesting of their Awards by way of:

- (a) issue of New Shares;
- (b) delivery of existing Treasury Shares; and/or
- (c) purchase of existing Shares.

4.2 In determining whether to issue New Shares or to purchase existing Shares for delivery to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on the Company of either issuing New Shares or purchasing existing Shares.

5. ADMINISTRATION OF THE 2021 PSS

5.1 The Committee shall administer the 2021 PSS in its absolute discretion, with such powers and duties as are conferred on it by the Board of Directors. A member of the Committee shall not be involved in the deliberations of the Committee in respect of the grant of the Awards to him. In exercising its discretion, the Committee must act in accordance with any guidelines that may be provided by the Board of Directors. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board of Directors. Shareholders who are eligible to participate in the 2021 PSS shall abstain from voting on any resolution relating to the 2021 PSS.

5.2 Neither the 2021 PSS nor the grant of Awards under the 2021 PSS shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with:

- (a) the lapsing of any Awards pursuant to any provision of the 2021 PSS;
- (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the 2021 PSS; and/or
- (c) any decision or determination of the Committee made pursuant to any provision of the 2021 PSS.

5.3 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the 2021 PSS) for the implementation and administration of the 2021 PSS, to give effect to the provisions of the 2021 PSS and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, at its absolute discretion, think fit. Decision of the Committee made pursuant to any provision of the 2021 PSS (other than a matter to be certified by the Auditors) shall be final and binding, including any decision pertaining to disputes as to interpretation of the 2021 PSS) or any rule, regulations, procedure thereunder as to any rights under the 2021 PSS. Any matter pertaining or pursuant to the 2021 PSS and any dispute and uncertainty as to the interpretation of the 2021 PSS, any rule, regulation or procedure thereunder or any rights under the 2021 PSS shall be determined by the Committee. The Committee shall not be required to furnish any reasons for any decision or determination made by it.

5.4 Awards may only be vested, and accordingly, any Shares comprised in such Awards, shall only be delivered upon the Committee being satisfied that a Participant has achieved the Performance Target(s) set forth by the Committee, which shall have the absolute discretion to

determine the extent to which the Shares under that award shall be released on the prescribed Performance Target(s) being satisfied (whether fully or partially) or exceeded, as the case may be.

- 5.5 Performance Targets set under the 2021 PSS are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The Performance Targets are targets aimed at sustaining long-term growth. Examples of Performance Targets to be set include targets based on criteria such as sales growth, growth in earnings and return on investment.
- 5.6 In compliance with the requirements of the Listing Rules, any Participant of the 2021 PSS who is a member of the Committee shall not be involved in its deliberations in respect of Awards to be granted to or held by that member of the Committee.

6. GRANT OF AWARDS AND DATE OF GRANT

- 6.1 Awards represent the right conferred by the Company on a Participant to be issued or transferred Shares in the Company, free of charge, in accordance with the 2021 PSS. The Committee may grant Awards at any time, except that:
- (a) no Awards shall be granted during the period of two weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company adopts quarterly reporting);
 - (b) no Awards shall be granted one month immediately preceding the announcement of the Company's half year and full year financial statements, as the case may be (if the Company does not adopt quarterly reporting); or
 - (c) in the event that an announcement on any matter of any exceptional nature involving unpublished price sensitive information is imminent, Awards may only be granted on or after the second Market Day from the date on which the aforesaid announcement is made.
- 6.2 Where the grant of Awards to any Participant is subject to approval of specific resolution at a general meeting, the Committee shall grant such approved Awards within thirty (30) days from the conclusion of the general meeting that approved the resolution.

7. DETAILS OF GRANT OF AWARD

- 7.1 The Committee shall decide in relation to each Award:
- (a) the Participant;
 - (b) the Date of Grant;
 - (c) the performance period and the performance target(s);
 - (d) the number of Shares which are the subject of the Award;
 - (e) the Vesting Period(s);
 - (f) such other conditions that the Committee may determine in relation to the Award.
- 7.2 The Committee may amend or waive the Vesting Period(s), the performance period, and/or the performance target(s) in respect of any Award:
- (a) if anything happens which causes the Committee to conclude that:
 - (i) an amended Vesting Period, performance target or performance period would be a fairer measure of performance and would be no less difficult to satisfy;

- (ii) the Vesting Period, performance target or performance period should be waived; or
- (b) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares of the Company, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company,

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

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

- (a) the Date of Grant;
- (b) the performance period and the performance target(s);
- (c) the number of Shares which are the subject of the Award;
- (d) the Vesting Period(s);
- (e) such other conditions that the Committee may determine in relation to the Award.

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

7.5 An Award is personal to the Participant to whom it is granted and it may not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any such rights under an Award, that Award shall immediately lapse. However, the Shares granted to a Participant pursuant to a grant of the Award may be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part.

8. ACCEPTANCE OF AWARDS

8.1 The grant of an Award to a Participant shall be accepted by the Participant within thirty (30) Market Days from the Date of Grant ("**Award Acceptance Period**"). The Participant may accept or refuse the whole but not part of the offer.

8.2 The Committee shall within fifteen (15) Market Days of receipt of the acceptance form acknowledge receipt thereof.

8.3 If the grant of the Award is not accepted by the Participant within the Award Acceptance Period, such offer shall upon the expiry of the Award Acceptance Period, automatically lapse and shall be null and void.

9. RELEASE OF AWARDS

9.1 As soon as reasonably practicable after the end of the relevant Performance Period, the Committee shall review the Performance Target(s) specified in respect of each Award and determine at its discretion:

- (a) whether the Performance Target(s) have been satisfied and, if so, the extent to which it has been satisfied; and
- (b) the number of Shares to be Released.

9.2 If the Committee determines in its sole discretion that the Performance Target(s) has not been satisfied or if the relevant Participant has not continued to be a Group Employee from the

Award Date up to the end of the relevant Performance Period that Award (subject to Rule 10 (Events Prior to Vesting Date)) shall lapse and be of no value and the provisions of these Rules 9.2 to 9.10 shall be of no effect.

- 9.3 The Committee shall have the discretion to determine whether the Performance Target(s) has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including but not limited to changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Target(s) if the Committee decides that a changed Performance Target would be a fairer measure of performance.
- 9.4 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date and within ten (10) Market Days of the Vesting Date, the Committee will procure the allotment of such New Shares, the purchase and/or transfer of such existing Shares (including Treasury Shares) in accordance with the Award.
- 9.5 In determining whether to issue New Shares or to transfer Shares to satisfy the Award, the Company will have the right to take into account factors such as but not limited to the number of Shares to be delivered, the prevailing market price of the Shares, the cost to the Company of either issuing New Shares or transferring Shares.
- 9.6 The Committee will procure, upon the Board's approval, the allotment or transfer to each Participant of the number of Shares which are to be Released to that Participant pursuant to an Award. Any proposed issue of New Shares will be subject to there being in force at the relevant time the requisite Shareholders' approval under the Companies Act for the issue of Shares. Any allotment of New Shares pursuant to an Award will take into account the rounding of odd lots.
- 9.7 Where New Shares are to be allotted or any Shares are to be transferred to a Participant pursuant to the Release of any Award, the Vesting Date will be a trading day falling as soon as practicable after the review by the Committee referred to in Rule 9.1 herein. On the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.
- 9.8 New Shares which are allotted and/or existing Shares (including Treasury Shares) which are transferred on the release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.
- 9.9 New Shares allotted and issued; and/or existing Shares purchased by the Company on behalf of the Participants for transfer; and/or Treasury Shares held by the Company for transfer, upon the release of an Award shall:
- (a) be subject to all the provisions of the Constitution of the Company; and
 - (b) rank for any dividend, right, allotment by other distribution the Record Date of, which is on or after the relevant Vesting Date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.
- 9.10 Shares which are allotted or transferred pursuant to the release of an Award will not (save as otherwise provided by provisions of the Listing Manual or applicable laws) be subject to any restriction against disposal or sale or any other dealings by the Participant.

10. EVENTS PRIOR TO VESTING DATE

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

- (a) misconduct or breach of term of employment contract on the part of the Participant as determined by the Committee at its discretion;
- (b) the Participant, for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) ceases to be in the employment of the Company and/or any Subsidiary or in the event the company by which the Employee is employed ceases to be a company in the Group; and/or
- (c) in the event that the Committee, in its sole and absolute discretion, deems it appropriate that such Award shall so lapse on the grounds that any of the objectives of the 2021 PSS have not been met; or
- (d) the Participant commits any breach of any of the terms of his Awards,

provided that the Awards shall be deemed not to have become void nor cease to have effect in accordance with the 2021 PSS if a Participant ceases to be employed before the release by reason of:

- (i) death of the Participant; or
- (ii) ill-health, injury, disability or accident (in each case evidenced to the satisfaction of the Committee); or
- (iii) any other ground where the release of the Award has been approved by the Committee in writing,

the Committee may waive the Vesting Period for all or any of the Awards not yet released to the Participant or his duly appointed representative(s) under any of the above stated circumstances.

10.2 In the event of a take-over offer (whether conditional or unconditional) being made for all or any part of the Shares, all Awards to the extent not yet released shall be released to all Participants and the Vesting Period waived so that they be entitled to exercise their rights under the take-over offer, on the date on which such take-over offer becomes or is declared unconditional (as the case may be).

10.3 If before the Vesting Date, any of the following occurs:

- (a) a Participant does or suffers any act or thing whereby he would or might be deprived of the legal or beneficial ownership of the Award;
- (b) a Participant commits an act of bankruptcy or is subject to a petition for bankruptcy;
- (c) a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Act;
- (d) an order for the compulsory winding-up of the Company is made;
- (e) a resolution for a voluntary winding-up (other than for amalgamation or reconstruction) of the Company being made,

the Committee may consider, at its discretion, whether or not to release any Award. If the Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period(s) which has elapsed and the extent to which the Performance Targets have been satisfied. Where such Awards are released, the Committee will, as soon as practicable after Awards have been released, procure the allotment of such New Shares and/or transfer of Treasury Shares (if any) to each Participant of the number of Shares so determined in accordance with such Award, such allotment and/or transfer to be made in accordance with the 2021 PSS.

11. SIZE AND DURATION OF THE 2021 PSS

11.1 In accordance with Rule 845(1) of the Listing Manual, the aggregate number of Shares available under the 2021 PSS, when added to all Shares, options or awards granted under any other share option scheme, share award scheme or other share-based incentive schemes of the Company then in force, shall not exceed the maximum limit of fifteen per cent. (15%) of the Company's total issued share capital (excluding Treasury Shares and Subsidiary Holdings) from time to time.

11.2 In accordance with Rule 845 of the Listing Manual:

(a) the aggregate number of Shares which may be issued and/or transferred pursuant to all Awards granted under this 2021 PSS to Controlling Shareholders and their Associates must not exceed twenty-five per cent. (25%) of all the Shares available under the 2021 PSS; and

(b) the number of Shares which may be issued and/or transferred pursuant to all Awards granted under this 2021 PSS to each Controlling Shareholder or an Associate of a Controlling Shareholder must not exceed ten per cent. (10%) of all the Shares available under the 2021 PSS.

11.3 The Company currently does not have any other share incentive scheme in force.

11.4 The 2021 PSS shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date of adoption of the 2021 PSS, provided always that the 2021 PSS may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

11.5 The 2021 PSS may be terminated at any time by the Committee, or, at the discretion of the Committee by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the 2021 PSS is so terminated, no further Awards shall be granted by the Committee hereunder.

11.6 The termination of the 2021 PSS shall not affect Awards which have been granted and accepted as provided in the 2021 PSS whether such Awards have been released (whether fully or partially) or not.

12. ADJUSTMENTS AND ALTERATIONS UNDER THE 2021 PSS

12.1 If a variation in the issued ordinary share capital of the Company (whether by way of a bonus issue, rights issue, capital reduction, subdivision or consolidation of shares or distribution or otherwise) shall take place, then the Committee may, in its absolute discretion, determine whether:

- (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 2021 PSS,

shall be adjusted and if so, in the manner in which such adjustments should be made provided that the rights of a Participant will be changed to the extent necessary to comply with the rules of any stock exchange on which the Company is listed that apply at the time of the event, including the rules that apply to a reorganisation of capital at that time, provided that:

- (i) any adjustments (other than a bonus issue) must be confirmed in writing by the Auditors to be fair and reasonable; and
- (ii) any adjustments must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

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

12.3 When any adjustment has to be made pursuant to the 2021 PSS, the Company shall notify the Participant (or his duly appointed personal representative where applicable) in writing and deliver to him (or his duly appointed personal representative where applicable) a statement setting forth the class and number of Shares and/or existing Shares (including Treasury Shares, if any) thereafter to be issued or transferred respectively on the vesting of an Award and the date on which any adjustment shall take effect.

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

13. NOTICES AND COMMUNICATIONS

13.1 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 (including electronic mail addresses), and marked for the attention of the Company, as may be notified by the Company to the Participant in writing.

13.2 Any notice or documents given by the Company to a Participant shall be sent to the Participant by hand or sent by post or delivered to him at his home address, electronic mail address stated in the records of the Company or the last known address or electronic mail address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting, or if sent by electronic mail, on the day of despatch.

14. MODIFICATIONS TO THE 2021 PSS

- 14.1 Any or all of the provisions of the 2021 PSS may be modified and/or altered at any time and from time to time by a resolution of the Board on the recommendation of the Committee, provided that:
- (a) any modification or alteration which materially and adversely alters the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if the Awards were released to them would thereby become entitled to not less than three quarters (3/4) in aggregate such number of all the Shares which would be issued in full of all outstanding Awards under the 2021 PSS, as the case may be;
 - (b) any modification or alteration (including modifications or alterations relating to matters contained in Rules 844 to 849 and 853 to 854 of the Listing Manual) which would be to the advantage of the Participants under the 2021 PSS shall be subject to the prior approval of the Company's Shareholders in general meeting; and
 - (c) no modification or alteration shall be made without due compliance with the Listing Rules and the approval of the SGX-ST and such other regulatory authorities as may be necessary.
- 14.2 The opinion of the Committee as to whether any modification or alteration would materially and adversely alter the rights attaching to any Award or be to the advantage of the Participants shall be final, binding and conclusive. For the avoidance of doubt, nothing in this Rule 14 shall affect the right of the Committee under any other provision of the 2021 PSS.
- 14.3 The Committee may at any time by a resolution (and without other formality or approval of the Participants, save for the prior approval of the SGX-ST) amend or alter 2021 PSS in any way to the extent necessary to cause the 2021 PSS to comply with any statutory provision of the provision of the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 14.4 Written notice of any modification or alteration made in accordance with the above shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

15. VOTING, DIVIDEND AND OTHER RIGHTS

Subject to the Constitution and prevailing legislation, upon the Vesting of an Award, the Company may either allot and issue New Shares or transfer Treasury Shares to the Participant. Shares which are allotted and issued or transferred (as the case may be) pursuant to the valid Vesting of an Award shall be subject to all the provisions of the Constitution of the Company and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the date of such issue or transfer of the Shares, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

16. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant shall not be affected by his participation in the 2021 PSS, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

17. TAXES

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the 2021 PSS shall be borne by the Participant.

18. COSTS AND EXPENSES OF THE 2021 PSS

18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificates(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.

18.2 Save for the taxes referred to herein and such other costs and expenses expressly provided in the 2021 PSS to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the 2021 PSS including but not limited to the fees, cost and expenses relating to the allotment and issue or transfer of Shares pursuant to the Release of any Award shall be borne by the Company.

19. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event.

20. DISCLOSURES

20.1 The following disclosures or appropriate negative statements (as applicable) will be made by the Company in its annual report for so long as the 2021 PSS continues in operation and for so long as such disclosures are required to be made by the rules of any stock exchange on which the Company is listed or any other applicable laws:

- (a) the names of the members of the Committee administering the 2021 PSS;
- (b) in respect of the following Participants of the 2021 PSS:
 - (i) Directors of the Company;
 - (ii) Controlling Shareholders of the Company and their Associates;
 - (iii) Group Employees (other than those in sub-paragraph (a) and (b) above) who receive Awards granted under the 2021 PSS which, in aggregate, represent five per cent. (5%) or more of the aggregate of the total number of Shares available under the 2021 PSS,

the following information:

Name of the Participant	Awards granted during financial year under review (including terms)	Aggregate Awards granted since commencement of the 2021 PSS to end of financial year under review	Aggregate Awards released since commencement of the 2021 PSS to end of financial year under review	Aggregate Awards not yet released as at end of financial year under review

20.2 The disclosures required by Rule 852(1)(c) of the Listing Manual will not be applicable as the Company does not have a parent company.

21. ABSTENTION FROM VOTING

21.1 Shareholders who are eligible to participate in the 2021 PSS must abstain from voting on any resolution relating to the 2021 PSS 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.

21.2 In particular, all Shareholders who are eligible to participate in the 2021 PSS shall abstain from voting on the following resolutions, where applicable:

- (a) the implementation of the 2021 PSS; and
- (b) the participation of, and grant of Awards to Controlling Shareholders and/or their Associates under the 2021 PSS.

22. 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.

23. GOVERNING LAW

The 2021 PSS shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the 2021 PSS, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

24. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

Save as set out herein, no person other than the Company or a Participant shall have the right to enforce any provision of the 2021 PSS or any Award by the virtue of the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore.